



里格律师事务所
A&Z LAW FIRM

A&Z Monthly Newsletter
February 2022

Passion - Professionalism - Collaboration

Dear Friends,

This is a monthly newsletter focusing on legal matters in China, and related issues that shape the general business environment for foreign companies operating in China.

Should you have any comments or questions, please do not hesitate to contact Ms. Anna Lukina, BD & Marketing Director at alukina@a-zlf.com.cn visit the [A&Z website](#).

Sincerely,
The Editors



Legal Updates

The General Office of the State Council Issued a Circular to Fully Implement the List Management for Administrative Licensing Items

On January 30, the General Office of the State Council has recently issued the Circular on Fully Implementing the List Management for Administrative Licensing Items (the "Circular").

A&Z Future Events

March 31, Shanghai and online

The Circular stresses that administrative licensing is an important approach for the government to manage economic and social affairs, and the full implementation of the list management for administrative licensing items marks an important move to deepen the reform of streamlining administration, delegating powers, strengthening regulation and improving services and to optimize the business environment. The Circular calls for lawfully formulating and strictly implementing the list of administrative licensing items, promoting the standardization, normalization, and facilitation of administrative licensing, strengthening the regulation of the whole process and all areas before, during and after the event, continuously improving the effectiveness of regulation, stimulating market vitality and social creativity, and driving high-quality economic and social development. The Circular also requires that the list of administrative licensing items shall be formulated pursuant to the law. The List of Administrative Licensing Items Identified by Laws, Administrative Regulations, and the Decisions of the State Council (2022 Version) is released, and it is required that the list of administrative licensing items at the provincial, city and county levels shall be formulated and published by the end of 2022, and all lawfully identified administrative licensing items shall be subject to list management.

Shanghai Releases its First Guidelines on Corporate Data Compliance

On February 7, the Yangpu District People's Procuratorate of Shanghai released the municipality's first Guidelines on Corporate Data Compliance (the "Guideline"), together with the Municipal Information Service Industry Association, the Municipal Expert Panel on Data Compliance and Security Industry Development and the Yangpu Federation of Industry and Commerce.

Comprised of 38 articles set out in six chapters along the lines of compliance structure and risk identification and mitigation, the Guidelines are intended to help enterprises to step up data compliance management in terms of data compliance management systems, data-related risk identification, data-related risk assessment and mitigation, and data compliance operations and safeguard. In the Guidelines, the authorities also encourage enterprises to set up a dedicated department for data compliance management or integrate this function into their existing corporate compliance management system.

MIIT Seeks Comments on the Administrative Measures for Data Security in the Field of Industry and Information Technology

On February 10, the Ministry of Industry and Information Technology ("MIIT") issued the Administrative Measures for Data Security in the Field of Industry and Information Technology (for Trial Implementation) (Draft for Public Comment) (the "Draft for Comment") to solicit opinions from the public once again by February 21, 2022.

The Draft for Comment clarifies the definition of "data in the field of industry and information technology", including industrial data, telecommunications data and radio data, industrial data refers to the data generated and collected in the process of research and development design, manufacturing, management, operation and maintenance, platform operations in various fields of industry. The Draft for Comments requires that data processors in the field of



Risks you might be facing without knowing it

What corporate risks are you worried about for your China business? Experienced legal and tax professionals from A&Z Law Firm and WTS China will bring you tangible solutions and real case studies. They will focus on topics linked to international trade, import valuation, royalty assessment, export control and the latest data protection measures.

Date: MARCH 31ST, 2022
Time: 10 to 12 AM - CET
4 to 6 PM - China

Keynote Speakers

Moderator

Register Here

WTS China
WERNERSON
CORPORATE
BUSINESS CHINA

A&Z LAW FIRM

ANDREW ZHANG
Senior Partner
A&Z Law Firm

HELENA
W
Managing Partner
WTS China

LEI
Founder & CEO
WTS China

WTS China
WERNERSON
CORPORATE
BUSINESS CHINA

Mr. Andrew Zhang, Senior Partner at A&Z Law Firm will be speaking at the webinar "Risks you might be facing without knowing it". Co-organized with WTS China, full service specialist in tax advisory, the professionals from both firms will address the topic of corporate risks when doing business in China. These experienced legal and tax professionals will bring you tangible solutions and real case studies, focusing on topics linked to international trade, import valuation, royalty assessment, export control and the latest data protection measures. **Scan the QR to register!**

