



A&Z Monthly Newsletter

October 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. Anna Lukina, BD & Marketing Director, at alukina@a-zlf.com.cn visit the [A&Z website](#).

Sincerely,
The Editors

Legal Updates

[NPC Standing Committee Adopts Law on Export Control](#) [Read More](#)

The State Administration for The Law on Export Control for the People's Republic of China was adopted on October 17, 2020 at the 22nd session of the Standing Committee of the 13th National People's Congress, and will come into effect from December 1, 2020.

China may take countermeasures against any country or region that abuses export-control measures and poses a threat to China's national security and interests, according to the law.

The law has also made detailed provisions about export control lists, temporary control and full control, export qualifications and export licensing mechanisms, as well as end users and end use management.

[MOFCOM Releases Guidelines for National Complaint Centre of Foreign-funded Enterprises](#) [Read More](#)

The Ministry of Commerce released on September 30, 2020 the Guidelines for the National Complaint Centre of Foreign-funded Enterprises.

The guidelines said complaints would not be accepted under certain circumstances, including complaints not filed by foreign-funded firms or foreign investors, applicants seeking to mediate civil or commercial disputes with other natural persons or legal entities, or other complaints that are not supposed to be handled by the National Complaint Centre of foreign-funded enterprises.

[NMPA Releases Administrative Measures for the Registration of Pharmaceutical Representatives](#) [Read More](#)

The National Medical Products Administration released on September 30, 2020 the Administrative Measures for the Registration of Pharmaceutical Representatives (Trial), to be implemented from December 1, 2020.

According to the regulation, holders of drug marketing licenses must not commit the following activities:

A&Z Upcoming Events

4th November, Shanghai

Sophie An, Principal Partner at A&Z, will participate in the Legal Advisory Day organized by the Legal Advisory Committee of the Shanghai Federation of Returned Overseas Chinese.

19th November, Online



Mireia Paulo, Senior Consultant at A&Z, will participate at iusTime's international forum of experts, addressing labor and business issues in the context of COVID-19. The webinar will be attended by professional experts from all over the world.

A&Z Past Events

18th October, Ningxia

From October 18, 2020 to October 21, 2020, Sophie An, the Principal Partner at A&Z, participated in Ningxia counterpart support and national condition inspection activities organized

- (1) Registering pharmaceutical representatives, and changing or deleting registration information on a timely basis;
- (2) Encouraging or suggesting that pharmaceutical representatives commit unlawful activities;
- (3) Distribute drug sales assignments to pharmaceutical representatives, and ask them to collect payments and process drug sale receipts;
- (4) Ask pharmaceutical representatives or other staff to figure out the volume of drugs prescribed by doctors;
- (5) Provide false information in the registration of pharmaceutical representatives.

MOFCOM Releases Guidelines for Drafting the Transaction Rules for B2C E-commerce Platform Operators [Read More](#)

The Ministry of Commerce released on October 9, 2020 the Guidelines for Drafting the Transaction Rules for B2C E-commerce Platform Operators (Exposure Draft), to gather public opinions until October 28, 2020.

The draft guidelines set the basic principles and procedures for drafting transaction rules for B2C e-commerce platform operators as well as the basic categories and key factors in the transaction rules. According to the draft document, if e-commerce platform operators set higher standards on their service agreements or transaction rules than those stipulated by this document, such service agreements and transaction rules shall prevail.

Three Authorities Unveil Preferential Tax Policies for Imported Exhibits During the China International Import Expo [Read More](#)

The Ministry of Finance, the General Administration of Customs and the State Taxation Administration released on October 14, 2020 the Circular about Preferential Tax Policies for the Imported Exhibits Sold During the China International Import Expo, effective from October 12, 2020.

According to the circular, exhibits (excluding goods not allowed to be imported into China) imported in reasonable quantities and sold during the China International Import Expo shall be exempt from import tariffs, import value-added tax and consumption tax. For exhibits in the first to fifth category, exhibitors can enjoy tax privileges for an amount of goods not higher than the quota specified in the appendix to the circular; for other exhibits, every exhibitor can enjoy tax privileges for total sales value of no more than US\$20,000.

NMPA Issues Draft Regulation on Drug Recall [Read More](#)

The National Medical Products Administration released on October 13, 2020 the Administrative Measures for Drug Recall (Exposure Draft), to gather public opinions until October 30, 2020.

According to the draft regulation, defective drugs are medicines with quality or safety risks due to research & development, production, sale, storage and label problems. Under any of the following circumstances, drug regulators should order the drug marketing license holder to recall the problematic drugs:

- (1) Based on investigations and evaluations, drug regulators believe the drug marketing license holder should recall possibly defective drugs, but a recall has failed to occur;
- (2) There is a significant emergency or an incident of damages caused by a drug.

Regulation on Foreign Investment in Shanghai to Take Effect in November 2020 [Read More](#)

The Standing Committee of the Shanghai Municipal People's Congress recently released the Regulation on Foreign Investment in Shanghai, to be implemented from November 1, 2020.

According to the regulation, the people's courts in Shanghai should accept and examine applications of evidence & act preservation filed by foreign investors and foreign-funded enterprises, make speedy rulings and enforce them. With respect to repeated, malicious and serious infringements, the courts should impose punitive penalties. The courts should issue guidelines about law application, and release typical cases of judicial protection on intellectual property in Chinese and English.

Industry News

[Fintech, green finance to boost transformation of banking sector: report](#)
Xinhua Net, October 5

[For millennials, health is the new wealth](#)
China Daily, October 7

by the Shanghai Intellectuals Association. When visiting Haiyuan County No. 7 Primary School, Ms. An communicated with school leaders to understand the school's future direction, functional positioning, and difficult needs, and provided specific opinions and suggestions on the future development of the school.

24th October, Nanjing



Andrew Zhang, Partner at A&Z, participated in the "The 4th Yangtze River Delta Competition Law Forum" and the "New Era Competition Policy and Competition Law" international academic seminar, jointly held by the Economic Law Research Association of Anhui Law Society, the Competition Law Research Society of Zhejiang Law Society, the Competition Law Research Society of Shanghai Law Society and the Economic Law Research Society of Jiangsu Law Society. Zhang's participation in this meeting laid a foundation for A&Z's anti-monopoly business development in the future.

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

[Ford's third-quarter China sales rise 25% year-on-year to 164,352 vehicles](#)
Reuters, October 16

[China's economic recovery seen broadening in third-quarter as consumers re-emerge:](#)
[Reuters poll](#)
Reuters, October 16

[Conference on VR industry opens in east China](#)
Xinhua Net, October 19

[China aluminum output hits daily record in September](#)
Reuters, October 19

[China will continue to support development of fintech](#)
Reuters, October 21

[China's solar industry to embrace faster growth amid carbon neutrality goal](#)
Xinhua Net, October 22

[Global food, agricultural product companies to seek opportunities at CIIE](#)
China Daily, October 23

[China's domestic jet fuel demand back to near pre-COVID levels](#)
Reuters, October 28

[CIIE to create windows of opportunity for global cooperation](#)
China Daily, October 29

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