



**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) and visit the A&Z website.

**Sincerely,  
The Editors**



**Legal Updates**

**GAC Issues Guidance Catalog for Industrial Structure Adjustment (2024 Edition)**

On January 29, the General Administration of Customs ("GAC") published on its website the Announcement on Matters Relating to the Implementation of Guidance Catalog for Industrial Structure Adjustment (2024 Edition) ("the Announcement"), which was implemented as of the date of publication.

The Announcement specifies that, starting from February 1, 2024, for domestic investment projects belonging to the encouragement category of the Guidance Catalog for Industrial Structure Adjustment (2024 Edition), the equipment imported for self-use within the total amount of investment, as well as the technology and ancillary and spare parts imported along with the said equipment in accordance with the contract, shall be exempted from customs duties in accordance with the relevant regulations, and the import value-added tax shall be levied according to the rules. For domestic investment projects approved, endorsed or filed before February 1, 2024, if they do not fall within the scope of the encouragement category of the Guidance Catalog for Industrial Structure Adjustment (2024 Edition) but fall within the scope of the encouragement

**A&Z Past Events**

**February 21, Shanghai**

On the afternoon of February 21, the forum "Exploring the Future of Sino-Japanese Economic and Trade Development - Observation of the Current Situation and New Ideas under the Complicated International Environment" was organized by A&Z Law Firm. It was held at Jin Jiang Hotel in Shanghai. About 100 participants attended, including representatives of enterprises, social organizations, experts and scholars from China and Japan, gathered together to explore the opportunities and

category of the Guidance Catalog for Industrial Structure Adjustment (2019 Edition), the project unit obtains the Confirmation of Domestic and Foreign Invested Projects Encouraged by the State for Development issued by the competent authorities in charge of investment prior to February 1, 2025 or the Confirmation of the Applicable Encouraged Categories issued by the Customs under the direct subordination, the project unit is entitled to apply to the Customs for tax reduction and exemption confirmation procedures.

### **National Financial Regulatory Administration Issues Three Loan Management Measures**

On February 2, the National Financial Regulatory Administration issued the revised Measures for the Administration of Fixed Asset Loans, Measures for the Administration of Liquidity Loans, and Measures for the Administration of Personal Loans, which will come into effect on July 1, 2024, respectively.

The key contents of this revision include: first, reasonably broadening the scope of uses and loan targets of fixed asset loans and liquidity loans, optimizing the measurement requirements of liquidity loans to meet the actual needs of the credit market. Second, adjusting and optimizing the standard of entrusted payment amount, moderately extending the time limit for entrusted payment, and enhancing the flexibility of entrusted payment. Third, combining the online demand for credit processing, clarifying the forms of processing such as video interviews and off-site investigations, and adapting to new financing scenarios. Fourth, it clarifies the requirements for loan tenure, guides commercial banks to effectively prevent the risk of loan tenure mismatch, and further optimizes the loan structure. Fifth, it further strengthens credit risk management and control, and promotes commercial banks to improve the standardization of credit management. Sixth, it incorporates the Administrative Provisions on Project Financing Business into the Administrative Measures for Fixed Asset Loans as a special chapter.

### **State Council Issues Provisional Regulation on the Administration of Trading of Carbon Emission Rights**

On February 4, the State Council issued the Issues Provisional Regulation on the Administration of Trading of Carbon Emission Rights (the "Regulations"), which will come into effect on May 1, 2024.

The Regulations establish the basic institutional framework for the administration of carbon emissions rights trading, clarify the legal status and responsibilities of the national carbon emissions rights registry and trading organizations, the scope of carbon emissions rights trading, as well as the trading products, trading entities and trading methods, the determination of key emission units, the allocation of

challenges of economic and trade cooperation between China and Japan. This forum was co-organized by the Shanghai Academy of Social Sciences, Japan Research Center; supported by the Consulate-General of Japan in Shanghai; the Shanghai Japanese Commerce and Industry Club; the Japan-China Business Association, Shanghai Office; the Japan External Trade Organization (JETRO), Shanghai Representative Office; Shanghai Japanese Society; and Duan & Duan Law Firm, a close cooperation partner of A&Z Law Firm.

### **February 21, Shanghai**

On the evening of February 21, 2024, A&Z's 20th Anniversary Gala was held at the Okura Garden Hotel, Shanghai. Guests were invited to attend the event, including Consul General/Ambassador AKAMATSU Shuichi of the Consulate-General of Japan in Shanghai, Hitoshi Nakamura, Director General of the Shanghai Japanese Commerce and Industry Club, and Charles Duan, founding director of Duan & Duan Law Firm. More than 200 people including business representatives, social organizations, experts and scholars from China, Japan, and other countries, came to the Gala to celebrate the 20th anniversary of A&Z.

carbon emission allowances, the compilation and verification of the annual greenhouse gas emissions report, and the clearing of and market trading in carbon emission allowances, etc. The Regulations make it clear that carbon emission allowances shall be allocated free of charge, and the combination of free and paid allocation shall be gradually implemented in accordance with relevant national requirements. The Regulations prevent and penalize the falsification of carbon emission data, and make clear provisions on strengthening the main responsibility of key emission units, strengthening supervision and inspection, and increasing penalties.

