



里格律师事务所
A&Z LAW FIRM

A&Z Monthly Newsletter
April 2022

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

SPC Revises Judicial Interpretations of Civil Procedure Law

On April 1, the Supreme People's Court ("SPC") issued the Decision on Amending the Interpretation of the Supreme People's Court on the Application of the Civil Procedure Law of the People's Republic of China (the "Decision"), which shall come into effect on April 10, 2022.

A&Z Past Events

April, Shanghai

In April, Shanghai faced a sudden COVID-19 surge, and subsequently, control measures against COVID-19. After finding out that many hospitals and

The amending aspects of the Decision on the Interpretation of the Supreme People's Court on the Application of the Civil Procedure Law mainly involve online litigation and service rules, sole trial, summary procedure, small claims procedure, judicial confirmation procedure. The Decision clarifies that the application of online litigation requires the consent of the parties, and that online litigation has the same legal effect as offline litigation. For the trial period of summary procedure, the maximum trial period of summary procedure under the Civil Procedure Law and judicial interpretation before the amendment was 6 months, which was shortened to 4 months after the amendment. The Decision also extends the scope of application of the judicial confirmation procedure from the original "people's mediation agreement" to agreements reached through mediation by legally established mediation organizations, providing strong judicial guarantee for the participation of other legally established mediation organizations in the diversified settlement of social disputes.

NMPA: China Implements the Annual Report System for Drugs for the First Time

On April 12, the National Medical Products Administration ("NMPA") issued the Administrative Provisions on the Annual Report on Drugs (the "Provisions"), accompanied by a circular to specify relevant work in detail. The Provisions shall come into force on the date of issuance.

According to the Provisions, the annual report refers to any report generated through summary of information collected by a marketing authorization holder ('MAH') on such aspects as production and sales, post-marketing research and risk management of drugs, held by it on a calendar-year basis. The Provisions further clarify that a MAH should establish and implement an annual report system, which covers the work procedures and requirements for the MAH to create, fill out and manage annual reports in accordance with the law. Among others, if a MAH is an overseas enterprise, the enterprise (legal person, namely the domestic agent), which is designated by the MAH according to law and which bears the joint and several liability in China, should perform the annual report related obligations. The Provisions also point out that the MAH should collect and summarize the information of the drug annual report of the previous calendar year, as required by the Provisions, and report through the drug annual report system before April 30 each year.

NMPA Issues the Guidelines on Pharmacovigilance Inspections

On April 15, the National Medical Products Administration ("NMPA") formulated and issued the Guidelines on Pharmacovigilance Inspections (the "Guidelines"), effective on the date of issuance.

According to the Guidelines, the key factors to be considered in regular inspections include the characteristics of the drug, the features of the marketing authorization holder (MAH), and other conditions; and key considerations for "for cause" inspections cover the "late reporting, concealment, and omission of information on suspected adverse drug reactions, poor quality of report", "the adverse drug reaction monitoring suggests that there may be safety risks", among eight aspects. The Guidelines further clarify that inspections can be conducted on-site and remotely.

communities in Shanghai were in shortage of resources, Sophia An, the chief partner of A&Z Law Firm, and Vincent Zhu, Eric Zhang, Peter Zeng and Andrew Zhang, senior partners of A&Z Law Firm, launched a donation campaign, sending supplies to major hospitals in Shanghai, such as Zhongshan Hospital and Children's Hospital of Fudan University, and raised funds to support communities. In addition, under the leadership of Vincent Zhu, the executive director of A&Z Law Firm, all staff of A&Z Law Firm actively participated in community voluntary services and helped in the community fight against COVID-19. As for the policy guidance of foreign-invested enterprises in China, A&Z Law Firm publishes information related to epidemic related policies on its WeChat account, providing the latest policy highlights and legal interpretations for foreign-invested enterprises in China, aiming to provide the timely and professional legal advice to cope with the situation.

April 27, Shanghai and online



As Shanghai is experiencing unprecedented disruptions due to COVID-19, and the rest of China is also facing lockdowns, many companies are wondering how to do business in China under these circumstances. On Wednesday, April 27, Andrew Zhang, senior partner at A&Z Law Firm, answered all the questions that international companies had. Handling company operations and disruptions, international trade and future outlook, as well as all

The deficiencies found in pharmacovigilance inspections are classified as critical, major, and general, posing risks from high to low. The Guidelines also indicate that the inspection conclusions and comprehensive assessment results are classified as compliance, basic compliance, and non-compliance, and the Key Points of Pharmacovigilance Inspections have been published as well.

NPC Standing Committee Adopts Futures and Derivatives Law

On April 20, the 34th session of the Standing Committee of the 13th National People's Congress ("NPC") adopted the Futures and Derivatives Law of the People's Republic of China (the "Futures and Derivatives Law") by voting, with effect from August 1, 2022.

