



A&Z LAW FIRM

## A&Z Monthly Newsletter

March 2019

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

- **Foreign Investment Law to Take Effect in 2020**

Deputies to the 13th National People's Congress voted to pass the Foreign Investment Law of the People's Republic of China. The law will take effect on January 1, 2020.

- **SAFE Deepens Regulatory Reform of Centralized Operation of Cross-border Funds of Multinational Companies**

The State Administration of Foreign Exchange ("SAFE") has released the Administrative Provisions on the Centralized Operation of Cross-border Funds of Multinational Companies (the "Provisions") which have gone into effect immediately from the date of issuance. According to the Provisions, administration of the registration of foreign debts and overseas loans is streamlined by operating the "one-time registration" policy under the centralized operation of cross-border funds. After completing the record-filing process, a multinational corporation is allowed to be directly engaged in the pilot reform for the facilitation of foreign exchange settlement and payment of income derived from capital projects. Main account is a multi-currency (RMB applicable) account, and there are no limits on the types of applicable currency or on how many such accounts could be opened.

- **Five Authorities Specify Requirements for Reporting of Foreign-invested Enterprises' Investment and Operation**

Five authorities lead by the Ministry of Commerce, on March 19 promulgated the Circular on the Conduct of Joint Report on Foreign-invested Enterprises' Investment and Operation in 2019.

According to the circular, foreign-invested enterprises set up and registered within China shall [log in to the website](#) between April 1

### Upcoming Events

#### **26 April, Shanghai**

A lecture for general managers working in foreign companies will be held at A&Z Shanghai office. The seminar will start by reviewing China's political, economic, and legal trends of the past year. It will move to tackle latest Chinese Labor Law developments, and current practical cases. A&Z senior partners will conduct the lecture such as Peter Zeng, Senior Partner specialized in labor and compliance.

**Register**

### A&Z Past Events

#### **20 March, Tokyo**



Opening party at A&Z Tokyo

and June 30 this year to provide information on their investments and operations for 2018. Data and information provided will be shared among the commerce, finance, taxation, statistics and foreign exchange authorities. Foreign-invested enterprises set up in 2019 are required to do the filing from the next year.

- **China Unveils Details about VAT Reform**

The Ministry of Finance, the State Administration of Taxation and the General Administration of Customs released on March 21 the Announcement of Policies Related to Deepening Value-added Tax Reform, stating that significant reductions of VAT rates will begin from April 1, 2019.

VAT rate for general taxpayers in some sectors will be lowered to 13% from 16%, and to 9% from 10% for some other sectors. Taxpayers will pay VAT at a rate of 9% for agricultural products they purchased (previously 10%). If taxpayers buy agricultural products for production or processing purposes, their VAT rate will be cut from 13% to 10%.

From April 1, 2019, to December 31, 2021, taxpayers in the production and service industries will enjoy 10% additional input VAT deduction.

- **GAC Simplifies Entrance & Exit Management at Comprehensive Bonded Zone**

The General Administration of Customs issued the Announcement on Simplifying Entrance and Exit Management at Comprehensive Bonded Zone, with immediate effect.

A list of goods and articles that can be transported into and out of the bonded zone under simple management is provided. Among those are: (1) machines, equipment and building materials to be used for the construction of production and storage facilities; (2) packaging materials to be used by enterprises in the bonded zone; (3) devices, instruments, tools and machines to be used by enterprises in the bonded zone.

## Industry News

**AIIB: Belt and Road not limited to China**  
China Daily, 27 March

**Xi urges joint efforts in seeking open economy**  
China Daily, 27 March

**EU Moves Cautiously in Seeking Dialogue, Cooperation with China**  
Bloomberg, 26 March

**China Telecom Brings First 5G to Boao Forum for Asia for Better Visuals**  
Yicai Global, 26 March

**Italy, China Will Sign Up to \$23 Billion of Deals, Official Says**  
Bloomberg, 23 March

**Chinese Regulator Says Financial Markets Can Open More Quickly**  
Bloomberg, 23 March

**China's Hydrogen Economy Is Coming**  
Bloomberg, 23 March

**Tmall Global unveils new initiatives to boost China's imports**  
Technode, 22 March

**China tells financial services industry to wipe out online usury**  
Technode, 21 March

**China's 2019 Two Sessions: What It Means for Your Business**  
Apco Worldwide, 21 March

**China amends regulations to facilitate cross-border investment, financing**  
People (Xinhua), 19 March

Office. One of the many activities conducted to celebrate A&Z 15<sup>th</sup> anniversary was held in Tokyo. This office plays a main role in liaison with HQs from Japanese clients, conducting market research, manage investment operations, and providing a more personal service.

### **1 March, Shanghai**

Ms. Sophie An, Director and Principal Partner, as a member of the Competition and Anti-Monopoly Business Research Committee of Shanghai Bar Association, attended 2019 Work Plan Meeting. A&Z follows closely the latest development in the field providing the opportunity to Ms. An for suggesting working actions and activities.

### **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

[Value-added tax reforms to improve market vitality](#)  
China Daily, 19 March

[Half of Chinese Luxury Spending To be Domestic by 2025: Bain & Co](#)  
Jing Daily, 19 March

[European Chamber's Stance on the Foreign Investment Law](#)  
European Chamber's, 15 March

[New Foreign Investment Law Goes on Fast Track](#)  
Caixin Global, 11 March

[Vino en China: reto permanente](#)  
ICEX, March

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**



Copyright © 2017 | A&Z Law Firm, All rights reserved.

**A&Z Address:**

Unit 2001-2002, 20F, Tower 2, **Jing An Kerry Centre**

No.1515 Nanjing Road West

Shanghai, 200040 P.R.China

Tel.: +86-21-5466-5477

Fax: +86-21-5466-5977

For editorial and business development enquiries  
please contact [Ms. Mireia Paulo](#)

A&Z values your privacy. A&Z will not sell or make available your email to any other third party  
without your express consent. Want to change how you receive these emails?

You can [update your preferences](#) or [unsubscribe from this list](#).