



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

#### **MIIT Issues Decision on Amending the Measures for the Parallel Management of Average Fuel Consumption of Passenger Vehicle Enterprises and Points for New Energy Vehicles**

On July 6, the Ministry of Industry and Information Technology ("MIIT") issued the Decision on Amending the Measures for the Parallel Management of Average Fuel Consumption and Points for New Energy Vehicles of Passenger Vehicle Enterprises (the "Decision"), which will come into effect on August 1.

The Decision specified the MIIT and the other four ministries will calculate the average carbon dioxide emissions of passenger car enterprises in the previous year before June 30 each year, and the result will be included in the report on the average fuel consumption and the accounting of new energy vehicle credit points of passenger car enterprises. Passenger car enterprises with negative credit points for average fuel consumption or negative credit points for new energy vehicles shall submit a compensation report to MIIT within 90 days after the release of the accounting report, and offset the negative points to zero within 120 days after the release of the

### A&Z Past Events

#### **July 1, Shanghai**

On July 1, as the designated law firm for the activity of "Taiwan Young Legal Talent Practice Base", A&Z Law Firm attended the interview session of the sixth "Taiwan Young Legal Talent Practice Base". This session between Shanghai and Taiwan was conducted online. In the session, the interviewees in Taiwan introduced their personal backgrounds, and actively answered various questions from interviewers.

accounting report. MIIT will decide whether to open the credit points pool before July 30 each year based on the average fuel consumption and the supply and demand of new energy vehicle credit points of the passenger car enterprises on a national scale.

### **SAMR Issues Measures for the Administration of Food Business Licensing and Filing**

On July 12, State Administration for Market Regulation ("SAMR") issued Measures for the Administration of Food Business Licensing and Filing (the "Measures"), which will come into effect on December 1, 2023.

The Measures set up a special chapter to clarify the specific requirements for the filing of only selling pre-packaged food to further simplify the food business licensing process, reduce the time limit for license processing, and adjust some of the licenses to reports. The Measures further clarified the scope of handling food business licenses and the specific circumstances under which food business licenses are not required, incorporated chain headquarters, catering service management, etc. into the scope of business licenses, and increased and refined the subject responsibility for food safety of unit's canteen contract operators and food exhibition organizers.

### **CAC Issues Interim Measures for the Management of Generative AI Services**

On July 13, the Cyberspace Administration of China ("CAC") issued the Interim Measures for the Management of Generative Artificial Intelligence Services (the "Measures"), which will come into effect on August 15.

Compared with the former Draft for Comments, the final version of Measures was divided into five chapters, which included General Provisions, Technology Development and Governance, Service Regulation, Supervision and Inspection and Legal Liability, and Supplementary Provisions, adjusting a number of expressions, and the overall tendency focused more on setting a regulatory framework under the premise of supporting the development of Generative AI technology in all aspects. The Measures put forward specific measures to promote the development of Generative AI technology, specified requirements, such as training data processing activities and data labeling, stipulated specifications for Generative AI services, made it clear that Generative AI service providers shall take effective measures to prevent underage users from becoming overly dependent on or addicted to Generative AI services, and provided for a system of safety assessment, algorithm filing, and complaint reporting, as well as clarification of legal responsibilities.

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

## **NFRA Issues Measures for the Management of Fire Safety in Leased Plants and Warehouses**

On July 17, the National Fire and Rescue Administration ("NFRA") issued the Notice on the Issuance of the Measures for the Management of Fire Safety in Leased Plants and Warehouses (Trial Implementation) (the "Measures"), which was effective on the date of publication. The Measures applied to the fire safety management of leased plants and warehouses, and made it clear that the lessor and lessee of the leased plants and warehouses are the main subjects, who are responsible for fire safety, and if the lessor or lessee is an enterprise, the main person in charge of the leased plants and warehouses is the person responsible for the fire safety of the enterprise. Leased plants and warehouses shall implement the fire safety responsibility system at each level and the fire safety responsibility post system, clarify the fire safety responsibilities at each level and post, and determine the personnel responsible for fire safety at each level and post. In the case of leasing class, A and B plants and warehouses storing class A, B and C items, the lessee shall not change the layout of the plants and warehouses, the fire hazard category of the production of the plant buildings, the fire hazard category of the items stored in the warehouses and the approved maximum storage capacity without authorization.

## **MOT Issues Regulations of the People's Republic of China on International Maritime Transportation (Draft for Comments).**

On July 20, the Ministry of Transportation ("MOT") issued the Notice on Soliciting Opinions on the Regulations of the People's Republic of China on International Maritime Transportation (Draft for Comments) (the "Regulations"), for public consultation until August 19.