#### **GAC Issues Administrative Measures of the People's Republic of China to the Issuance of Certificate of Origin for Export Goods (Draft for Opinion)**

On February 5, the General Administration of Customs ("GAC") announced the Administrative Measures of the People's Republic of China to the Issuance of Certificate of Origin Visa for Export Goods (Draft for Opinion) (the "Draft of Opinion"), with feedback until March 5th.

The Draft for Opinion is organized in accordance with the operation process of the issuance of the certificate of origin, including the general provisions, certificate of origin application, audit and issuance, supplementary issuance, change and reissuance, supervision and management, legal responsibility and bylaws. The Draft of Opinion stipulates the types of certificates of origin that can be applied for the issuance of the same goods under the same batch, i.e. only one certificate of origin of the same kind can be applied for. In addition, the Applicant shall provide the basic information of the enterprise when applying for the certificate of origin for the first time.

#### **SAMR Issues Notice on Improving the Antitrust Compliance Risk Alert Mechanism for Concentration of Operators**

On February 6, the State Administration for Market Regulation ("SAMR") published the Notice on Improving the Antitrust Compliance Risk Alert Mechanism for Concentration of Operators (the "Notice"), which will come into effect on the date of its publication.

The Notice clearly enriches the alerting scenarios, strengthens policy guidance, and enhances data integration in three aspects, and proposes to further expand the scope of alerting coverage based on the alerting in the registration of change of shareholding in the management system of registration of business entities and the registration of newly established joint venture, and to alert operators of businesses concentration through the annual report filing on the national enterprise credit information publicity system and other links and through the pop-up windows and other forms in the mobile terminals relating to the

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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).

applications of business start-up and government services, to remind operators of the obligation to make declarations on businesses concentration and the possible legal liabilities arising from failing to make declarations according to law.

### **Shanghai Issues Implementation Plan on Overall Plan for Comprehensively Connecting with International High-standard Economic and Trade Rules to Promote High-level System-based Opening of China (Shanghai) Pilot Free Trade Zone**

On February 6, the Shanghai Municipal People's Government issued the Implementation Plan on Overall Plan for Comprehensively Connecting with International High-standard Economic and Trade Rules to Promote High-level System-based Opening of China (Shanghai) Pilot Free Trade Zone (the "Implementation Plan"), which will be implemented from the date of its publication.

The Implementation Plan clarifies the contents of electronic payment, cross-border transmission of financial data, financial technology, cross-border asset management, telecommunication services, import and export of goods, commercial encryption, business models of logistics, application of digital technology, protection of intellectual property, and government procurement. The Implementation Plan proposes to explore the relaxation of non-resident M&A lending restrictions in the Lingang section of the Pilot Free Trade Zone, study the cross-border transfer of asset-backed securities by qualified asset management companies, explore the establishment of an international board rule system for reinsurance, and support the development of a pilot program for the investment of insurance funds in gold and other bulk commodities; and study the improvement of a digital identity authentication system in line with international standards, promote research on ethical norms in the field of artificial intelligence, formulate guidelines on ethical norms for artificial intelligence, deepen the innovative research and development of pharmaceuticals empowered by artificial intelligence technology, and accelerate the commercialization and application of intelligent networked vehicles, and more.

### **Shanghai Issues 7.0 Version of the Action Plan to Optimize the Business Environment**

On February 18, the Shanghai Municipal People's Government announced the Notice on the Issuance of Shanghai Municipality Adheres to Benchmarking Reform and Continuously Creates an International First-class Business Environment Action Plan, proposing the implementation of major measures such as the Benchmarking Reform Enhancement Actions, the Enterprise Service Enhancement Actions, the Supervision

and Law Enforcement Enhancement Actions, the Regional Benchmarking and Innovation Actions, and the Business Environment Collaboration Actions by 2024.

Version 7.0 of the Action Plan makes it clear that system reforms will be carried out in ten areas, including market access, business premises, public utilities, labor and employment, finance, international trade, tax payment, commercial dispute resolution, market competition, bankruptcy, etc., the full implementation of the commitment system for company name declaration, the deepening and expanding of reform pilots such as the commitment system for enterprise investment projects, the implementation of regulatory policies related to the areas of green financing, secured transactions and electronic payments, and the increase of AEO enterprise cultivation and service efforts, etc.; proposed to build a comprehensive business environment demonstration zone in Pudong New Area, continue to expand the categories of imports exempted from special management measures for mandatory certification, and explore the development of customized industry chain-wide business environment optimization program for the biomedical industry.

## Industry News

**Canada Goose rides on China luxury demand recovery to forecast strong quarter**

Reuters, February 1

**Economic Watch: China's NEV industry remains on fast track**

Xinhua, February 4

**Exclusive: Eisai expects 1,500 Alzheimer's patients in China launch, sees 'huge' growth**

Reuters, February 5

**McDonald's seeks to expand in lower-tier cities in China**

Xinhua, February 7

**Carlsberg bets on China, expensive beer for higher growth goals**

Reuters, February 7

**China boosts Volkswagen's January deliveries, up 13%**

Reuters, February 16

**Over 2.3 bln passenger trips made in China's Spring Festival holiday: authorities**

Xinhua, February 17

**Chinese, Spanish companies cooperate on boosting urban air mobility**

Xinhua, February 22

**China Focus: Young consumers' handbag culture reveals new consumption attitude**

Xinhua, February 26

**AstraZeneca sets global strategic center in Shanghai**

China daily, February 28

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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.

Visit our website: [www.A-ZLF.com.cn](http://www.A-ZLF.com.cn)

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