



A&Z LAW FIRM

A&Z Monthly Newsletter

January 2020

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

China and US Sign Phase One Trade Deal [Read more](#)

China and the United States formally signed their phase-one economic and trade agreement in Washington on January 15, 2020. The agreement has eight chapters. In the chapter of financial services there are 24 articles, involving banking services, credit rating, electronic payment, financial asset management, insurance, as well as securities, fund management and futures. China pledges to ease market access restrictions in the financial industry, and lower foreign shareholding limits and business restrictions at insurance, securities, fund and futures companies. The U.S. confirms that it will grant non-discriminatory treatment to China's rating service providers and electronic payment service providers.

Six Authorities Order to Further Expand the Pilot Scope of Cross-border E-commerce Retail Import [Read more](#)

With the approval of the State Council, the Ministry of Commerce, the National Development and Reform Commission and other ministries have jointly issued on January 17, 2020, the Circular on Expanding the Cross-border E-commerce Retail Import Pilot, in a move to implement the decision and deployment of the State Council on further expanding the cross-border e-commerce retail import pilot. The Circular incorporated 50 cities (regions) including Shijiazhuang and the island of Hainan into the pilot scope, clarifying that relevant cities and regions may carry out bond entry for online shopping from the date of issue of the Circular.

Three Authorities Implement Administrative Measures for Imported Medicinal Materials [Read more](#)

The National Medical Products Administration, the General Administration of Customs and the State Administration for Market Regulation released on January 16, 2020 the announcement about "Implementing the Administrative Measures for Imported Medicinal Materials". The document made a detailed analysis of the requirements regarding the application and approval of imported medicinal materials, the registration procedure and customs inspection of imported medicinal materials.

SAFE Enhances Foreign Exchange Risk Management of Overseas Investors [Read more](#)

The State Administration of Foreign Exchange recently released the Circular about "Optimizing Foreign Exchange Risk Management of

A&Z Upcoming Events

20 February, Shanghai

Ms. Sophie An, Principal Partner, and Mr. Vincent Zhu, Director and Senior Partner at A&Z, will attend the reception celebrating the Birthday of His Majesty the Emperor of Japan to be hosted by the Consulate General of Japan.

20 February, Shanghai

Mr. Peter Zeng, Executive Director and Senior Partner at A&Z, will conduct a seminar on improving compliance at an MNC.

17 February, Japan

Ms. Han Xiao, Chief Operating Officer (COO) at the A&Z Tokyo office, has been invited to attend the "World Economic and Financial Symposium 2020". The International Symposium is organized by the China Enterprise Association in Japan and Mizuho bank in Japan.

A&Z Past Events

17 January, Shanghai

On behalf of the members of the Social and Scientific Committee of the Shanghai CPPCCC, Ms. Sophie An, Principal Partner at A&Z, delivered a speech at the plenary session of the 13th session. Also, Ms. An's talk on "the construction of Yangtze River Delta integration demonstration zone can take "life integration" as the entry point" was included in the report of this Shanghai Political Consultative Congress. [Read more](#)

17 January, Japan

Ms. Han Xiao, COO at A&Z Tokyo office, was invited to attend the New Year's reception held by the Chinese Chamber of Commerce. During the reception,

Foreign Institutional Investors in the Interbank Bond Market”. According to the circular, foreign investors can use foreign-exchange derivatives to hedge against risk exposures in the interbank bond market. Bank investors and non-bank investors can choose one channel to conduct its foreign exchange derivative transactions. The circular will be implemented from February 1, 2020. While the Circular of the State Administration of Foreign Exchange on “Relevant Issues concerning the Foreign Exchange Risk Management of Foreign Institutional Investors in the Interbank Bond Market” will be repealed.

Five Authorities Adjust Tax Policies for Import of Major Technological Equipment [Read more](#)

Five authorities including the Ministry of Finance, the General Administration of Customs and the State Taxation Administration issued a circular on the Administrative Measures for Tax Policies on Imported Major Technological Equipment, which has taken immediate effect. According to the regulation, eligible companies and nuclear project owners can enjoy tariff and value-added tax exemptions when they import some key parts, components and materials in order to manufacture major technological equipment or products. In the meantime, the Circular on Adjusting the Import Tax Policies for Major Technological Equipment and the Circular about Adjusting the Catalogue and Provisions on the Import Tax Policies for Major Technological Equipment have been adjusted.