March 10, Shanghai and online

Ms. Elena Gomez from A&Z Law firm will participate in the online event "Chinese fashion market: distribution, online commerce, brand promotion and product regulation". Held in Spanish, it is aimed at Spanish companies entering the Chinese market, and various speakers will also include companies with subsidiaries in China sharing their experiences. Ms. Gomez will participate by explaining issues related to company registration, trademark registration and how to address problems related to counterfeiting.

industry and information technology should regularly sort out data, identify important data and core data in accordance with relevant standards and specifications and form catalogues, then file them to the relevant departments. In addition, the Draft for Comment points out that, important data and core data collected and generated by data processors within the territory of the People's Republic of China shall be stored in China if it is required to do so by laws and administrative regulations, and such data shall undergo a security assessment for data cross-border transfer in accordance with laws and regulations if it's truly necessary to provide it outside China.

Shanghai Lingang Special Area Launches a Foreign Exchange Management Reform Pilot Project at a High-level Opening-up of Cross-border Trade and Investment

On February 14, Shanghai Lingang Special Area held a kick-off meeting regarding the carrying out the pilot project of the reform of foreign exchange management of cross-border trade and investment at a high level of opening-up. The Shanghai branch of the State Administration of Foreign Exchange and Lingang Special Area Management Committee signed a memorandum of cooperation, and representatives of 12 pilot banks and key customers signed a pilot project start-up cooperation letter.

The pilot project covers 9 capital account reform measures and 4 current account facilitation measures. In terms of broadening the cross-border investment and financing channels for enterprises, it includes four measures: launching a pilot project to facilitate foreign debt of non-financial enterprises; supporting cross-border investment of the cross-border equity investment funds; prudently opening up cross-border asset transfer business as well as carrying out integrated capital pool business of multinational companies in domestic and foreign currencies. The implementation of the reform of "streamlining administration, delegating powers, strengthening regulation and improving services" includes six measures: facilitating the receipt and payment of funds for current account, supporting banks to optimize new types of international trade settlements, expanding the scope of the enterprises applicable to the settlement of the netting of trade balance in an orderly manner, abolishing the registration of special refunds for trade in goods, exempting foreign-invested enterprises from registration for domestic reinvestment, and registering the major foreign exchange business under the capital account by banks. The relaxation of capital account exchange restrictions, including three measures: expanding the scope of the use of capital account income, moderately allowing enterprises to choose their own cross-border investment and financing currency matching, moderately increasing the scale of non-financial enterprises' overseas lending ceiling.

SAMR Seeks Comments on Administrative Measures for Risk Grading of Food Manufacturing Enterprises

On February 17, the State Administration for Market Regulation ("SAMR") drafted the Administrative Measures for Risk Grading of Food Manufacturing Enterprises (Draft for Comment) (the "Draft for Comment") to solicit public opinions by March 18, 2022.

The Draft for Comment specifies that the market regulation authorities shall determine the risk level of the food manufacturing

A&Z Past Events

February 25, Shanghai



A&Z Law Firm was delighted to co-organize the roundtable discussion "China's border re-opening: steps for success", together with the Shanghai Institutes for International Studies (SIIS). We had the pleasure of welcoming representatives from MNCs, Chambers of Commerce, Trade Organizations and the P.R. China government organizations. The focus of this session was on sharing suggestions and questions regarding COVID-19 response and policies, and the best scenarios for an effective and economically successful re-opening of China's borders, as well as the next steps for foreign companies' operations strategies.

January 27, Shanghai and online



To say goodbye to the old year and welcome the new year, that day A&Z Law Firm held its Company Annual Gala. All staff members from the Shanghai Head Office attended the Gala, and staff members from the Dalian, Wuhan and Tokyo offices attended the event online. During the Gala, Ms.

enterprises based on their food security static risk factors, dynamic risk factors and general credit risk factors, subject to dynamic adjustments. The food manufacturing enterprises will be graded into four levels in terms of their risk level, namely, Level A, Level B, Level C and Level D, from bottom to top. The Draft for Comment further clarifies that the market regulation authorities shall, based on the result of risk grading, carry out regulation of the food manufacturing enterprises with a high-risk level on a priority basis, and shall realize the scientific allocation and effective utilization of regulation resources. Among others, Level D food manufacturing enterprises will be subject to at least three supervisory inspections annually, in principle.

