



里格律师事务所  
A&Z LAW FIRM

**A&Z Monthly Newsletter**  
**November 2021**

**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](mailto:alukina@a-zlf.com.cn) visit the [A&Z website](#).

**Sincerely,**  
**The Editors**



**Legal Updates**

**A&Z Past Events**

**CAC Seeks Comments on Measures for Security Assessment  
of Cross-border Transfer of Data**

**October 25, Shanghai**

On October 29, the Cyberspace Administration of China ("CAC") issued the Measures for Security Assessment of Cross-border Transfer of Data (Draft for Comment) (the "Draft for Comment") to solicit public opinions by November 28, 2021.

The Draft for Comment specifies that the security assessment of data cross-border transfer shall combine ex-ante evaluation and continuous supervision, and combine self-risk assessment and security assessment, so as to prevent any security risks in data cross-border transfer and guarantee the lawful, orderly and free flow of data. To transfer any data outside China, a data processor shall apply to the national cyberspace administration authority for the security assessment of data cross-border transfer via the provincial cyberspace administration authority of the place where the data processor is located, if having any of six circumstances, such as "there is. personal information and important data collected and generated by an operator of critical information infrastructure". Meanwhile, the Draft for Comment also requires data processors to conduct a self-risk assessment before providing any data outside China, in which attention should be paid to matters in six kinds, including "whether the purpose, scope, method and other aspects in respect of the cross-border transfer data and the processing of overseas receiving party are lawful, legitimate and necessary".

#### **GACC Issues Standards for Advanced Authorized Economic Operator**

On November 1, the General Administration of Customs (GACC) issued the Announcement [2021] No. 88 to promulgate the Standards for Advanced Authorized Economic Operator (hereinafter referred to as "Standards"), which are to come into force on November 1, 2021.

The Standards include general standards and eight specific standards for eight types of enterprises, including consignees and consignors of imports and exports, customs brokers, general foreign trade service enterprises etc. The general standards cover four categories of standards: internal control, financial standing, compliance with laws, and trade security. In terms of internal audit control, it is required that: 1. An internal audit system should be established and implemented for import and export activities; 2. At least one internal audit should be conducted every year, on which written or electronic files should be maintained; and 3. An enterprise already awarded the advanced Authorized Economic Operator should conduct an internal audit on its continuous compliance with the standards for advanced Authorized Economic Operator every year. For cross-border e-commerce platform enterprises, the Standards require them to establish a consumer rights protection system and fulfill the obligations of reminding and informing consumers.

#### **NMPA Seeks Comments Again on the Measures for the Supervision and Management of Drug Distribution and Use Quality**

On November 12, the National Medical Products Administration ("NMPA") issued the Measures for the Supervision and



The 17th "Beijing-Tokyo Forum", which is supported by the State Council Information Office of China and the Ministry of Foreign Affairs of Japan and co-hosted by China Foreign Languages Publishing Administration and the Genron NPO of Japan, was held in Beijing. This forum set up a branch venue in Shanghai for the first time, which is now located in A&Z's Innovation Think Tank at 3F, Okura Garden Hotel, Shanghai. Mr. Zhao Qizheng, former director of the State Council Information Office and former director of the Foreign Affairs Committee of the 11th National Committee of the Chinese People's Political Consultative Conference, attended the session at this branch venue. Ms. Sophie An, the Principal Partner of A&Z Law Firm, was also invited to attend this session as the representative of co-sponsor.

#### **November 5, Shanghai**



The 4th China International Import Expo was successfully held in Shanghai. Ms. Sophie An, the Principal Partner of A&Z Law Firm became a member of the "Legal Service Volunteer Group for CIIE" led by Shanghai Justice Administration, with the goal to provide consulting services to the exhibitors for the third time. At the consultation

Management of Drug Distribution and Use Quality (Revised in October 2021) (the "Revised Draft"), to seek comments from the public by November 26, 2021 again.

