



A&Z LAW FIRM



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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, Business Development & Marketing Director at alukina@a-zlf.com.cn and visit the [A&Z website](#).

Sincerely, The Editors

LEGAL NEWS

Cyberspace Administration of China Issues Provisions on Promoting and Regulating Cross-Border Flow of Data

On March 22, the Cyberspace Administration of China issued the Provisions on Promoting and Regulating Cross-border Flow of Data (the "Provisions"), which came into effect from the date of issuance.

The Provisions clarify the declaration standards for important data outbound security assessment, specify the conditions for data outbound activities exempted from the declaration of data outbound security assessment, the conclusion of Standard Contract for Outbound of Personal Information, and the passing

A&Z UPDATES

March 7-8 in Valencia, Spain

The IV International TUCOMEX Congress on Foreign Trade was held in Valencia, Spain on March 7th and 8th, 2024. It brought together industry leaders, experts, and local authorities to delve into the

authentication for protection of personal information, and set up a negative list system for the Pilot Free Trade Zone.

The Provisions propose that data processors should identify and declare important data in accordance with relevant regulations. Data that has not been notified or publicly released as important data by relevant departments or regions, is not required to declare data outbound security assessment as important data by the data processors. At the same time, the Provisions also specify two types of data outbound activities that should be declared for data outbound security assessment: 1. operators of critical information infrastructures provide personal information or important data beyond the boundaries; 2. data processors other than operators of critical information infrastructures provide important data beyond the boundaries, or starting from January 1st of that year, provide personal information of more than 1 million people (excluding sensitive personal information) or sensitive personal information of more than 10,000 people beyond the boundaries cumulatively.

Shanghai Revises Administrative Measures for Registration of Business Address of Business Subjects

On March 7, the Shanghai Municipal Government website published the Notice on the Issuance of the Administrative Measures for the Registration of the Business Address of Business Subjects in Shanghai (the "Measures").

The Measures mainly simplify the materials required for the registration of business addresses, and make clear the circumstances that are exempted from the submission of real estate certificates; reduce the cost of business address use and registration, and decrease the requirements for obtaining business licenses for business premises; strengthen the

ongoing technological revolution transforming international supply chains. Representatives from the local authorities, Port of Valencia, and industry leaders shared their experiences with automation and digital transformation, highlighting both the challenges and opportunities these advancements present. Mireia Paulo, Senior Consultant at A&Z Law Firm and arbitrator at the Shanghai International Arbitration Center, made a presentation on "Opportunities and Risks in Supply Chain Practice in China Under the Technological Revolution". She described the changing landscape of smart supply

responsibility for housing safety, and make it clear that if using the rural and urban houses without real estate certificates for registration, and the community or town's administrations issue a certificate of residence or other documents to replace the real estate certificates, such documents shall show that the house has passed the safety appraisal.

Beijing Municipal People's Government Issues the Administration Measures for the Carbon Emissions Trading

On March 12, Beijing Municipal People's Government released the Administration Measures for the Carbon Emissions Trading (the "Measures"), which came into effect from the date of issuance.

The Measures include General Provisions, List Management, Quota Management, Carbon Emissions Trading, Reporting and Verification, Payment for Quotas, Supervision and Administration, and Supplementary Provisions. The Measures clarify that a quota management system would be applied for key emission units, and quotas would be calculated and distributed under the principle of prudence and strictness. Distribution of quotas may be free of charge or with charge. Free-of-charge quotas would be distributed in stages, and paid bidding for quotas would be conducted irregularly based on the market operation situation. If any key emission unit has any objection to the distribution of free-of-charge quotas, it may apply to the municipal ecological and environmental department for review. A quota of not more than 5% of the total annual quotas would be used for quota adjustment, paid distribution, and market regulation. Key emission units may conduct carbon emissions trading through open bidding, agreement transfer and paid bidding based on the city's carbon emission quotas and determined voluntary emissions reductions.

chain management in China, outlining relevant guidelines, standards, and case studies. Notably, her presentation highlighted the critical role of data processing within supply chain management and the challenges associated with cross-border data flows.