SAMR to Intensify Law Enforcement against Monopoly and Unfair Competition [Read more](#)

The State Administration for Market Regulation released on January 2, 2020, the Opinions about Implementing the Regulation for Optimizing Business Environment. The document put forward 25 articles from five aspects, including deepening business system reform, creating favourable and convenient market access environment, lawfully and equally protecting all market entities, and building a fair and orderly environment for market competition.

The document stressed that law enforcement departments should increase efforts to fight against monopoly and unfair competition practices, and investigate into allegations of abusing dominant market positions and abusing administrative powers to exclude or limit competition. Law enforcement departments should intensify scrutiny in such illicit and unfair market competition practices as market confusion, commercial bribery, false marketing, business discrediting, business secret infringement and prize-giving sales.

Five Legal Issues On Extending Spring Festival Holiday

A&Z Pharmaceutical & Healthcare Team

Shanghai municipal government further decided that "all kinds of enterprises in this city shall resume their work no earlier than 24 o'clock on February 9. The above decision of the government involves the follow-up work arrangement of the enterprise. A&Z sorted out the relevant legal issues and replied as follows, for the reference of the enterprise decision-making. [Read More.](#)

The Environment and EU-China Trade Relations

A&Z Environmental and EHS Team

This week we dedicate the article to describe the EU and China environmental policies and regulation. Further parallels drawn between instruments established by the EU and China exist, for instance, the principle *Polluter pays* ([China and the Environment I](#)) and the management instruments (related to pollution taxes, emission trade market, as well as environmental policy implementation and control). The legal basis for environmental policies already established in China is quite developed, although the overall implementation is still ongoing and some gaps remain in specific areas. [Read More.](#)

Industry News

Huawei not banned from EU 5G networks
China Daily, 30 January

Central bank postpones re-opening interbank markets
China Daily, 28 January

Ms. Xiao discussed how to further develop relations between China and Japan with the political and economic leaders of both countries. The leaders noted the relevancy of this year as an important year in the history of friendship between China and Japan. A&Z as a law firm working together with both Chinese and Japanese clients always contributes to enhancing economic and cultural exchanges and friendly relations between both countries. [Read more](#)

15 January, Shanghai

A&Z held the 2020 Annual Gala on January 15th. The Gala started by presenting China's current legal environment including Foreign Investment Law and the future legislative trends. The Gala offered a forum for strengthening the relationship between A&Z and all guests. [Read more](#)

8 January, Shanghai

Ms. Judy Zhu, Attorney at A&Z, gave a seminar on Foreign Investment Law to about 20 foreign companies at the Shanghai office. The Law entered into effect on January 1st integrating three laws into one, which has an impact on relevant foreign corporates. [Read more](#)

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

[Six countries form digital currency group to compete with China](#)
Technode, 22 January

[FDI rises 5.8% to over 940b yuan in 2019](#)
China Daily, 21 January

[China Is Still Exploring 6G Tech, Seeks Global Standards, IT Minister Says](#)
YicaiGlobal, 20 January

[China's Economy Grew 6% IN Fourth Quarter as Demand Stabilized](#)
Bloomberg, 17 January

[Phase-one deal accelerates opening-up of financial service sector](#)
China Daily, 17 January

[China's top legislator holds talks with Swiss National Council president](#)
Global Times, 17 January

[Shanghai unveils five-year fintech hub plan](#)
Thecnode, 16 January

[China, Italy to increase cultural and tourism exchanges](#)
Global Times, 16 January

[First fully foreign-owned insurer kicks off operations](#)
Global Times, 16 January

[China Speeds Up Opening of Market to Investment Bank Giants](#)
Bloomberg, 15 January

[Shanghai remains world's busiest container port in 2019](#)
Xinhua, 15 January

[How growing China can act as a booster dose for Europe's sluggish economy](#)
Global Times, 13 January

[Industria y China dan el primer paso para la posible instalación de una fábrica de baterías en España](#)
El Mundo, 11 January

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. Visit our website: www.A-ZLF.com.cn

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A&Z's Labour and Compliance Department WeChat account: **laodonghegui**



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