



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

MOF Issues the Announcement of the Tariff Commission of the State Council on the Tariff Adjustment Plan for 2023

On December 29, 2022, the Ministry of Finance ("MOF") issued the Announcement of the Tariff Commission of the State Council on the Tariff Adjustment Plan for 2023 (the "Announcement").

The Announcement clarifies the adjustments to the tariff plan, mainly involving three aspects: import tariff rates, export tariff rates and tariff lines. Import tariff rates, involves import tentative rates, most-favored-nation rates, tariff quota rates, agreement rates, preferential rates. From January 1, 2023, China shall implement tentative import tariff rates lower than the most-favored-nation rates for a total of 1,020 commodities in four categories. As for export tariff rates, it shall continue to be imposed on 106 commodities such as ferrochrome, and the export tariffs on aluminum and some aluminum alloys shall be increased. Some of the tariff lines and notes shall be adjusted, after which the total number of tariff lines in 2023 amounts to 8,948.

A&Z Past Events

December 7, Shanghai

The Chinese People's Political Consultative Conference Shanghai Committee ("CPPCC Shanghai Committee") held a meeting focusing on proposals and public opinion information. "The Proposal on Appropriately Simplifying the Convenience Policy of Entry Invitations for Short-term Business Personnel", submitted by Ms. Sophie An, Director and Principal Partner at A&Z Law Firm, was selected as one of the top 100 most excellent social sentiment and

SAMR Issues the Notice of the State Administration for Market Regulation on Implementing the Regulations on Registration and Administration of Market Entities to Further Improve the Registration and Administration of Market Entities (Draft for Comments)

On January 3, the State Administration for Market Regulation ("SAMR") issued the Notice of the State Administration for Market Regulation on Implementing the Regulation on Registration and Administration of Market Entities to Further Improve the Registration and Administration of Market Entities (Draft for Comments) (the "Notice"), which seeks comments by January 20, 2023.

Regarding the registration of market entities, the Notice proposes that the registration of market entities should be disciplined, standardized and facilitated, and the application documents, as well as the application materials, should not be unnecessarily required without authorization. At the same time, it is necessary to strengthen the construction of the Self-declaration system for market entities' names, dynamically maintain the industry word wordlist and the restricted word wordlist, as well as refuse the registration of unsuitable names. For the filing of closure of market entities, the Notice clarifies that, in principle, market entities that have been included in the list of business anomalies, have issued prepaid cards or charged prepaid fees, shall not apply for the filing of closure.

MOFCOM Issues the Notice on Further Supporting Foreign Trade and Economic Enterprises to Expand the Cross-border Use of CNY to Promote Trade and Investment Facilitation

On January 11, the Ministry of Commerce ("MOFCOM") issued the Notice on Further Supporting Foreign Trade and Economic Enterprises to Expand the Cross-border Use of CNY to Promote Trade and Investment Facilitation (the "Notice").

The Notice requires the facilitation of the use of CNY-denominated settlement for various types of cross-border trade and investment, and to encourage banks to provide more convenient and efficient settlement services. It also prompts banks to carry out overseas CNY loans and actively innovate products and services to further meet the needs of cross-border CNY investment and financing of enterprises. Enhance the sense of gain of high-quality enterprises, first-time bank account holders, micro, small and medium-sized enterprises and other entities, and support core enterprises of supply chain to play the leading roles, combining the need of enterprises to provide the support such as transaction matchmaking, financial planning and risk management, strengthening the insurance protection, with improving the comprehensive cross-border CNY financial services.

public opinion information proposals of the 13th CPPCC Shanghai Committee.

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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 7 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.

MOFCOM Issues the Notice on the Announcement of the List of Pilot Areas for the Integration of Domestic and Foreign Trade

On January 11, the Ministry of Commerce ("MOFCOM") issued a Notice on the Announcement of the List of Pilot Areas for the Integration of Domestic and Foreign Trade (the "Notice"), which came into force on January 11, 2023.