According to the Revised Draft, the market authorization holders (MAHs) of drugs can sell the drugs for which they have obtained the drug registration certificate by themselves, or they can entrust drug distributors to sell them. If a MAH of drugs is engaged in drug retail activities, it shall obtain a drug operation license. Also, the Revised Draft points out that drug distributors may not sell vaccines, Chinese medicine formula granules or other drugs that are prohibited by the State to be operated by drug distributors. The Revised Draft also emphasizes that, when a public health emergency or any other emergency that seriously threatens public health occurs, the drug retailer concerned should take measures, such as removing products from shelves and suspending sales as required, in strict accordance with the emergency response regulations of the People's governments at all levels.

#### **CAC Seeks Comments on Administrative Regulations on Internet Data Security**

On November 14, the Cyberspace Administration of China ("CAC") issued the Administrative Regulations on Internet Data Security (Draft for Comment) (the "Draft for Comment") to solicit public opinions by December 13, 2021.

The Draft for Comment reiterates that China shall establish a category-based and class-based data protection system. The data will be classified into common data, important data, and core data on account of its importance to national security, public interests, as well as the legitimate rights and interests of relevant individuals or organizations. Different protection measures will be imposed depending on the classifications. China will provide key protection for personal information and important data and strict protection for core data. The Draft for Comment further specifies that data processors shall conduct risk assessment regarding the necessity and security when they perform personal identification by means of biometric features, and shall not take biometric data, such as face, gait, fingerprint, iris and vocal print, as an exclusive method for personal identification to coercively collect personal biometric information.

#### **STA Clarifies Relevant Matters Concerning Tax Payment Credit Rating and Repair**

On November 15, the State Taxation Administration ("STA") issued the Announcement on Relevant Matters Concerning Tax Payment Credit Rating and Repair (the "Announcement"), with effect from January 1, 2022.

The Announcement sets forth the provisions on extending the scope of tax payment credit repair, supporting tax payment credit repair for enterprises subject to bankruptcy reorganization, adopting the system of "exemption from punishment for first violation", among others. The Announcement adds new provisions on the circumstances for the tax payment credit repair for enterprises with serious dishonest acts and those subject to bankruptcy reorganization. For enterprises that have met one of

spot, Ms. Sophie An actively expanded the service content, engaged in the interpretation of policies and laws, and provided the exhibitors the relevant materials, such as the Lawyers' Interpretation of Shanghai Reading Book on Policies and Regulations for Optimizing Business Environment, Questions and Answers on Intellectual Property Policies and Regulations and Questions and Answers on International Trade.

#### **November 10, Shanghai**



The Inaugural reception of the Consul General of the Consulate General of Japan in Shanghai was held at the Okura Garden Hotel in Shanghai. Ms. Sophie An, the Principal Partner of A&Z Law Firm, was invited to attend. The new Consul General Mr. Syuichi Akamatsu delivered a speech at the reception. Ms. An, exchanged views with the guests on the development status of Japanese-invested enterprises in Shanghai and the influence of the latest laws on Japanese-invested enterprises. As a bridge of friendship between Chinese and Japanese people, A&Z Law firm has been committed to carrying out various social activities and providing high-quality legal services for Japanese enterprises for a long time.

five circumstances specified in Article One of the Announcement, if they have corrected their dishonest act related to tax payment credit and performed tax-related legal liability, the information on the party with dishonest act has not been disclosed or has ceased to be disclosed (in case of major violation), and there are no new records of tax payment dishonesty in the tax management system for six months or 12 months, or where other conditions are met, they may apply to tax authority for tax payment credit repair.

### **CNIPA Issues the Revised Measures for the Registration of Pledge of Patent Rights**

On November 16, the China National Intellectual Property Administration ("CNIPA") issued the Measures for the Registration of Pledge of Patent Rights (2021 Version) (the "Measures") for implementation from the date of issuance.

