



A&Z LAW FIRM

A&Z Monthly Newsletter

September 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

Shanghai Lingang Special Area Unveils Policy Measures to Support Innovative Development of Financial Industry [Read more](#)

The Administrative Committee of China (Shanghai) Pilot Free Trade Zone Lingang Special Area released two documents on September 20, 2019, including the Measures of Lingang Special Area to Support Innovative Development of Financial Industry, and the Circular of Supporting Lingang Special Area to Introduce Foreign Talents.

The first document proposed to explore the possibility of free capital flows and free convertibility in the special area. Companies and financial institutions that have raised funds or collected revenue outside the area can be used to fund their business and investment activities in the special area or overseas market. Credible and quality enterprises in the area are encouraged to expedite foreign exchange receipts and payments.

The second document listed several policy measures, including stepping up efforts to introduce foreign science & technology talents and foreign innovative research teams, granting greater autonomy to the special area in attracting and managing foreign professionals, and providing more convenient services to employers and foreigners in the area.

GAC Adjusts Manifest Requirements for Ocean and Air Transport [Read more](#)

The General Administration of Customs recently released the [Announcement about Adjusting the Manifest Requirements for Ocean and Air Transport](#). According to the announcement, logistics companies should transmit electronic data to customs agencies by following the Administrative Measures of the Customs of the People's Republic of China for Manifests of Inward and Outward Means of Transport and provisions about the time limit for electronic data transmission. If a company has a unified social credit code, it can make registration with the customs agency and use the code to transmit electronic data to the customs agency.

A&Z Upcoming Events

29 October, Tokyo

A&Z will hold a legal seminar on the latest updates of the Chinese economy, local labor and compliance relations. It will take place on 29th October 2019, 14:30 ~ 18:00, at Nihonbashi Life Science Hub, 8th floor, Muromachi Chibaginn Mitsui Building, 1-5-5 Nihonbashimuromachi, Chuo-Ku, Tokyo.

17 October, Shanghai

Vincent Zhu, Senior Partner at A&Z Law Firm, is invited as a speaker to attend the lecture held by the pharmaceutical department of Japan Chamber of Commerce and Industry. Vincent will deliver a speech on drug administration law and compliance problems regarding drug promotion.

A&Z Past Events

17 September, Shanghai

[Read more](#)



A&Z together with our partner CW jointly organized a workshop on the latest Chinese legal and financial updates. Mr. Andrew Zhang, Senior Partner at A&Z Law Firm, introduced updates related to Cybersecurity, Cross-Border E-commerce, and Foreign Investment Law.

NMPA Gathers Public Opinions on Five Standards [Read more](#)

In order to advance the construction of the drug information traceability system, the National Medical Products Administration has set up a task force to compile relevant standards. Five standards were released to gather public opinions from September 11, 2019. The five standards are the [Basic Data Set for Tracing Drug Production Companies](#), the [Basic Data Set for Tracing Drug Distribution Companies](#), the [Basic Data Set for Tracing Drug Use Institutions](#), the [Basic Data Set for Tracing Drug Consumers](#), and the [Basic Technical Requirements for Exchanging Drug Traceability Data](#).

China Unveils Lists of US Products to Be Excluded from Additional Tariffs [Read more](#)

The Customs Tariff Commission of the State Council released on September 11, 2019, the [Announcement on the First Set of Lists of US Goods to Be Excluded from the First Round of Additional Tariffs on US Products](#). The exemptions will become effective on September 17, 2019. Specifically, items in the No.1 list will be exempted from tariffs imposed in retaliation for U.S. tariffs as part of a "Section 301" probe, starting from September 17, 2019, to September 16, 2020. The commission will offer refunds for items that have already been taxed. Related companies have six months to file refund applications to China's customs administration. Items in the No.2 list will also be free from the tariffs imposed in retaliation for U.S. tariffs as part of a "Section 301" probe, starting from September 17, 2019, to September 16, 2020. However, there will be no refund for the previously-added duties.

SAFE Scraps Investment Quota Restrictions for QFII and RQFII [Read more](#)

The State Administration of Foreign Exchange decided to abolish the investment quota restrictions for the Qualified Foreign Institutional Investors and Renminbi Qualified Foreign Institutional Investors. In the future, qualified foreign institutional investors under the two programs will only need to register to remit funds independently to carry out securities investment. Foreign investors will find it more convenient to participate in China's financial market. The regulator said it was also seeking permission from the State Council to scrap administrative licenses needed by foreign investors to purchase stocks and bonds, and more details would be made public if these applications are approved.

MOT Lifts Foreign Shareholding Restrictions in China's Shipping Agency Companies [Read more](#)

The Ministry of Transport released on September 10, 2019, the [Circular about Implementing Policies on Foreign Investment in China's Shipping Agency Companies](#), with immediate effect. According to the circular, waterway transport departments at all levels must implement the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2019), and lift restrictions on the proportion of foreign ownership in a Chinese shipping agency.

NIPA Releases Measures for the Administration of Concentrated Examinations on Patent Applications [Read more](#)

The National Intellectual Property Administration recently released the [Measures for the Administration of Concentrated Examinations on Patent Applications \(For Trial Implementation\)](#), with immediate effect. According to the regulation, the following conditions should be met to request concentrated examinations on patent applications:

- (1) The request for substantive examination has taken effect, and the application of patent for invention has not been examined. If an applicant files a utility model patent application and a patent for invention application on the same day and the same invention, the patent application should not be included for concentrated examinations.
- (2) The patent applications involve the national key industries or significant importance to national or public interest;
- (3) The number of patent applications in the same batch is no less than 50, and the request for substantive examination has been effective for no more than one year;
- (4) The applications have not enjoyed other preferential policies like priority examination.

Mr. Marant Caballero, consultant at CW Latin America Department, shared the latest Chinese financial and tax updates.

30 August, Shanghai



Mr. Peter Zeng, Executive Director and Senior Partner at A&Z Law Firm, was invited to attend the Rule of Law Forum at the World Artificial Intelligence Conference 2019. Mr. Zeng exchanged his opinions regarding "Co-constructing the Rule of Law for the Future" and "Sharing the AI Benefits" with speakers and participants.

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

Industry News

[Southbound flows rescuing Hong Kong equity market](#)
AsiaTimes, September

[Huawei: A Coffee With Ren II](#)
Huawei [Youtube], 25 September

[China remains top robot market](#)
China Daily, 19 September

[China shortens unified negative list for market access](#)
China Daily, 18 September

[China's social security platform goes online](#)
ECNS, 14 September

[Spotlight: BRI participating countries reap benefits after 6 years' joint construction](#)
Xinhua, 14 September

[Trump delays tariff hikes on Chinese goods ahead of talks](#)
BBC News, 12 September

[Huawei chief offers to share 5G know-how for a fee](#)
BBC News, 12 September

[ECB cuts rates and tells governments to act](#)
Financial Times, 11 September

[Premier holds talks with Japanese economic delegation](#)
The State Council of the PRC, 11 September

[U.S.-China Trade War and the Fourth Industrial Revolution](#)
The diplomat, 9 September

[China's Didi Chuxing launches robot taxi experiment in Shanghai](#)
The verge, 1 September

circumstantial variables.
Before taking any action,
please ensure that you obtain
professional advice specific to
your circumstances.

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