

A&Z Monthly Newsletter March 2017

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. Mireia Paulo at mpaulo@a-zlf.com.cn, or visit A&Z website.

Sincerely,

The Editors

Legal Updates

• AQSIQ Regulates the Credit Management of Enterprises Subject to Entry-Exit Inspection and Quarantine.

The General Administration of Quality Supervision, Inspection and Quarantine ("AQSIQ") recently issued the 2017 Work Guidelines for the Credit Management of Enterprises Subject to Entry-Exit Inspection and Quarantine (the "Guidelines"). The Guidelines state that credit management will be jointly performed through a unified platform against enterprises which operate import and export business in China. The contents of the Guidelines include the collection of credit information, credit rating, application of rating results, supervision, and administration among others. The Guidelines will affect the inspection and quarantine measures in respect of announcing the approval license, declaring for release, performing inspection and quarantine, and imposing routine regulation, which will be faced by the import and export enterprises under different credit levels.

 The Circular on Abolishing and Adjusting Policies Relating to Certain Government-managed Funds.

The Ministry of Finance ("MOF") has issued the Circular on Abolishing and Adjusting Policies Relating to Certain Government-managed Funds (the "Circular") on March 15, 2017. The Circular will take effect on April 1, 2017.

A&Z Past events



30 March, Shanghai

Koehler Group invited Mireia Paulo, Director of the European-American Market and Overseas Investment Projects was at A&Z Law Firm, to be a guest speaker at the seminars about 'Expansion into China'. Within the topic, Mireia addressed 'Anti-bribery and anti-corruption regulation and enforcement in China.'

Learn more

A&Z Past events



28 March, Shanghai

A&Z Law Firm with its European Correspondent Office 'Flieger Law Office' hosted a seminar on "Money Laundry in overseas According to the Circular, the "urban utilities surcharge" and the "special fund for new wall materials" shall be abolished. Moreover, the policy on collecting "employment guarantee funds for the disabled" shall be adjusted as follows:

- expand the scope of exemption of employment guarantee funds for the disabled;
- set an upper limit on the standards for collecting employment guarantee funds for the disabled.
 - Opinion of the State Council on Cracking Down the Infringement of Intellectual Properties and Manufacturing and Sale of Fake and Substandard Products under New Situation.

On March 9, 2017, the State Council of the People's Republic of China announced in its opinion its Cracking Down on the Infringement of Intellectual Properties and Manufacturing and Sale of Fake and Substandard Products ('Counterfeits') under the New Situation. The aim of this Opinion is to further strengthen the work against counterfeits, to protect the implementation of National Intellectual Property Strategies, and to safeguard the equal and competitive market order.

In the Opinion, the State Council put forward specific requirements from certain perspectives, including: promoting the coordination of enforcement by trans-regional authorities; enhancing the capacity of market regulation, precaution and prevention; facilitating the improvement of legal standards and the judicial protection system; establishing a new participatory working pattern; advancing the degree of international communication and cooperation; and strengthening the organization of leadership.

 NDRC Issues Administrative Measures for Approval and Record-filing of Enterprise Invested Projects.

On March 8, 2017, the National Development and Reform Commission ("NDRC") distributed the Administrative Measures for Approval and Record-filing of Enterprise-Invested Projects (the "Measures") which will go into effect as of April 8, 2017.

The Measures provide that enterprise-invested projects are subject to the administration by approval or by record-filing respectively. Projects concerning state security, or involving significant national productivity layouts, the development of strategic resources, or major public interests among others, shall be subject to the administration by approval, whereas other projects are subject to the administration by record-filing. The Measures make it clear that enterprises shall make decisions at their discretion on the bearing of risks for a projects' market prospects and economic benefits, while organs responsible for the approval or record-filing of projects and other administrative organs shall not illegally interfere with an enterprises' independence in investments.

A&Z Legal Opinion

Could information in WeChat be presented as evidence in a labor dispute case?

Labor and Compliance Department Lucy Weng

WeChat ("Weixin") has become one of the most important communication tools in China, acting as a mobile operating and management platform to some companies.

However, when labor disputes arise between employees and employers, is it possible for information in WeChat be accepted as evidence? <u>Read More.</u>

investment operations from a legal perspective". Within the topic, speakers addressed 'Money Laundering from a global perspective' and 'Foreign Exchange Control and Overseas Investment.'

Learn more



9 March, Shanghai

The 'First Tokyo Bar Association' was invited by the 'Shanghai Bar Association' to visit Shanghai. Their first stop was A&Z Law Firm's offices, where the First Tokyo Bar Association and the Shanghai Bar Association held a seminar on Practical Issues of Competition and Antimonopoly Laws.

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5 March, Shanghai

A&Z Law Firm was awarded with First Prize for Aiding Students of the year 2016 in the 2017 ceremony of China's Legal Professional Public Welfare Forum and the First Session of the Legal Professional Winner List for the Public Welfare event.

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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

Hainan to build all-in transport system



China Daily, 24 March

Hainan will build a multi-model transportation system with seamless connections and zero transfers. The aim is to upgrade the island's infrastructure as a world-class international tourism destination. Hainan will kick off construction of a new airport in Sanya and a coastal highway will also be built. Hainan will strive to advance the integration of ports and shipping businesses in the Qiongzhou Strait while air routes are set to increase too.

<u>Chinese premier pledges to join Australia in promoting economic globalization</u>



Xinhuanet, 24 March

Premier Li Keqiang met with Australian Prime Minister Malcolm Turnbull at the Parliamentary House in Canberra, Australia, on March 23, 2017. Li said China will work with Australia to further boost bilateral trade.

China and Australia will work together to safeguard the current global trade system while China further opens to the rest of the world. China is set to take action to send a positive signal of promoting trade liberalization and investment, Premier Li Keqiang said on that day.

Shanghai: Employment permit services moved online Shanghai Government, 22 March 2017

Administrative outlets where Shanghainese companies used to apply for employment permits for foreign workers closed permanently from 5pm, March 24. Companies can now submit applications via the-bureau-website. Companies will need to register as users on this new system and provide the required information and materials concerning their foreign employees. Applications for permit renewal must be sent 30 days before permit expiration, but no earlier than 90 days before the expiration date.

<u>Guangdong Patent Agency Association Held 2017 Annual Conference in Guangzhou</u>

China Intellectual Property Rights Protection (IPR in China), 21 March

Law to aid film industry growth China Daily, 21 March

First E-Commerce Platform for IPR Protection System in Jiangsu Started Operation IPR in China, 16 March

China Daily, 14 March

China: Top 9 Priorities of Govt for 2017 China Daily, 6 March specialists across 5 offices in 11 jurisdictions. 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 Dispute Social Security, Resolution, Compliance and CSR, Finance and Capital Markets, Customs Logistics and Maritime Commerce, and Environment, Health and Safety (EHS).

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.

A&Z welcomes any and all questions pursuant hereto. For this reason, we recommend that you directly contact one of our attorneys in assisting you to address your needs.

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