



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

Draft Revision of the Customs Law Proposing a New Chapter on Customs Risk Management and Enterprise Management

On November 10, the website of the General Administration of Customs ('GAC') published the Notice on the Public Consultation on the Draft Revised Customs Law of the People's Republic of China ('Draft for Comments'), with a deadline of December 10 for feedback. The Draft revised Customs Law consists of 10 chapters and 113 articles, including General Provisions, Customs Enforcement Measures and Supervision of Enforcement, Customs Risk Management, Management of Enterprises, Inbound and Outbound Transportation Means, Inbound and Outbound Goods, Inbound and Outbound Items, Customs Tariffs and Customs Guarantees, and Legal Liability. The two chapters of the existing Customs Law on "Customs Tariff" and "Guarantees for Customs Affairs" are integrated into one chapter, the chapter on "Supervision of Law Enforcement" is deleted, and the chapters on "Customs Law Enforcement Measures and Supervision of Law Enforcement", "Customs Risk Management" and "Enterprise Management" are added, which constructing a risk management system for

A&Z Past Events

November 1, Shanghai

On November 1, the Project Summary and Outlook Meeting of "the Belt and Road High-end Economic, Trade and Legal Talents Practice Base" jointly organized by East China University of Political Science and Law, Jing'an District Justice Bureau and Jing'an District Lawyers Work Committee was held in the round table room of the Jiao Yi Building of East China University of Political Science and Law. Professor Wu Qiaofang, Director of the

the whole process of customs from information collection, risk assessment, risk warning to adopting matching risk disposal measures based on the risk level of the supervisory objects, solidifying the results of the institutional reform, implementing the effectiveness of the business reform, and strengthening the supervision and control during and after the process.

General Administration of Customs Publishes Announcement on the Implementation of Measures to Relax the Declaration Time Limit and Other Measures for Deep Processing Carry-over of Processing Trade

On November 14, the General Administration of Customs published on its website the Announcement on the Implementation of Measures to Relax the Declaration Time Limit and Other Measures for Deep Processing Carry-over of Processing Trade ('Announcement'). The Announcement makes it clear that the General Administration of Customs has decided to introduce measures to promote the sustained and high-quality development of processing trade. There are five measures in total, mainly including relaxing the declaration time limit for deep-processing carry-over, optimizing the management of export return of finished products for processing trade, expanding the scope of application of the regulatory model of processing trade for enterprise groups, simplifying the procedures for centralized domestic sales, and simplifying the procedures for the exit of domestically procured equipment from the customs supervision area. The Announcement makes it clear that non-dishonest enterprises in the industries of information technology, artificial intelligence, biomedicine, new energy, new materials, and major equipment manufacturing with standardized internal management and complete informatization systems may apply to the Customs for the application of the regulatory model of processing trade for enterprise groups as the lead enterprises.

State Administration of Foreign Exchange Intends to Revise the Guidelines for Foreign Exchange Business under Capital Accounts

On November 16, the State Administration of Foreign Exchange ('SAFE') issued the "Guidelines for Foreign Exchange Business under Capital Accounts (2023 Edition) (Draft for Comment)" for public consultation, with a deadline of 26 November 2023 for feedback ('Guidelines'). The revised Guidelines will streamline the three parts of the original Guidelines into two major parts, namely "Administration of Foreign Exchange" and "Banks", and will be subdivided into several chapters according to the business management line; and add some new business scenarios. For example, new business situations such as relocation of enterprise territories, digitalization of capital

International Exchange Department and Dean of the School of International Education at East China University of Political Science and Law, Lv Ping, Secretary of the Party Committee and Director of the Jing'an District Justice Bureau, as well as representatives of the Jing'an District Lawyers Work Committee, member law firms of the project, law firms' guidance teachers, and students, delivered speeches respectively. Andrew Zhang, Senior Partner at A&Z Law Firm, as a representative of the member firms of the project, attended the meeting and exchanged ideas with the attending guests and students.

November 9, Shanghai

On November 9, the "2023 Shanghai Arbitration Week Financial Arbitration Frontier Issues Forum on the Construction of Shanghai International Financial Centre and the Development of Financial Arbitration" was successfully held in the Shanghai Centre Building, with the participation of Sophie An, Principal Partner of A&Z Law Firm, and more than 70 industry leaders, experts and scholars from the judicial and administrative organs, arbitration institutions, colleges and universities,

accounts, subscription of convertible bonds of A-share listed companies by foreign shareholders; optimization of cross-border securities investment business management.

