



里格律师事务所  
A&Z LAW FIRM

**A&Z Monthly Newsletter**  
**October 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**

**Hainan Province Issues Regulations on Fair Competition in Hainan Free Trade Port**

October 6, Shanghai

On September 30, the Standing Committee of Hainan Provincial People's Congress issued the Regulations on Fair Competition in Hainan Free Trade Port ("Regulations"), which shall come into force on January 1st, 2022. According to the Regulations, Hainan Free Trade Port implements the management system of relaxing the special list of market access (special measures) and the negative list of foreign investment access. In areas other than the negative list, all kinds of market players can enter and compete fairly according to the law. Hainan Free Trade Port implements the negative list management system of cross-border service trade. In areas other than the negative list, domestic and foreign service providers participate in market competition equally according to the law. The Regulations also stipulate that local laws, government regulations and draft administrative normative documents issued in the name of the government that involve the economic activities of market entities shall not be submitted to the government for deliberation without fair competition review. Before submitting it to the government for deliberation, it should also seek fair competition review opinions from the administration for market regulation at the same level.

#### **MIIT Seeks Comments on Administrative Measures for Data Security in the Field of Industry and Information Technology**

On September 30, the Ministry of Industry and Information Technology ("MIIT") recently drafted the Administrative Measures for Data Security in the Field of Industry and Information Technology (for Trial Implementation) (Draft for Comment) (the "Draft for Comment") to solicit public opinions by October 30, 2021. The Draft for Comment mainly involves: (1) industry management duties; (2) data classification and grading, and important data security management; (3) security management for the full life cycle of data; (4) data security monitoring and early warning, and emergency management; (5) data security testing, evaluation and certification management; (6) supervision and inspection. The Draft for Comment specifies the classification and grading methods for industry and telecommunication-related data, making clear the conditions for determining general data, important data and core data. Furthermore, it is required to establish working mechanisms, with the linkage of "department-locality-enterprise", for data classification and grading, the identification of important data and core data, and data classification protection in the field of industry and information technology; establish a filing management system for the full life cycle of industry and telecommunication-related important data and core data.

#### **NISSTC Seeks Comments on the Guidelines for Data Classification**

On September 30, the National Information Security Standardization Technical Committee ("NISSTC") has issued the



Professor Xu Shiying of East China University of Political Science and Law held a seminar on fair competition review at A&Z Law Firm. Some experts in the field of competition law, such as Dr. Xiang Lili and Dr. Ying Pinguang, also participated in this seminar. They had an interesting discussion on how to strengthen competition policy, how to promote competition law enforcement and how to build a competition review mechanism. <sup>±</sup>

#### **October 12, Shanghai**

As one of the important events under the "Project of Shanghai Municipal Commission of Commerce on providing high-quality information consulting services for foreign-invested projects" which is undertaken by A&Z Law Firm, the "Local Integration of Multinational Enterprises-Industry Boosting Sustainable Development Forum" was successfully held in Songjiang District, Shanghai. Representatives from many foreign-invested enterprises, consulting institutions and chambers of commerce, such as Hitachi China, BMW China, Apo Paper Co., Ltd., Hanhe Consulting, Japanese Commerce and Industry Club, etc., were invited to participate this Forum. As the host of this forum, Sophie An, the Principal Partner of A&Z Law Firm, discussed the issues related to sustainable development with

Practical Guide on Cybersecurity Standard--Guidelines for Data Classification (Draft for Comment) (the "Draft for Comment") for public comments by October 13, 2021. The Draft for Comment provides the principles, framework and rules of data classification from the perspective of national data security management. Regarding the data classification rules, the Draft for Comment specifies the identification and classification of personal information, public data, and legal person's data. Regarding the classification of personal information, the Draft for Comment defines sensitive personal information and private personal information from different perspectives, specifically, when determining whether it is sensitive personal information, the focus should be placed on: "whether the leakage or illegal use of the information per se directly infringes the personal dignity of the information subject" and other two elements; while it is considered private personal information on satisfaction of two conditions, one of which is "the information is privately owned and the owner has the right to decide whether to make the information public".

### **NMPA Issues the Provisions on the Supervision and Administration of Cosmetics for Children**

On October 8, the National Medical Products Administration ("NMPA") has issued the Provisions on the Supervision and Administration of Cosmetics for Children (the "Provisions"). According to the Provisions, cosmetics for children should be labeled with the cosmetics for children logos prescribed by the NMPA on the display surface of the sales package. Introductory words such as "Caution" or "Warning" should be used and warning phrases such as "Use Only Under Adult Supervision" should be marked on the visible side of the sales package. The Provisions require that cosmetic registrants, record-filing applicants, and commissioned manufacturers should take measures to avoid the confusion between the properties, smell, and appearance of cosmetics for children with food, medications, and other products, and to prevent accidental ingestion or misuse. The announcement of issuing clarifies that, except the labeling requirements, other rules and regulations on cosmetics for children will come into effect on January 1, 2022. From May 1, 2022, all cosmetics for children that are filed for registration or record-filing must be labeled in accordance with the Provisions.

### **Three Authorities Regulate Withholding and Management of Costs of Decommissioning Key Facilities and Sites for Hazardous Waste Treatment**

On October 12, three authorities including the Ministry of Finance ("MOF") have jointly issued the Measures for Withholding and Management of Costs of Decommissioning Key Facilities and Sites for Hazardous Waste Centralized Treatment (the "Measures"), which will come into effect on January 1, 2022. The

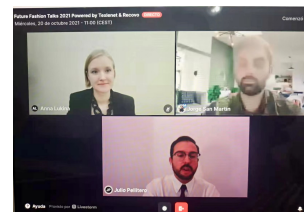
many guests.