The Notice determines Beijing, Shanghai, Jiangsu Province, Zhejiang Province (including Ningbo), Fujian Province (including Xiamen), Hunan Province, Guangdong Province (including Shenzhen), Chongqing, Xinjiang Uygur Autonomous Region to be the integration of domestic and foreign trade pilot areas. The Notice requires the commerce departments of the above-mentioned pilot areas to focus on the key industries, and strive to cultivate a number of integrated domestic and foreign trade enterprises, to create a group of domestic and foreign trade integration development platforms, forming a number of industrial clusters with international competitiveness and integrated development, establishing and improving institutions and mechanisms to promote the integration of domestic and foreign trade.

Zhejiang: The Adoption of Regulations of Zhejiang Province on Promoting the Development of Small and Medium-sized Enterprises

On January 16, the Regulations of Zhejiang Province on Promoting the Development of Small and Medium-sized Enterprises (the "Regulations") were adopted during the first meeting of the 14th Zhejiang Provincial People's Congress. The Regulations will officially come into force on March 1.

The Regulations highlight innovation while emphasizing the significance of the creation of an innovative environment, platform support and talent guarantee for small and medium-sized enterprises, allowing more high-quality resources to gather to innovative small and medium-sized enterprises, with guiding them to take the path of development with professional and fine characteristics. By ensuring the construction of small and medium-sized enterprise park, innovating counterpart support cooperation mechanism, strengthening the digital platform and application scene construction and other provisions with distinguishing feature of Zhejiang, the requirements of digital reform would be implemented.

GAC Issues Customs Risk Management Implementation Measures (Draft for Public Comments)

On January 18, the General Administration of Customs ("GAC") issued the Customs Risk Management Implementation Measures (Draft for Comments) (the "Draft for Comments"), which seeks comments by February 17.

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 "Draft for Comments" stipulates the scope of application of this document, and implements risk management throughout the entire process of customs supervision; clarifies the main links of customs risk management and specific measures to regulate the risk management process; stipulates the principles of classified supervision and disposal to prevent and resolve major security risks to promote trade facilitation. The rights and obligations of administrative counterparties are also stipulated, which also reflects the principle of collaborative risk management.

MIIT Issues Guidance on Promoting the Development of the Energy Electronics Industry

On January 17, the Ministry of Industry and Information Technology ("MIIT") published the Guidance on Promoting the Development of the Energy Electronics Industry (the "Guidance"), which came into force from the date of publication.

The Guidance requires in-depth promotion of the full development of the energy electronics industry chain, enhancing the supply capacity of solar photovoltaic and new energy storage batteries, supporting the application of new technologies and products in key terminal markets, attaching great importance to industrial safety norms and orderly development, and striving to enhance the level of international development of the industry.

The Guidance make it clear that it is necessary to accelerate the cultivation of high-quality energy and electronics enterprises, to carry out multi-level financing matching activities, comprehensively use various financial instruments such as credit, bonds, funds, and insurance, and increase support for the supply chain of the energy and electronics industry chain.

Industry News

Analysis: Chinese airlines primed to take advantage of border opening

Reuters, December 30

Demand for logistics workers increases in China

Xinhua, January 18

Apple to sign Luxshare for iPhone production in China – FT

Reuters, January 5

China's coal-rich province sees coal production increase in 2022

Xinhua, January 20

Explainer: How strained China-Australia relations hit trade in coal, barley, beef and wine

Reuters, January 9

Musk says China rivals 'work hardest, smartest'

Reuters, January 26

VW China head sees China's overall car sales rising 5% in 2023

Consumers give economy festive boost

China Daily, January 28

Reuters, January 11

**China's grain barn province plans
soybean planting expansion for 2023**

Xinhua, January 12

**Starbucks focuses energy on lower-
tier regions**

China Daily, February 1

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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