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A&Z is a leading Chinese law firm, which employs over 50 professionals across 7 offices, focusing on 11 legal practices. Having been active in Shanghai since 2004, A&Z's presence has expanded through the establishment of offices in Beijing, Dalian, Wuhan, Tianjin, Xiamen and Tokyo. A&Z focuses on advising multi-national groups, major corporations,

NDRC Issues Circular on Supporting High-quality Enterprises in Taking out Medium and Long-term Loans from Abroad to Boost the High-quality Development of the Real Economy (Draft for Comments)

On March 14, the National Development and Reform Commission (NDRC) released the Circular on Supporting High-quality Enterprises in Taking out Medium and Long-term loans from Abroad to Boost the High-quality Development of the Real Economy (Draft for Comments), which is open for public comments until April 13, 2024.

The Draft specifies the conditions that an enterprise shall meet before being recognized as a high-quality one. It simplifies foreign debt approval requirements and procedures, implementing special speedy reviews on high-quality enterprises' applications for the registration of foreign debts. For international commercial loans for which the borrower is temporarily unable to provide the signed loan agreement, or for the overseas issuance of bonds for which the issuer is temporarily unable to determine the lead underwriter, it is allowed to handle the registration through self-commitment. It keeps policy measures flexible and appropriate, supporting high-quality enterprises in various forms of ownership in borrowing loans from abroad and vowing to adjust the conditions for the identification of high-quality enterprises in due course. It also improves ongoing and ex-post oversight to protect enterprises from foreign debt-related risks.

GAC Issues Report on Matters Related to the Implementation of the Extension of Customs Advance Rulings and Other Matters

On March 15, the General Administration of Customs ("GAC") issued the Report on Matters Related to the

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

Implementation of Customs Advance Ruling Extension and Other Matters (the "Report").

The Report clarifies that, on the premise that there is no change in the categories of customs affairs, basic information of commodities, and Advance Rulings matters covered by the Decision on Customs Advance Ruling, the original Applicant may submit an application for extension of the effective period of the Decision on Customs Advance Ruling to the Customs issuing the Decision on Customs Advance Ruling, within 30 to 90 days prior to the expiration date of the Decision on Customs Advance Ruling. The Customs will complete the examination and issue a new Decision on Customs Advance Ruling within 30 days from the date of receipt of the application, which is valid for 3 years. Overseas exporters or manufacturers who have entered into a contract of sale of goods with the consignee of imported goods in the Shanghai Free Trade Zone (including the Lingang area) may entrust the consignee or other agents who have filed a record in the Customs to submit an application for advance ruling on commodity classification, price and place of origin to the Shanghai Customs.

Shanghai Municipal Bureau of Justice Issues Shanghai Municipal Foreign-related Maritime and Commercial Ad Hoc Arbitration Promotion Measures (for Trial Implementation) (Draft for Comments)

On March 4, the Shanghai Municipal Bureau of Justice issued the Shanghai Foreign-related Maritime and Commercial Ad Hoc Arbitration Promotion Measures (for Trial Implementation) (Draft for Comments) (the "Measures"), which was open for comments until March 11th.

The Measures clarify the applicable field of ad hoc arbitration is foreign-related maritime and commercial disputes, clarify the scope of parties who can agree to

conduct ad hoc arbitration in Shanghai, support the Shanghai Arbitration Association in publicly releasing a directory of recommended arbitrators in ad hoc arbitration and their profiles for the appointment by the parties, and support the Shanghai Arbitration Association in formulating and publicly releasing ad hoc arbitration rules. In addition, the Measures make it clear that the parties may also agree to apply the internationally recognized arbitration rules or the relevant arbitration rules formulated by national or municipal industry associations and chambers of commerce registered with the civil affairs departments.



INDUSTRY NEWS

Xinhua Headlines: China revs up developing tech-savvy industries for smarter future

Xinhua, March 1

Volkswagen Group China plans to boost investment in majority-controlled JV

Reuters, March 12

Economic Watch: China further streamlines mobile payments for foreigners

Xinhua, March 1

China New Growth: Machine tool manufacturer's push for precision

Xinhua, March 19

China's lithium-ion battery output up 25% in 2023

China Daily, March 27

China is Apple's most critical supply chain: Tim Cook

Xinhua, March 20

Interview: "China speed" encourages Decathlon China to "speed up," says VP

New quality productive forces boost MNCs

China Daily, March 26

Xinhua, March 8

**Aramco sees China demand
growing, eyes more
investments**

Reuters, March 10

**Bayer sees healthy prospects
in nation**

China Daily, March 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.



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