



A&Z LAW FIRM

## A&Z Monthly Newsletter

September 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](mailto:mpaulo@a-zlf.com.cn), or visit [A&Z website](#).

Sincerely,

The Editors

### Legal Updates

- [GAC to Officially Start the Sino-Israel Customs AEO Mutual Recognition from October 1](#)

The announcement states that, the customs offices of China and Israel will mutually recognize each other's "AEOs" and facilitate the customs clearance of goods imported from each other's AEOs. Such measures include reducing the inspection rate of imports, clearing customs first for imports, designating customs officers to deal with affairs relating to customs clearance of goods for members under each other's scheme; and helping handle formalities first after the resumption of trade interruption.

The General Administration of Customs ("GAC") has recently issued the Announcement [2018] No.116, deciding to officially implement the Arrangement of the General Administration of Customs of the People's Republic of China and the Israel Tax Authority under the Ministry of Finance of the State of Israel on the Mutual Recognition of the Enterprise Credit Management System of the Customs of the PRC and the Authorized Economic Operator (AEO) System of the Israel Customs, beginning from October 1, 2018.

- [State Council's Customs Tariff Commission Announces Additional Tariffs on \\$60 Billion of US Imports](#)

The Customs Tariff Commission of the State Council has recently distributed the Announcement on Imposing Additional Tariffs on Approximately USD 60 Billion Worth of Imported Goods Originating

### A&Z Upcoming events

#### **28-29 October, Istanbul Turkey**

A&Z Law Firm, as CEE Attorneys' exclusive partner in China, will participate in the annual meeting of this international legal network. The meeting will be focused on promoting business cooperation opportunities between China, and Central and Eastern Europe. A&Z's Overseas Investment Team's representatives will exchange views with their legal partners to facilitate doing business in both areas.

#### **27 October, Shanghai**

A&Z's Annual Golf Tournament, the traditional event of A&Z Law Firm, will be held at Agile Binhai Golf Club. A&Z will invite clients, partners and friends to participate in this event. The golf game not only provides A&Z lawyers and partners the opportunity to celebrate an exciting day on the course, but also offers an environment for strengthening relationships and business cooperation.

#### **18 October, Beijing**

Mr. Andrew Zhang, Partner at A&Z Law Firm, will be invited to participate in an international conference regarding Cross-Border Investment and M&A. The event will take place in Beijing. Mr. Zhang will present potential risks when Chinese companies invest abroad in

from the U.S. (the "Announcement").

The Announcement states that:

(1) Additional tariffs will be levied on commodities placed on the lists of US imports subject to additional tariffs, affixed to the Announcement of the Customs Tariff Commission [2018] No.6, effective from September 24, 2018. Particularly, 10% additional tariffs on 2,493 goods listed in the Appendix I and 1,078 goods listed in the Appendix II, and 5% additional tariffs on 974 goods listed in the Appendix III and 662 goods listed in the Appendix IV.

(2) Other affairs shall be subject to provisions of the Announcement of the Customs Tariff Commission [2018] No.6.

- [AMAC Permits Hong Kong Institutions Offering Consulting Services for Investment in HK Stocks to File the Record on the Mainland](#)

The Asset Management Association of China ("AMAC") has recently issued the Circular on the Record-filing for Hong Kong Institutions Offering Consulting Services for Investment in Hong Kong Stocks (the "Circular"), immediately effective from the issue date.

The Circular states that, the AMAC plans to kick off the record-filing program soon for basic information on Hong Kong (HK) institutions that render consulting services for investment in HK stocks. During the initial record-filing, the HK institution is required to submit the scanned copies of all documents specified on the List of Materials for Record-filing of HK Institutions, complete the Record-filing Form on Basic Information of a HK Institution, and ensure the truthfulness, accuracy, completeness and validity of the contents of all materials it submits for the record-filing purpose. Moreover, each HK institution shall file a record on a yearly basis to update its information within six months after the end of every calendar year.

- [MOT to Scrap the Administrative Provisions on Foreign-invested Road Transport Business](#)

The Ministry of Transport ("MOT") has recently issued the Circular on Publishing Results on the Clear-up of Policies and Measures with Effects of Eliminating and Restricting Competition (the "Circular").

