



里格律师事务所
A&Z LAW FIRM

A&Z Monthly Newsletter

March 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

[Two Ministries Waive Port Construction Fee and Halve Compensation Fund for Vessel-Induced Oil Pollution Damage](#) [Read More](#)

The Ministry of Finance and the Ministry of Transport recently released an Announcement about reducing and exempting a port construction fees and compensation funds for vessel-induced oil pollution damage. According to the announcement, the port construction fee for imported and exported goods will be exempted, while the compensation fund for vessel-induced oil pollution damage will be halved. The policy will be implemented from March 1st through June 30th, 2020. If the funds and fees have been paid but the payer is eligible for a reduction or exemption of the fee, the central marine authority will give a refund through designated bank accounts.

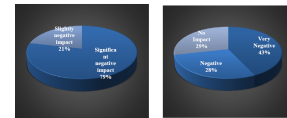
[National Medical Products Administration Regulates Administrative Measures on the Random Inspection of Medical Equipment](#) [Read More](#)

The National Medical Products Administration issued an announcement on administrative measures regarding random inspection of medical equipment, which shall come into force on the date of promulgation. The measures regulated that the registrants or recorders of medical equipment and the company under sampling shall: (1) implement product recall and issue the information; (2) conduct self-examination, analyse reasons and carry out risk assessment; (3) conduct necessary controlling measures according to the investigation and assessment after being informed about medical equipment that fails to meet the standards of regulations.

[Two Authorities Move to Facilitate Cross-border Financing by Chinese Institutions](#) [Read More](#)

The People's Bank of China and the State Administration of Foreign Exchange issued a circular regarding adjusting macro-prudential management parameters for fully-covered cross-border financing. The circular said that the parameter will be lifted to 1.25 from 1. The adjustment will be helpful for domestic companies, especially small and medium-sized firms and private companies, to tap into domestic and foreign markets to raise funds at an affordable cost.

Survey Report: Impact of COVID-19 on Business



Survey Report: Impact of COVID-19 Situation on businesses. To understand the impact of COVID-19 on business, A&Z have conducted a survey looking at different aspects such as the production and operation of corporates. According to the data collected from a broad range of enterprises of different industry sectors from March 4th to March 20th, 2020, the impact is large and recovering slowly. The respondents were European, American, Chinese and Japanese corporates based in mainland China. [Read More](#)

A&Z Upcoming Events

8 April, Shanghai

Ms. Sophie An, Principal Partner at A&Z, will conduct an online seminar on the labour management of telecommuting during the COVID-19 crisis at TENEZ.

A&Z Past Events

9 March, Spain

[The National Development and Reform Commission \("NDRC"\) to Revise the Catalogue of Industries for Encouraging Foreign Investment](#) [Read More](#)

The NDRC issued a circular about further deepening reform and implementing foreign-funded projects to tackle the coronavirus epidemic. According to the circular, the NDRC and Ministry of Commerce will revise the *Catalogue of Industries for Encouraging Foreign Investment*. The revisions will expand the scope of industries where foreign investment is encouraged, focusing on high-quality manufacturing as well as industry transitions in central, western and northeast provinces. The circular stated that tariffs on self-use equipment imported for foreign investment projects will continue to be waived within the investment quota. For projects beyond the investment quota, project companies can make applications with the provincial development and reform commission to enjoy tariff exemptions, and the provincial commission will conduct preliminary examinations and report to the NDRC.

[China Development Bank Will Offer Financial Support to Epidemic-hit "Belt and Road" Projects and Enterprises](#) [Read More](#)

The Ministry of Commerce and China Development Bank issued a circular about using development finances to support the "Belt and Road" Initiative. According to the circular, China Development Bank will offer financial support by various means to support high-quality "Belt and Road" projects and enterprises, including offering low-cost loans and foreign exchange working capital loans, extending repayment periods and providing local and foreign currency loans.

[Five Authorities Implement Provisional Postponements in Principal and Interest Repayments for Loans to SMEs and Micro Enterprises](#) [Read More](#)

The Insurance Regulatory Commission, the People's Bank of China, the National Development and Reform Commission, the Ministry of Industry and Information Technology and the Ministry of Finance issued a circular about implementing provisional postponements in principal and interest repayments for loans to SMEs and micro enterprises. According to the circular, epidemic-hit SMEs and micro firms (including small business owners and individual household businesses) can make applications with banks to defer repayment of principal and interest expenses payable from January 25th to June 30th, 2020. Overdue loan repayments in the period will not be subject to penalties. For companies hit very hard by the epidemic but having good prospects, banks can negotiate with them to make appropriate arrangements on loan repayments.

Industry News

[Country's economy making strong comeback](#)
China Daily, 25 March

[Chinese President Xi Jinping to attend G20 virtual summit on COVID-19](#)
CGTN, 25 March

[A call for global action for common health](#)
Xinhua, 23 March

[The Bright Side Of Covid-19: Seven Opportunities Of The Current Pandemic](#)
Forbes, 23 March

[The IMF explains the economic lessons from China's fight against coronavirus](#)
World economic forum, 21 March

[Agentes de la Red Vasca de Ciencia, Tecnología e Innovación colaboran en proyectos contra el COVID-19](#)
SPRI, 18 March

[Coronavirus hit Jan-Feb economic gauges, but relief on horizon, NBS says](#)
China Daily, 16 March

[China to take actions to help Spain fight COVID-19 epidemic: Chinese FM](#)
Global Times, 16 March



Andrew Zhang, senior partner at A&Z law firm and Blas Rivas Alejandro, President of international law firm organization IURISGAL, accepted an interview from Cinco Días, a Spanish economic newspaper under El País Economía, jointly to propose a solution to the possible force majeure caused by the prevention and control of COVID-19, from the perspective of applicable law and court jurisdiction, and other possible legal risks faced by Spanish SMEs. [Read More](#)

18 March, Shanghai



Ms. Sophie An, Principal Partner at A&Z, accepted an interview from ZHIRI COMMUNITY (A non-governmental platform for friendship and economic cooperation between China and Japan). She spoke about the emphasis of the government's new policies on labour relations and proposed several solutions to properly handle labour disputes for foreign-funded enterprises during the COVID-19 crisis.

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

[China taking measures to keep up foreign investment](#)
China Daily, 16 March

[Everything China Is Doing to Support Its Markets During Outbreak](#)
Bloomberg, 16 March

[Beijing puts 26,000 5G base stations into operation](#)
Xinhua, 15 March

[Negative list on foreign investment to be further shortened](#)
The State Council, 12 March

[Hubei Province, Ground Zero for COVID-19, Slowly Opening for Business](#)
The Diplomat, 12 March

[China, Japan in close communication over Xi's state visit: FM spokesperson](#)
China Today, 6 March

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.

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