



A&Z LAW FIRM

A&Z Monthly Newsletter

July 2018

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

- [GAC Clarifies Matters on the Electronization of Inspection and Quarantine Documents](#)

The General Administration of Customs ("GAC") recently issued the Announcement on the Electronization of Inspection and Quarantine Documents (the "Announcement"), effective from August 1, 2018. The Announcement states that, in applying to customs for going through inspection and quarantine formalities, the applicant may provide information using electronic documents as requested, and does not have to submit written documents when filing the application. Where documents issued by domestic and foreign authorities or institutions can be verified through interconnected intranets or checked on the internet, the applicant only has to input the numbers of these documents; however, if these documents cannot be verified through interconnected intranets or checked on the internet, the applicant needs to submit scanned copies of the documents. Moreover, the Announcement notes that the applicant must ensure that: information on the electronic documents is truthful and valid; the formats of submitted scanned copies are consistent with the requirements of customs; and, relevant written documents are kept as required. Furthermore, the Announcement expressly states that, where it is necessary to check the written documents according to customs regulation, for the sake of risk controls and endorsement operations, the applicant must provide the additionally requested relevant written documents.

A&Z Past events

[July 26, 2018 | Shanghai](#)

Director of the European-American Markets and Overseas Investment Projects, Ms. Mireia Paulo, was invited to speak at the 3rd Seminar on Shopping Reinvented in China Through E-commerce, at the Children Baby Maternity Expo China 2018. She was one of the guest speakers on the topic of 'E-commerce & Infant Products: A Legal Perspective', giving legal advice on the issues of Customs and Inspection, and products labelling, with regard to infant products.

[July 12, 2018 | Shanghai](#)

A&Z Law Firm Managing Director, Ms. Sophie An, attended the forum of Regulations on the Management of Domestic Waste in Shanghai (Draft), held by the Shanghai Bureau and the Municipal Bureau for the Administration of City Greening. Attendees listened to the suggestions of the express delivery enterprises of Shanghai on the topic of reducing express packaging materials, in order to actively promote the concept of the industry's green development.

[July 11, 2018 | Shanghai](#)

Ms. Sophie An, A&Z Law Firm Managing Director, participated in the launching

- [NDRC Seeks Opinions on the Administrative Provisions for Investment in the Automobile Industry](#)

The National Development and Reform Commission ("NDRC") has recently drafted and released the Administrative Provisions for Investment in the Automobile Industry (Draft for Comment) (the "Draft for Comment") to seek public opinions by August 4, 2018. The Draft for Comment, comprising 44 articles in nine chapters, deals with the investment direction, investment projects in finished oil-powered vehicles, investment projects in finished blade electric vehicles (BEV), and other investment projects. It also deals with administration by approval and record-filing for projects, supervision and administration of projects, monitoring and pre-warning of capacity, and so on. The Draft for Comment applies to automobile investment projects carried out by various market players within the territory of China. Further, it expressly states that an investment project proposed to set up a new independent BEV manufacturer shall not be carried out in a province falling under any of three circumstances, such as provinces "where the ratio of the local ownership of new energy vehicles is lower than the national average level". Moreover, the Draft for Comment provides that, for significant new construction projects for vehicles, mergers and reorganization, and equity change projects, any of which may have a bearing on industry security, relevant departments shall open antitrust investigations in good time, in accordance with relevant rules. Where such projects involve foreign investment, it is also necessary to carry out security reviews as required.

- [Special Administrative Measures \(Negative List\) for Foreign Investment Access in Pilot FTZs \(2018 Edition\) Issued](#)

The National Development and Reform Commission ("NDRC") and the Ministry of Commerce ("MOFCOM") have recently issued the Special Administrative Measures (Negative List) for Foreign Investment Access in Pilot Free Trade Zones (2018 Edition) (the "Negative List"), with effect from July 30, 2018.

The Negative List, shortened from 95 articles in the 2017 edition to 45 articles in the latest edition, is intended to remove or ease limits on foreign investment access in a wider range of sectors on a pilot basis. In the agriculture sector, for the selection and cultivation of new varieties of wheat and corn, as well as the production of seeds of the same, the limit on the foreign shareholding proportion is relaxed to be a maximum of 66 percent, rather than the previous maximum of 49 percent. In terms of the mining sector, the previous restriction that the exploration and exploitation of oil and natural gas is only permitted through joint ventures and cooperatives is now abolished, and a ban on investment in the smelting and processing of radioactive minerals and the production of nuclear fuels has also been cancelled. In the culture sector, the former limit on foreign shareholding in performance brokerage institutions has been lifted, and investment in cultural and artistic performance groups is no longer prohibited as long as such groups are controlled by Chinese parties. Furthermore, opening-up measures in the value-added telecommunications sector, previously piloted only within the original 28.8 square kilometers of the Shanghai Pilot Free Trade Zone (FTZ), will be promoted more extensively to all pilot FTZs.

Industry News

[New enforcement rules for asset management products further clarify standards and ease concerns](#)

China Daily, 24 July 2018

[Vaccine company paid bribes: Courts report 10 cases in which purchasers were offered money](#)

China Daily, 24 July 2018

[China Tower plans \\$8b IPO in Hong Kong](#)

China Daily, 24 July 2018

[Guizhou reports fastest GDP growth rate in H1](#)

ceremony of the Taiwan Young Legal Talents Practice Base in Jing An district, Shanghai. This year's launching ceremony is based on the principles of being stronger and more sophisticated, aiming to achieve the target of 'more standardized, more systematic, and more integrated' while concurrently strengthening interaction and exchanges between students in Taiwan and Mainland China.

[July 5, 2018 | Shanghai](#)

Managing Director of A&Z Law Firm, Ms. Sophie An, represented the Shanghai Public Diplomacy Association and joined domestic and foreign experts and scholars at the Seminar on Chinese Enterprises Going to the ASEAN. Topics covered included business opportunities presented by China's "Belt and Road" initiative, the business environment within ASEAN countries, and advice for businesses entering ASEAN.

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 jurisdictions. Having been active in Shanghai since 2004, A&Z's presence was expanded through the establishment of offices in Beijing, Dalian, Wuhan, and

China Daily, 24 July 2018

[China officially greenlights virtual telecom operator businesses](#)
China Daily, 23 July 2018

[China sees fast growth in industrial robot production](#)
China Daily, 23 July 2018

[Global bond markets stabilise after jump in yields: Asia bourses mirror US gains, while Chinese renminbi continues to weaken](#)
Financial Times, 24 July 2018

[China's \\$74bn cash injection highlights growth worries](#)
Financial Times, 23 July 2018

[China refutes US allegations of currency manipulation](#)
Xinhuanet, 24 July 2018

[China to conduct grain storage audits](#)
Xinhuanet, 23 July 2018

[Israeli exports to China hit record high in H1](#)
Xinhuanet, 23 July 2018

[Shares of China vaccine maker Changsheng plunge again after police launch probe](#)
The Globe and Mail, 23 July 2018

[China's latest trade partner in Africa could help it export to the US: Senegal is first west African country to sign up to China's belt and road initiative](#)
CNBC, 23 July 2018

[Chinese money pours into Brazil as US trade war bites, with US\\$54 billion across 100 projects](#)
South China Morning Post, 24 July 2018

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).

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.

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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Scan the QR Code to subscribe to A&Z's Labour and Compliance Department WeChat account: **laodonghegui**



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