



A&Z LAW FIRM

A&Z Monthly Newsletter

August 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@azlf.com.cn, or visit [A&Z website](#).

Sincerely,
The Editors

Legal Updates

[China Adopts Resource Tax Law](#)

The Standing Committee of the 13th National People's Congress voted to pass the resource tax law at its 12th session on 26th August 2019. The NPCSC office held a press conference to answer relevant questions from reporters.

There are three new changes to the resource tax law. The first is to simplify the time limit for tax declaration - taxpayers can make tax declarations on a monthly or quarterly basis and make tax declarations within 15 days. The second is to unify tax items and tax rates. The third is to strengthen coordination and cooperation between tax agencies and the relevant department. The resource tax law will come into force on 1st September 2020.

[NPC Standing Committee Adopts Draft Amendment to Drug Administration Law](#)

The Standing Committee of the 13th National People's Congress voted to adopt the draft amendment to the Drug Administration Law at the closing meeting on 26th August 2019. The law will have 12 chapters and 155 articles and will increase punishments against drug-related illegal activities.

In response to strong public concerns about fake and counterfeit drugs, hefty drug prices and acute shortage of some medicines, the new law will adopt the strictest standards, introduce the toughest scrutiny, impose the most stringent punishment and use the sternest accountability. The law covers the entire process from drug's research and development, manufacturing, production to use.

[Third Reading Draft of Civil Code Part on Personality Rights Proposes to Specify Email Address As Personal Information](#)

The draft Civil Code Part on Personality Rights was submitted to the Standing Committee of the 13th National People's Congress for the third reading at its 12th session on 22nd August 2019.

Compared to the first and second reading drafts, the third reading draft added provisions to specify the scope of personality rights, redefine the privacy right, and improve the protection of personal information to add personal email address and location information.

A&Z Upcoming

17 September, Shanghai

SEMINAR & NETWORKING

PRC LEGAL UPDATES AND TAXES
[CYBER-SECURITY, CBEC & FOREIGN INVESTMENT LAW]

SPEAKERS

Andrew Zhang
Senior Partner
A&Z Law Firm

Miriam C. Gomez
Senior Advisor
CW CPA

18:30 - 21:00 hrs
Tuesday, September 17th

Policy rules: First to come, first to serve.
Language: English.

Venue: We Work,
Yueshang Plaza, 1 South Wuning Rd, 3/F,
Jing'an, Shanghai.
上海静安区, 武宁南路1号越商大厦3楼.

Register Here

Register

CW Long Chengcheng 程程
A&Z LAW FIRM
wework

Andrew Zhang, Senior Partner at A&Z Law Firm, will give a speech about PRC Legal Updates regarding Cyber-Security, CBEC & Foreign Investment Law next Tuesday, September 17th. Time: 18:30 – 21:00. Venue: We Work, Yueshang Plaza. The event will be hosted with CW CPA.

Register

A&Z Past Events

16 August, Shanghai

Ms Sophie An, Principal Partner at A&Z Law Firm, was invited to attend the inspection activity of the New Area of Lingang in China (Shanghai) Pilot Free Trade Zone. In attending this activity, Ms An and A&Z members have a deepened understanding of the overall development of the New Area.

8 August, Shanghai

MOFCOM Issues Announcement on Redistribution of Import Tariff Quotas of Agricultural Products in 2019

According to the Interim Measures for the Administration of Import Tariff Quotas of Agricultural Products, the Ministry of Commerce has formulated the Announcement on Redistribution of Import Tariff Quotas of Agricultural Products in 2019.

According to the announcement, where an end-user holding a 2019 import tariff quota of wheat, corn, rice, sugar, or cotton fails to enter into import contracts in the year for the quantity of the entire quota or has entered into import contracts but expects that goods cannot be shipped from the port of departure before the end of the year, the end-user shall, without exception, return, before 15th September, the part of quota for which import is not completed. The National Development and Reform Commission (NDRC) and MOFCOM will redistribute the returned quotas. For the parts not returned before 15th September and not fully used before the end of the year by the end-users, NDRC and MOFCOM will deduct them proportionately when distributing import tariff quotas of agricultural products for the following year.