The Futures and Derivatives Law comprehensively and systematically defines various basic rules for futures market and derivatives market, which improves the supervision of derivatives trading, perfects the definitions of relevant contracts, and clarifies the administrative rules for the marketing activities carried out by overseas institutions in China. The Futures and Derivatives Law, on the basis of summarizing the historical experiences and learning from international good practices, sets out a series of institutional arrangements, including (1) stressing the regulation of the futures market and balancing the derivatives market; (2) reserving the space for reform and innovation on the basis of summarizing and refining existing experience; (3) giving full play to the functions of the futures market and enhancing its capabilities to serve the real economy; (4) strengthening the prevention and control of market risks and maintaining national financial security; (5) building a trader protection system and enhancing the protection of ordinary traders; (6) aligning with international best practices and building a new pattern for the opening-up of futures market.

CNIPA Releases Guideline for Corporate Protection of Intellectual Property Rights

On April 21, the China National Intellectual Property Administration ("CNIPA") released the Guideline for Corporate Protection of Intellectual Property Rights (IPR) (the "Guideline").

The Guideline has been prepared based on in-depth research of the demands of the enterprises in IPR protection in China. It elaborates on how to conduct IPR protection in various business stages of enterprises, such as strategic planning, human resources, financial management, marketing, product R&D, production and supply chain, and legal management, and provides them with strategic suggestions on how to prevent IPR-related risks, and how to efficiently respond to related disputes.

MOFCOM Seeks Comments on the Regulations on the Control of Exports of Dual-use Items

On April 22, the Ministry of Commerce ("MOFCOM") released the Regulations on the Control of Exports of Dual-use Items (Draft for Comment) (the "Draft for Comment") for public comments by May 22, 2022.

The Draft for Comment has 60 articles in five chapters, including General Provisions, Control Policy, List and Measures, Supervision and Administration, Legal Liability, and Supplementary Provisions. The Draft for Comment cancels the

topics related to labor law were discussed.

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).

registration system for export operation of dual-use items, and establishes a multi-type licensing management system, covering individual licensing, general licensing, and exemption from application for licenses. It also stipulates the license review period, the license validity, the materials for application of license, the change and withdrawal of license, and other provisions to improve the predictability of the implementation of the control measures.

Guangzhou Issues the Regulations of Guangzhou Municipality for the Promotion of Digital Economy.

On April 6, the Guangzhou Municipal People's Congress released the Regulations of Guangzhou Municipality for the Promotion of Digital Economy (the "Regulations"), to be effective on June 1, 2022.

The Regulations have 89 articles in 11 chapters, including General Provisions, Development of Digital Industry, Digitalization of Industries, Digitalization of Construction Industry, Digitalization of Service Industry, Digitalization of Agriculture, Digital Infrastructure, Data Resources, Digitalization of Urban Governance, Development Environment, and Supplementary Provisions. In terms of digitalization of the service industry, it calls for the municipal and district people's governments and local financial regulators to improve the financial service system and risk protection mechanism for the digital economy, expand the financing channels for market entities in the digital economy, support qualified companies in the digital economy to list, and expand cross-border cooperation in financial services.

Guangdong Seeks Comments on the Measures for Handling Complaints by Foreign-invested Enterprises

On April 7, the Department of Commerce of Guangdong Province released the Measures of Guangdong Province for Handling Complaints by Foreign-invested Enterprises (Draft for Comment) for public comments by May 7, 2022.

It is stated that in order to deal with complaints from foreign-invested enterprises in a timely and effective manner, and to protect the legitimate rights and interests of foreign investment, the complaint handling office should make a decision of whether to accept a complaint within five working days after receiving the complete complaining materials. The office should accept a complaint and send an acceptance notice to the complainant if it meets the acceptance conditions, otherwise, it should send a notice of rejection to the complainant within five working days and explain the reasons for the rejection.

Industry News

China to pilot digital yuan in more cities

Xinhua, April 2

European companies show confidence in Chinese market with continued investment

China to step up financial support for industries hit by COVID outbreaks

Reuters, April 18

A prolonged China slowdown raises risks for

China Daily, April 6

Economic Watch: China seeks to shield service-sector firms from pandemic shock
Xinhua, April 7

China's time-honored trade fair to go online amid COVID-19
Xinhua, April 7

World-leading laptop manufacturer's Shanghai base phases in return to production
Xinhua, April 17

global economy, IMF chief says
Reuters, April 21

BMW, Audi suspend shipments by train to China due to Ukraine war
Reuters, April 26

China will promote platform economy to stabilise jobs, cabinet says
Reuters, April 27

247 foreign firms in Shanghai included in 'white list' to resume production
China Daily, April 29

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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