



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 and visit the A&Z website.

Sincerely,
The Editors



Legal Updates

GAC Issues Announcement on Further Optimizing the Management of Entry and Exit Zones of Comprehensive Bonded Zones

On December 29, 2023, the General Administration of Customs ("GAC") issued the Announcement on Further Optimizing the Management of Entry and Exit Zones of Comprehensive Bonded Zones (hereinafter referred to as the "Announcement"), which was effective from December 29, 2023.

The classification and grading management of checkpoints referred to in the Announcement is applicable to comprehensive bonded zones, which explicitly allows comprehensive bonded zones with conditions to set up specialized and convenient entry/exit channels at checkpoints, and implement classified release for goods entering and exiting the zones. The inbound and outbound goods such as infrastructure materials required for the construction of the zone, office supplies for self-use of the enterprises and administrative agencies in the zone, labor insurance supplies required by the enterprises in the zone, and consumer goods required by the personnel in the zone are subject to the registration and management of the

A&Z Past Events

January 3, Qinghai Province

Mr. Karl Zhang, lawyer at A&Z Law Firm, was selected as one of the supporting lawyers of the 2023 "China Legal Aid Volunteer Action" providing legal public welfare services to the Tibetan autonomous regions in Qinghai Province, China. Karl has been providing free legal aid to local economically disadvantaged individuals with various legal needs since the second half of 2023, as well as providing legal advice to local government agencies.

checkpoints and they are allowed to enter and exit the zone through the convenient inbound and outbound channels. According to the actual setup of the checkpoint, the regular cargo channel can also be used to register the goods at the checkpoints. For hazardous chemicals that are subject to customs declaration, filing list or bonded endorsement list for entering and exiting the zone, enterprises are required to declare truthfully and check the "Hazardous Chemicals Symbol" for the goods in the bonded endorsement list.

SAMR Issues Provisions on Preventing and Investigating and Dealing with Illegal Acts of Counterfeiting Enterprise Registration

On January 12, State Administration for Market Regulation ("SAMR") issued Provisions on Preventing and Investigating and Dealing with Illegal Acts of Counterfeiting Enterprise Registration, (hereinafter referred to as the "Provisions"), which will be implemented from March 15.

The Provisions strictly require verification of shareholder-investors, strengthening the verification and comparison of information between market regulation and state-owned assets supervision departments, strengthening the management of state-owned property rights, improving the investigation procedures of illegal acts of counterfeit enterprise registration, and strictly pursuing the responsibility of those responsible for fake registration. In particular, the Provisions make it clear that enterprises as shareholders and capital contributors should verify their identity by verifying the electronic business license; if they do not use the electronic business license, their legal representatives, persons in charge and other natural persons should cooperate with the registration authority through the real-name authentication system by using face recognition and other means to verify their real names.

MEM Issues Provisions on Fines and Penalties for Production Safety Accidents

On January 15, the Ministry of Emergency Management ("MEM") announced the Provisions on Fines for Production Safety Accidents (hereinafter referred to as the "Provisions"), which will be implemented from March 1.

The Provisions clarify the rule of fines applicable to the main person in charge of the unit where the accident occurred, and the main body of the unit where the accident occurred, and other subjects under different degrees of accidents, and different situations of responsibility. Article 18 of the Provisions specifically stipulates that the six circumstances under the second paragraph of Article 114 of the Work Safety Law are particularly serious and have a particularly bad impact, and can be fined at least two times and not more than five times the amount of the fine prescribed by law. These include shutting down or destroying monitoring, alarm, protection and life-saving

January 26, Shanghai

Mr. Andrew Zhang, Senior Partner at A&Z Law Firm, was selected as an Outstanding Member for 2023 by the Jing'an District Youth Intellectuals Association in Shanghai. This Outstanding Member award is based on the comprehensive evaluation of the members' participation in various activities of the Association in 2023, as well as their level of enthusiasm and achievements in providing suggestions through the Association. As one of the nine Outstanding Members, Andrew not only actively participated in many activities of the Association for 2023, but also put forward his own suggestions for the development of Jing'an District in Shanghai, and ultimately received recognition from the United Front Work Department and the Association of Jing'an District.

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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

equipment and facilities directly related to production safety, or tampering with, concealing or destroying their relevant data and information, as well as refusing to comply with an order to stop production or business operation, stop construction, stop using relevant equipment, facilities and sites or immediately take corrective measures to eliminate hazards due to the existence of major accident hazards.