Shanghai Releases Regulation for New Lingang Area of China (Shanghai) Pilot Free Trade Zone

Shanghai municipal government published on 20th August 2019 the Measures for the Administration of New Lingang Area of China (Shanghai) Pilot Free Trade Zone. The regulation states the new area will build open-minded regulatory systems and expand openness to foreign investors in such key sectors like telecommunication, insurance, securities brokerage, research and technology services, education and healthcare. The area will strive to build a business cluster for high-end sectors like integrated circuits, artificial intelligence, biomedicine, civil aviation, new energy vehicle, and intelligent equipment. The new area will continue to introduce institutional reforms.

NMPA Releases Measures for the Administration of Random Inspections on Drug Quality

The National Medical Products Administration released on 19th August 2019 the Measures for the Administration of Random Inspections on Drug Quality. The Provisions on the Administration of Random Inspections on Drug Quality, published by the State Food and Drug Administration, were repealed.

The new regulation made stipulations about the procedures and requirements on drug sampling, drug inspection, and re-inspection. When the indicated pharmaceutical company receives a report saying its drug failed to pass the inspection, it will confirm whether the problematic drug is produced by it. If the company denies being the producer, it will provide sufficient and accurate evidence. After receiving the report of drug inspection failures, the pharmaceutical company should perform its duty of recalling substandard medicines that have already been sold.

GAC Launches Pilot Reform on "Two-step Customs Declaration"

The General Administration of Customs issued the Announcement about Pilot Reform on "Two-step Customs Declaration", effective from 24th August 2019. According to the announcement, the first step is that the company makes a summary declaration to be nodded by the customs agency and takes away the cargo; the second step is that the company makes a full declaration. During the pilot reform period, the applicant of "two-step customs declaration" must meet all of the following conditions:

- (1) The domestic consignee and consigner have a credit rating of general or higher;
- (2) The cargo is shipped inbound through the pilot customhouse;
- (3) Regulatory documents have already been examined online.

Industry News

Brexit Guide: where are we now?

Euronews, 28 August

Xi congratulates opening of Smart China Expo

China Daily, 27 August



Peter Zeng, Executive Director and Senior Partner at A&Z Law Firm, together with Merry Zhang and Yu Wang have been hired as pro bono legal counsels of Suzhou Industrial Park Green Jiangnan Environmental Centre ("Green Jiangnan"). Our cooperation aims to jointly promote environment-friendly transformation and green production of the enterprises by providing legal advice on labour, HR and environmental legal protection. Green Jiangnan was established in 2002, and it is an NPO dedicated to promoting public participation in the supervision of enterprises' behaviour towards the environment. A&Z attorneys will contribute to the construction of multi-governance mechanisms of environmental protection and the healthy development of pro bono undertakings.

2 August, Shanghai

A&Z Wuhan Office has attended to a dialogue between Kansai district in Japan and Hubei organised by Hubei provincial government and Chinese Consulate in Osaka. The event called "Dialogue to Hubei." Zhao Haishan, Hubei Province Vice Governor, and Li Tianlan, Consul General of the Chinese Consulate Osaka attended, along with numerous representatives from Chinese and Japanese governments, enterprises, universities, media, and overseas Chinese business communities. Speeches and dialogues aimed to jointly develop both regions.

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

AI reshaping healthcare industry

China Daily, 27 August

Smart China Expo sees 530 projects signed

Xinhuanet, 26 August

Alibaba opens first store in Europe – the background

EN24, 26 August

China's yuan hits 11-year low as trade tensions grip markets

The Guardian, 26 August

China announces six new pilot free trade zones

Xinhuanet, 26 August

Here's what you need to remember from the G7 summit in Biarritz

Euronews, 26 August

Shanghai STAR Market has stable first month

China Daily, 23 August

China's digital currency: A foundation for 21st-century global leadership

Thecnode, 20 August

Trump gives China's Huawei 90-day reprieve on doing business in the US

The Telegraph, 19 August

Chinese e-commerce giant Alibaba 'sees revenues rise 42%'

Euronews, 16 August

How luxury brands engage customers through WeChat

Thecnode, 14 August

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.

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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