The Regulations stipulated the special provisions, investigations and treatments on the operators and business activities of international maritime transportation and its auxiliary business, and the foreign investment in international maritime transportation and its auxiliary business. The Regulations mainly amended the following contents: firstly, they improved the supervision system of international maritime transportation. They incorporated the management of international transportation on international border rivers into the scope of application of the Regulations, clarified the implementation of credit management for the operators of international maritime transportation and their auxiliary business, claimed that international liner operators shall not refuse the reasonable booking requests of shippers without justifiable reasons, and cancelled the filing of "tariff agreements" by international liner operators. Secondly, they strengthened

the safe and green development of international maritime transportation. Thirdly, they built up a transportation security and information statistics system for international maritime transportation in response to emergencies.

**GAC Issues Notice for Customs Clearance of the 6th China International Import Expo 2023 and Facilitation Measures of Customs Support for the 6th China International Import Expo 2023**

On July 20, the General Administration of Customs ("GAC") issued the Notice for Customs Clearance of the 6th China International Import Expo 2023 (the "Notice") and Facilitation Measures of Customs Support for the 6th China International Import Expo 2023 (the "Measures"), which took effect from the date of publication.

The Notice specified the rules related to the filing of the CIIE, approval and admission of exhibits, declaration of inbound materials, inspection and release of exhibits, supervision during the exhibition, disposal of exhibits, and equipment for journalists' interviews. The Measures specified that regular institutions shall be set up to respond to needs at any time; deepen the application of science and technology to create an intelligent supervision service model; dispatch staff to the site to provide service; the organizer will provide an unified tax guarantee to reduce the burden of overseas exhibitors; carry out inspections nearby to improve the level of exhibition facilitation; set up special channels and give priority to handling procedures; promote access negotiations and expand the categories of imported exhibition; simplify regulatory procedures to facilitate the entry of special goods; simplify entry procedures to facilitate food and cosmetics exhibition; simplify export procedures and facilitate post-exhibition disposal; support the normalization of bonded exhibition and sales; support cross-border e-commerce business; support the exhibition of historical relics; priority inspection and issuance of relevant certificates for eligible exhibiting vehicles; expand the scope of exhibition and allow animal and plant products and food products that have not been granted quarantine access to participate in the exhibition.

**SAFE Issues Notice of the State Administration of Foreign Exchange on Further Deepening Reforms to Promote the Facilitation of Cross-border Trade and Investment (Draft for Comment)**

On July 24, the State Administration of Foreign Exchange ("SAFE") issued the Notice of the State Administration of Foreign Exchange on Further Deepening Reforms to Promote the Facilitation of Cross-border Trade and Investment (Draft for Comment) (the "Notice"), for public consultation until August 2.

The Notice proposed the national promotion of cross-border financing facilitation pilot policies. It included science and technology-based SMEs in the scope of pilot subjects of cross-border financing facilitation to further support SMEs' scientific and technological innovation. Qualified high-tech, SRDI ("Specialized, refined, differential, innovational") and science and technology-based SMEs in Tianjin, Shanghai, Jiangsu, Shandong (including Qingdao), Hubei, Guangdong (including Shenzhen), Sichuan, Shaanxi, Beijing, Chongqing, Zhejiang (including Ningbo), Anhui, Hunan, Hainan Provinces can independently borrow foreign debt within an amount not exceeding the equivalent of 10 million U.S. dollars. Qualified high-tech, SRDI and science and technology-based SMEs in other regions can independently borrow foreign debt within an amount not exceeding the equivalent of 5 million U.S. dollars.

## Industry News

### **China's shipbuilding sector sees rise in deliveries, new orders**

Xinhua, July 1

### **Mega green hydrogen project begins operations in China's Xinjiang**

Xinhua, July 2

### **Fonterra to expand into premium dairy segment**

China Daily, July 4

### **China Focus: China takes multi-pronged measures to fuel NEV boom**

Xinhua, July 4

### **WPP confident of growth potential in China market**

China Daily, July 6

### **Chinese tech giant Huawei launches latest AI model**

Xinhua, July 7

### **Interview: L'Oreal chairman calls China a strategic growth driver for company**

Xinhua, July 10

### **Lenovo Group further invests in cutting-edge technology**

China Daily, July 14

### **Xinhua Headlines: African products blossom in China as cross-border trade thrives**

Xinhua, July 20

### **As China embraces membership stores, Sam's Club expansion gathers pace**

Reuters, July 21

### **SAIC Motor says on consensus with Audi to develop electric vehicles**

Xinhua, July 23

### **Singapore's GIC bets on China after scoring 8-year-high returns**

Reuters, July 26

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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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