Ministry of Commerce Issues Circular on Implementation of Tax Reduction and Exemption Policies on Imported Equipment for Foreign Investment Projects

On November 16, the Ministry of Commerce ('MOFCOM') published on its website the Circular on Further Improving the Implementation of the Policy on Tax Reduction and Exemption for Imported Equipment Applied to Foreign-invested Enterprises in Foreign-invested Projects Encouraged by the State ('Circular'). The Circular makes it clear that enterprises or their investors should truly, accurately and completely fill in the information on foreign investment projects encouraged by the State when making foreign investment information reports. After matching by the provincial commerce department, the enterprise or its investors shall obtain the "Foreign Investment (Company/Partnership) Initial Reporting Receipt" or "Foreign Investment (Company/Partnership) Change Reporting Receipt" containing the information of foreign investment projects encouraged by the State in the "Remarks" column from the information reporting organization, and shall apply to the Customs with the receipt, for the foreign investment projects encouraged by the State, the formalities for exemption of import duty on equipment imported for self-use by foreign investment projects encouraged by the State.

Shanghai Municipal People's Government Issues Several Opinions on Supporting the Deepening and Expansion of Special Economic Functions in the Lingang New Area of the Pilot Free Trade Zone to Take the Forefront in High-Quality Development

On November 17, the website of the Shanghai Municipal People's Government released to the public the "Several Opinions on Supporting the Deepening and Expansion of Special Economic Functions in the Lingang New Area of the Pilot Free Trade Zone to Take the Forefront in High-Quality Development" ('Opinions'), which includes a total of 29 items. The Opinions support the innovative development of offshore trade; support the construction of the "cross-border pass" platform in the new area, and enhance the ability to audit the authenticity of offshore trade; actively seek support from relevant state departments to promote the exemption of stamp duty for offshore trade business in the new area; support the development of enterprises related to bonded oil (gas) refilling and methanol refilling for international ships in the new area and support the application for the licenses and other matters in accordance with the law; support the new area to build a cross-border

financial companies and law firms.

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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).

asset management demonstration zone; actively support the pilot projects of Qualified Foreign Limited Partner (QFLP) and Qualified Domestic Limited Partner (QDLP) to land in the new area.

Central Bank, Administration of Foreign Exchange Issues Circular on Enhancing the Digital Service Level of Banks Handling Capital Project Businesses

On November 20, the People's Bank of China ('PBOC') website released the "Notice of the People's Bank of China, State Administration of Foreign Exchange on Enhancing the Level of Digital Services Provided by Banks for Handling Capital Accounts Businesses" ('Notice'). The Notice, firstly, supports banks to handle capital account business by means of reviewing electronic documents. Secondly, it expands the types of digital business processing for capital accounts, and brings all the foreign exchange and cross-border RMB business under capital accounts that banks have the authority to directly process offline into the scope of digital services. Thirdly, it clarifies the form and conditions required for banks to handle capital account digitalization business, business audit and file management, and relevant data and information reporting rules.

General Administration of Customs Proposes to Amend the Measures on Customs Administrative Review

On November 22, the website of the General Administration of Customs ('GAC') published the Notice on Publicly Soliciting Opinions on the Measures of the People's Republic of China for Customs Administrative Review (Draft for Opinion) ('Notice'), with the deadline for feedback December 22. The Measures contain 7 chapters and 89 articles, the main contents include general provisions, customs administrative review application, customs administrative review acceptance, customs administrative review hearing, customs administrative review decision, legal responsibility, bylaws, highlighting the simplification and optimization of customs administrative review application and acceptance procedures, expanding the scope of the administrative review, adopting the statement of the principle plus the negative list of the scope to define the scope of the administrative review, increase the maximum period of the application for review, expand the scope of pre-review and increase the supervision scope of higher-level customs review acceptance. It further optimizes the Customs administrative review procedure, promotes "fast and slow streaming", increases the applicant's right of copying, optimizes the ordinary review procedure and the incidental review procedure of normative documents, and adds new procedures of confirming

violation of law, confirming invalidity, and involving administrative compensation.

Industry News

Economic Watch: China's pop toy market maintains rapid growth

Xinhua, November 2

(CIIE) Roundup: China's import expo earns global recognition for promoting development and cooperation

Xinhua, November 6

China sees patent growth in digital economy

Xinhua, November 8

China smartphone market perks up as sales of new Xiaomi model off to roaring start

Reuters, November 9

Global EV sales stay strong, China hits record despite end of subsidies

Reuters, November 14

McDonald's bullish on China growth prospects as it boosts stake in local business

Reuters, November 21

French company opens factory in China targeting aviation maintenance market

Xinhua, November 22

China aviation regulator head, US ambassador seek increase of flights

Reuters, November 22

Volkswagen to launch China-specific entry level electric platform

Reuters, November 24

Bang & Olufsen unveils new products to attract Chinese consumers

China Daily, November 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.

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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