The Circular states that, the MOT has organized efforts to straighten out existing policies and measures that eliminate and restrict competition. The results on this clearing-up work are hereby published as below. First, one rule titled the Administrative Provisions on Foreign-invested Road Transport Business will be scrapped, while another four rules, including the Administrative Measures for the Examination and Approval of Wholly Foreign-Owned Shipping Service Companies, will be revised. Second, it is decided to abolish six normative documents and update another five ones. For rules to be abolished or revised, efforts at the abolishment and amendment shall be made under the legislative procedures. As to those normative documents to be repealed, they will no longer apply immediately from the issue date of this Circular; and those to be revised will be re-published and implemented later after they have been amended through careful studies.

- [MIIT Calls for Tightened Regulation in the Market of Registration Services for Domestic Domain Names](#)

The Information Communication Authority of the Ministry of Industry and Information Technology ("MIIT") has recently released the Circular on Further Tightening Regulation in the Market of Registration Services for Domestic Domain Names (the "Circular").

The Circular proposes to further work on the entry management and further intensify the market regulation. All communication authorities shall, as required in the Administrative Measures for Internet Domain Names, work on granting licenses to domain name registration service agencies within the local jurisdiction. They also urge licensed domain name registration service agencies to update domain name registration service items in time, and those agencies that have not been licensed to carry out domain name registration services are urged to go through relevant licensing formalities by October 31, 2018, 12 months prior to the coming into force of such measures. From November 1, 2018, a program will be conducted to severely crack down on any agency that is found offering services beyond the licensed scope or without obtaining the license.

relation to the recent European General Data Protection Regulation (GDPR).

## A&Z Past events

### 18 September 2018, Shanghai

Ms. Sophie An, Director and Principal Partner at A&Z Law Firm, gave a lecture regarding legal risks in IPOs of pharmaceutical enterprises in JinShan District. Practical legal suggestions for pharmaceutical enterprises were provided, especially in the areas of environment and intellectual property.

### 27 August – 1 September 2018, Beijing

Ms. Sophie An, Director and Principal Partner at A&Z Law Firm, attended the 10th National Congress of Returned Overseas Chinese and Relatives. The Congress reviewed and summarized the work of the Federation of Returned Overseas Chinese since the 9th Congress, researched and deployed its tasks for the next five years, amended the regulations of the Federation, and elected a new team of committee members and leading bodies.

[Silk Road passenger train planned between Antwerp, Shanghai](#)  
China Daily, 28 September 2018

['China sees stable growth in external debt in Q2'](#)  
Xinhuanet, 28 September 2018

['Europe, China increase cooperation despite specter of rising protectionism'](#)  
Xinhuanet, 28 September 2018

['Tencent's WeChat Pay enters Hong Kong market'](#)  
Asia Times, 27 September 2018

[China to improve financial supervision, reform vaccine production](#)  
Reuters, 21st September 2018

['WTO arbitrator to review China's request for retaliation against U.S. imports'](#)  
Xinhuanet, 21 September 2018

['China remains Dubai's biggest trade partner in H1'](#)  
Xinhuanet, 19 September 2018

[China central bank warns investors of ICOs and virtual currency risks](#)  
Reuters, 19th September 2018

['China willing to share opportunities in digital economy: Xi'](#)  
Sina News, 17 September 2018

[Asia-Pacific region's share of global GDP rises to over 42 pct in 2017: ADB'](#)  
Sina News, 10 September 2018

['Trading of Chinese yuan to be allowed on wider range'](#)  
Sina News, 8 September 2018

['SIPO Accepts First Applications on Protecting Geographical Indication Products from EU'](#)  
SIPO, 7 September 2018

['MOHRSS Clarifies Matters Concerning Employment of Hong Kong, Macao and Major China ports will impose ship emissions rules earlier than expected'](#)  
Reuters, 5th September

[Taiwan Residents in the Chinese Mainland After Cancellation of Employment Permits'](#)  
MOHRSS, 23 August 2018

#### 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 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:

Visit our website: [www.A-ZLF.com.cn](http://www.A-ZLF.com.cn)

Scan the QR Code to subscribe to A&Z's WeChat account: **ligeHello**

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



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