The Measures made material revisions to Articles 6, 7 and 10, which are of great significance. The texts of the remaining provisions are also revised for the purpose of adjusting orders, streamlining contents, and standardizing expressions. The revisions to the main provisions involve: (1) promoting the pledge registration procedures by means of commitment; (2) reducing the circumstances for not-allowed for registration; (3) shortening the time limit required for registration review; (4) optimizing relevant registration services. Among others, the Measures specify that the party concerned may choose to register the pledge of a patent right by means of commitment, and when a commitment letter is submitted, identity certificate, certificate for change, certificate for deregistration, and other evidential materials are no longer required. CNIPA will strengthen in-process and ex-post regulation and will lawfully impose disciplinary measures for dishonesty to those who make false commitment.

### **CNIPA Issues the Guide on Trademark Examination and Adjudication**

On November 22, CNIPA issued the Guide on Trademark Examination and Adjudication (the "Guide"), with effect on January 1, 2022.

The Guide consists of two parts, respectively regulating the formality examination and trademark affairs as well as trademark examination and adjudication. Among them, the part "trademark examination and adjudication" includes the examination and adjudication of: (a) malicious trademark registration applications that are not intended for use, (b) marks that cannot be used as trademarks, (c) distinctive features of trademarks, (d) identical and similar trademarks, and (e) three-dimensional mark trademarks. With the "examination and adjudication of malicious trademark registration applications that are not intended for use" as an example, the Guide lists the legal basis, interpretation, applicable elements, consideration factors, applicable scenarios, typical cases, etc., with a view to ensuring the uniform application of laws and implementation of uniform standards in the whole process of trademark examination and adjudication.

### **GAC Regulates Administration of Origin of Imported and**

## **November 23, Shanghai**

A&Z Law firm successfully held the general manager salon with the theme of "Interpretation of Japanese-invested enterprises' compliance cases in the new development stage". Ms. Sophie An, the principal partner of A&Z Law Firm, gave a speech, focusing on the general situation of China's new development stage, the trend of foreign investment environment, new law compliance cases and the opportunities and challenges faced by Japanese enterprises. A&Z will continue to provide the latest interpretation of policies and laws and regulations for all foreign-invested enterprises and plan to hold the general manager salon again on December 3rd.

---

### **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

### **Exported Goods under the RCEP**

On November 23, GAC has issued the Administrative Measures of the Customs of the People's Republic of China for the Origin of Imported and Exported Goods under the Regional Comprehensive Economic Partnership (RCEP) (the "Measures"), which will come into force on January 1, 2022. The Measures stipulate that goods that are "wholly obtained or produced in a Party" or that meet other conditions are originating goods under RCEP and are qualified as originating under the RCEP. The Measures indicate that for goods that meet the provisions of Item 3, Paragraph 1, Article 3 of the Measures, if non-originating materials used in production of such goods go through one or more processing operations, such as "preserving operations to ensure that the good remains in good condition for the purposes of transport or storage" in a Party, the goods still do not qualify as originating. The Measures also clarify that imported goods with status of origin are subject to the applicable tax rates under the RCEP based on their country (region) of origin.

Social Security, Dispute Resolution, Compliance and CSR, Finance and Capital Markets, Customs Logistics and Maritime Commerce, and Environment, Health and Safety (EHS).

## **Industry News**

### **China's 4th CIIE draws 3,000 business exhibitors**

China Daily, November 1

### **Economic Watch: China to strengthen IPR support in new fields, business forms**

Xinhua, November 2

### **China, U.K. further extend currency swap deal**

Xinhua, November 12

### **Initiative to drive robust global growth**

China Daily, November 24

### **China specifies plans to reduce methane emission**

Global Times, November 25

### **China says it will expand scope of banks' forex derivatives business**

Reuters, November 26

### **China's industrial profits growth accelerates in Oct**

Reuters, November 27

### **Tesla plans to gear up its Shanghai production line**

China Daily, November 27

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.

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**



A&Z's Labour and Compliance Department  
WeChat account: **laodonghegui**



---

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](#).

Copyright © *\*|CURRENT\_YEAR|\* \*|LIST:COMPANY|\**, All rights reserved.