PBC Issues the Notice on Matters Concerning the Management of Cross-border Tax and Fee Payment and Refund Operations

On January 17, People's Bank of China ("PBC") issued the Notice on Matters Concerning the Management of Cross-border Tax and Fee Payment and Refund Operations (hereinafter referred to as the "Notice"), which will be implemented since February 18, 2024.

The Notice states that cross-border tax and fee payment operations are divided into cross-border foreign currency tax and fee payment operations and cross-border RMB tax and fee payment operations. When cross-border tax and fee payment is made, it is divided into the cross-border tax and fee payment business handled by TIPS and the cross-border tax and fee payment business handled by transferring money. Under the former method, the contributor shall make tax declaration to the tax authorities and choose the bank side inquiry and tax payment as the tax payment way; under the latter method, the contributor shall make tax declaration to the tax authorities and the tax authorities shall notify the contributor to accurately fill in the relevant elements in the remittance vouchers.

MIIT Issues Guidelines for the Construction of a Comprehensive Standardization System for the National Artificial Intelligence Industry (Draft for Opinion)

On January 18, the Ministry of Industry and Information Technology ("MIIT") issued Guidelines for the Construction of a Comprehensive Standardization System for the National Artificial Intelligence Industry (Draft for soliciting opinions) (hereinafter referred to as the "Guide"), the deadline for feedback is January 31.

The Guide makes it clear that the structure of the AI standards system includes six parts that are basic commonality, basic support, key technologies, intelligent products and services, industry applications, and security/governance. Among them, the basic commonality standard is the basic, framework, and overall standard of AI. The basic support standards mainly standardize the technical requirements of data, arithmetic and algorithms, to consolidate the technical base for the development of the AI industry. The key technology standards mainly standardize the technology in the fields of AI text, speech, image, as well as human-computer hybrid augmented

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).

intelligence, intelligent body, cross-media intelligence, embodied intelligence, to promote the research and development, and innovative applications of AI technology.

SAFE Shanghai Branch Issues Notice on Carrying Out Pilot Project of High-Level Opening-up of Cross-Border Trade and Investment

On January 23, the Shanghai Branch of the State Administration of Foreign Exchange ("SAFE") issued the Notice on Carrying Out Pilot Project of High-Level Opening-up of Cross-Border Trade and Investment (hereinafter referred to as the "Notice"), which was implemented as of the date of issuance.

The Notice puts forward eight measures, including further facilitating the collection and payment of foreign exchange funds for current items; supporting banks to optimize the settlement of new types of international trade; expanding the scope of net settlement of trade balance; exempting the registration of special refunding of foreign exchange for trade in goods beyond the time limit; optimizing the management of advancing or apportioning business under trade in services; sharing of foreign debt quota between the parent and subsidiary of financial leasing companies; exempting the registration of foreign-invested enterprises' domestic reinvestment; and directly handling the registration of eligible non-financial enterprises borrowing foreign debt and going abroad for listing in the banks.

GAC Issues Provisions on Procedure for Administrative Reconsideration Cases

The General Administration of Customs ("GAC") recently issued the Provisions on the Procedure for the Trial of Administrative Reconsideration Cases by Customs of the People's Republic of China (hereinafter referred to as the "Provisions"), which will be implemented from March 1, 2024.

The Provisions stipulate the General Provisions, Application, Acceptance, Trial and Decision for Administrative Reconsideration Cases. The Provisions specify that if citizens, legal persons, or other organizations, which believe that the normative documents on which the administrative actions taken by customs are based are illegal, they may submit an application for the review of such normative documents when applying for administrative reconsideration of the administrative actions. Citizens, legal persons, or other organizations which believe that customs administrative actions have infringed upon their legitimate rights and interests may apply for administrative reconsideration within 60 days from the date upon which they know or ought to know such administrative actions, except where the application deadline specified by law exceeds 60 days.

Industry News

Nation's shipbuilders chart exciting waters

China Daily, January 2

China unveils plan to promote phosphorus utilization

Xinhua, January 3

NE China port launches container ship route to South America

Xinhua, January 3

Shanghai's intelligent manufacturing equipment sector exceeds 100 bln yuan

Xinhua, January 4

Tesla trumps BYD in China sales efficiency with real-time strategy

Reuters, January 5

China likely dethroned Japan as world's top auto exporter in 2023: China group

Reuters, January 9

Apple offers iPhone 15 at rare discount in China as competition intensifies

Reuters, January 15

China's resort island receives over 90 mln tourists in 2023

Xinhua, January 15

China discovers significant source of lithium ores

Xinhua, January 15

Experts urge battery companies to embrace next-gen technology

China Daily, January 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.

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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