### **October 20, Shanghai**



A&Z Law Firm co-organized a webinar on international business with the cooperation of IBS Asia. Mireia Paulo, Senior Consultant at A&Z Law Firm, delivered a speech in Spanish on the theme of "Buying Safely in China: preventing common mistakes-providing legal and commercial advice to Latin American entrepreneurs", helping foreign enterprises (mainly from Latin America) to understand how to sign contracts with Chinese partners, how to establish effective relations with suppliers and how to respond to disputes. ±

### **October 20, Shanghai**



Anna Lukina, BD and Marketing Director of A&Z Law Firm, was invited to attend the online opening panel of the series of eight virtual roundtables part of the Future Fashion Talks 2021, which was jointly organized by

Measures set out the minimum withholding standard for decommissioning costs. Among them, with regard to flexible landfills, the excess regressive method shall be adopted, specifically: if the total capacity is less than 200,000 cubic meter (inclusive), the costs shall be withheld according to the standard of CNY200 per cubic meter; if the capacity is more than 200,000 cubic meters but less than 500,000 cubic meters (inclusive), for the excessive part the costs shall be withheld according to the standard of CNY150 per cubic meter; and if it is more than 500,000 cubic meters, the costs shall be withheld according to the standard of CNY100 per cubic meter for the excessive part. In addition, the Measures emphasize that the responsible entity shall establish a dedicated fund management system for decommissioning costs, to clarify the procedures, responsibilities and authorities for the withdrawal, amortization and use of decommissioning costs, and that it shall withdraw, amortize and use them in accordance with the regulations.

#### **SAMR Seeks Comments on the Administrative Measures for the Registration of Food for Special Medical Purposes**

On October 18, the State Administration for Market Regulation ("SAMR") has drafted the Administrative Measures for the Registration of Food for Special Medical Purposes (Draft for Comment) (the "Draft for Comment") for public comments by November 18, 2021. Compared with the previous rules, Draft for Comment has made following main amendments: first, deepening the reform of "streamlining administration, delegating power, strengthening regulation and improving services"; second, further tightening product registration review requirements; third, implementing the most stringent regulatory requirements; fourth, implementing the most severe punishment and accountability requirements. Among them, the Draft for Comment specifies nine circumstances which will lead to the termination of the review or rejection of application for registration, such as, application materials are falsified and untruthful; application materials do not support product safety, nutritional adequacy, or clinical effects of special medical purposes. In addition, the content that overlaps with food safety laws and regulations and national standards on food safety has been deleted.

#### **NPC Standing Committee Seeks Comments on Anti-Monopoly Law (Draft Amendments)**

On October 19, the 31st session of the Standing Committee of the 13th National People's Congress ("NPC") has deliberated the Anti-Monopoly Law of the People's Republic of China (Draft Amendments) (the "Draft Amendments"), the full texts of which have been released to the public for comments by November 21, 2021. The Draft Amendments propose the following revisions: (1) clarifying the status of the competition policy as a basic policy and the legal status of fair competition review system; (2) further perfecting the relevant anti-monopoly rules and systems; (3)

Spanish companies Gowper and Texlenet. The discussion was focused on the challenges of internationalization of fashion enterprises, where Ms. Lukina shared ideas with Julio Pellitero, Chief Innovation Officer of Gowper and Jorge San Martin, founder of Texlenet. The roundtable had a special emphasis on how to enter the Chinese market from both legal and business perspective, and examining the drive for digitalization and sustainability post-pandemic. ±

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#### **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).

further enhancing the guarantee measures for anti-monopoly law enforcement; (4) improving the provisions on legal liability and imposing stricter penalties. It also specifies that setting an obstacle using any data, algorithm, technology, platform rules or otherwise by a business operator with a dominant market position to impose any unreasonable restriction on another business operator shall be deemed an abuse of dominant market position.

### **NPC Standing Committee Seeks Comments on Civil Procedure Law (Draft Amendments)**

On October 19, the 31st session of the Standing Committee of the 13th National People's Congress ("NPC") has deliberated the Civil Procedure Law of the People's Republic of China (Draft Amendments) (the "Draft Amendments"), the full texts of which have been released to the public for comments by November 21, 2021. The Draft Amendments propose to make 16 adjustments to the current Civil Procedure Law, including 8 new provisions and 8 revised provisions, mainly concerning the improvement of online litigation and service rules, and the improvement of small-sum litigation procedures. Among them, the Draft Amendments propose to shorten the period of service by public announcement from 60 days to 30 days, further shorten the trial period, reduce litigation costs and prevent litigation delays.

## Industry News

### **Bank of China plans more green loans**

Xinhua, October 1

### **Disney targets Gen Z for China success**

China Daily, October 8

### **Lego Group to step up investments in nation**

China Daily, October 12

### **Work begins on world's largest mobile display factory**

China Daily, October 14

### **Pudong's development charted in two new plans**

China Daily, October 22

### **Digital economy spurs stronger Africa-China cooperation**

China Daily, October 25

### **China coal futures slump as govt announces 'clean-up' of illegal storage sites**

Reuters, October 27

### **Sodexo eyes earnings acceleration with post-COVID recovery on the horizon**

Reuters, October 27

### **Starbucks sales miss as COVID-19 resurgence hits China**

Reuters, October 29

### **China's transport investment reaches nearly 2.2 trln yuan in Jan.-Aug.**

Xinhua, October 30

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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