Shanghai Municipal Commission of Commerce Releases the Measures of Shanghai Municipality on Advancing High-quality Implementation of Regional Comprehensive Economic Partnership (RCEP)

On February 18, the Shanghai Municipal Commission of Commerce recently released the Measures of Shanghai Municipality on Advancing High-quality Implementation of Regional Comprehensive Economic Partnership (RCEP) (The "Measures") .

The Measures, set out in a total of 22 tasks, are designed to advance high-quality development of goods trade, accelerate innovative growth of services trade, deepen two-way investment partnership, build sophisticated regional partnership platforms, improve services provided to enterprises and create the best business environment. In addition, the Measures are also intended to promote the integration of cross-border e-commerce platforms within RCEP member countries and to encourage the platforms in RCEP member countries to build operations in Shanghai. Manufacturing and trade companies in Shanghai are encouraged to operate through these platforms to expand international trade of textile & clothing, cosmetics and high-end consumer goods.

MOF and Other 7 Authorities Adjust the List of Cross-border E-commerce Retail Imports from March 1

On February 21, eight authorities including the Ministry of Finance ("MOF") have jointly issued the Announcement on Adjusting the List of Cross-border E-commerce Retail Imports (the "Announcement").

The Announcement states that China will optimize and adjust, from March 1, 2022, the List of Cross-border E-commerce Retail Imports (2019 Edition), adding 29 items of products in high demand in recent years, such as ski equipment, household dishwashers and tomato juice, on the basis of the list of 2019 edition. In the meantime, the tariff schedules and tax items of some products are adjusted according to the changes in China's tariff schedules and tax items in recent years, and the remarks of some products are adjusted and optimized according to regulatory requirements. After this optimization and adjustment, the number of products on the list will reach 1476.

In addition, as early as February 8, the State Council of China issued a statement, approving the establishment of more cross-border e-commerce pilot zones in 27 cities and regions, including Erdos in Inner Mongolia and Yangzhou in Jiangsu Province. Now, the total number of pilot zones has reached 132, covering almost all provincial-level regions in China from coastal industrial

Sophie An, the Principal Partner of A&Z Law Firm, and other senior partners offered New Year greetings to the entire firm and wished everyone a successful year ahead.

About A&Z Law Firm

A&Z is a leading Chinese law firm, which employs over 50 experts composed of a team of professionals comprising attorneys, legal assistants, Japanese translators, client managers, and business specialists across 5 offices in 11 legal practices. Having been active in Shanghai since 2004, A&Z's presence was expanded through the establishment of offices in Beijing, Dalian, Wuhan, and Tokyo. A&Z focuses on advising multi-national groups, major corporations, banks, and SMEs on various legal issues relevant to their business endeavors.

A&Z's practices include Foreign Investment, Overseas Investment, Competition and Antitrust, Intellectual Property, M&A and Corporate Restructuring, Labour and Social Security, Dispute Resolution, Compliance and CSR, Finance and Capital Markets, Customs Logistics and Maritime Commerce, and Environment, Health and Safety (EHS).

powerhouses such as Jiangsu, Zhejiang and Guangdong to inland areas.

Industry News

China's JD.com CEO joins billionaire charity rush with \$2.3 bln share pledge

Reuters, February 2

Economic Watch: Chinese ring in Year of the Tiger with special shopping spree

Xinhua, February 4

China's e-commerce hubs see surging exports via int'l freight trains

Xinhua, February 7

China says U.S. tariff extension on solar products hurts new energy trade

Reuters, February 8

China fell far short of promises it made to purchase American goods

New York Times, February 8

Adidas says will grow in China in 2022

February 17, Reuters

Exclusive: Tesla plans new Shanghai plant to more than double China capacity – sources

Reuters, February 24

China Mobile drives new tech, pioneers novel applications

China Daily, February 25

China sees biggest growth in energy and coal use since 2011

Reuters, February 28

Global economy: Asia's factory activity grows but Ukraine crisis clouds outlook

Reuters, March 1

The information contained in this Newsletter is for reference on matters of interest only, and is not intended to be comprehensive. Although we try to ensure accuracy, please note that the application and impact of laws can vary based on contextual and circumstantial variables. Before taking any action, please ensure that you obtain professional advice specific to your circumstances.

There are numerous ways for you to keep up-to-date with legal updates, A&Z's practice, and valuable events.

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