



I. Legal News Review

Two Authorities Disclose 2018 Main Tasks on Government Affairs Transparency

The General Office of the State Intellectual Property Office (“SIPO”) and The General Office of the China Banking and Insurance Regulatory Commission (“CBIRC”) both emphasize that more efforts will be devoted to strengthening the openness and interpretation of policy and response to public concerns, simplifying the process of online administrative service, and improving mechanism and standard for disclosure of government affairs.

Moreover, SIPO has specified 14 concrete tasks, including effectively responding to popular issue of public concerns such as the creation of high-value patents and trademarks, efficiently utilizing the social media such as Microblog and Wechat for policy update and service consultation.

CBIRC has laid down similar tasks. In particular, it stresses coordination with other authorities and social media for timely reaction to public concerns.

Specifically, for major public concerns, banking and insurance regulators shall publish authoritative information in 5h and hold press conference in 24h.

(SIPO: <http://www.sipo.gov.cn/gztz/1124742.htm>)

CBIRC: http://www.cbirc.gov.cn/govView_17659A1786B04A0FAF1DAABB816DCFDF.html)

Three Authorities to Advance Development of the Sharing Economy

Recently three authorities, including the General Office of the National Development and Reform Commission have distributed the Circular on Guiding and Standardizing the Development of the Sharing Economy (the “Circular”), mainly emphasizing on implementation of category-based governance, standardizing market access limits and safeguarding personal information security.

The Circular requires to define the responsibility of the platform enterprises, urging them to intensify identity verification and supervision of contents by jointly adopting big data and AI approaches with manual examination.

Furthermore, the Circular calls platforms for tightening oversight in collecting, saving, using, processing, sharing, transferring, publicly disclosing or providing overseas parties with private information, where anonymization or deidentification and other necessary protecting measures shall be implemented

(http://www.ndrc.gov.cn/zcfb/zcfbtz/201805/t20180525_887224.html)

CBIRC to Optimize the Regulatory System for Foreign-Invested Insurance Company

The China Banking and Insurance Regulatory Commission has recently issued a Decision on Amending the Administrative Regulations of PRC on Foreign-Invested Insurance Companies (Proposed draft) (the “Proposed Draft”) and corresponding Implementing Rules (Draft for Comment) (the “Draft for Comment”). The two drafts are seeking for public opinion by June 14 and June 29, 2018 respectively.

Currently, a foreign insurance company that intends to set up a foreign-invested company in China is requested to set up a representative office within the territory of China for more than two years. The Proposed Draft removes such requirement for a foreign insurance company.

The Draft for Comments revises the limit of equity for foreign capital in joint venture life insurance company from 50% to 51% and requires at least 1 going-concern insurance company as a major shareholder. In addition, major shareholders shall not transfer the equity in 5 years since the acquisition of the equity, except for transfer between entities with the same controller, or due to a judicial execution or administrative order.

(for the Proposed Draft: <http://bxjg.circ.gov.cn/web/site0/tab5208/info4108929.htm>)

for the Draft for Comment: <http://bxjg.circ.gov.cn/web/site0/tab5208/info4108928.htm>)

MOF Announces Tariff Cut on Finished Vehicles and Consumer Goods

(1) Finished Vehicles

On May 22, 2018, the Ministry of Finance (the “MOF”) announced to cut import tariffs on finished vehicles and auto parts from July 1, 2018. Specifically, for finished cars, the 25% tariff levied on 135 items and 20% duty on 4 items will both be cut to 15%. Import tariffs on 79 auto parts will be reduced to 6% from the current level of 8%, 10%, 15% and 25% respectively.

(2) Consumer Goods

On May 31, 2018, the MOF also issued a notice to reduce Most Favored Nation tariff rates (the “MFN rates”) on imported consumer goods. To be specific, 1449 items involving food, cosmetics, clothes, medicines, home appliances, fitness products and so forth are covered, with MFN rates cut by around 2%-15%, and the “new MFN rates” will come into force as of July 1, 2018.

Below are few examples for reference:

Item	Current MFN tariff rate	Adjusted MFN tariff rate
Animal Liver	15%	5%
Cookie	15%	10%
Natural Water	10%	5%
Toothpaste	10%	3%
Sunglass	20%	7%
Hand painted Oil Painting	14%	6%
Sports equipment for ski	14%	6%
Piano	17.5%	10%

(for Finished Vehicle: http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201805/t20180522_2903728.html)

for Consumer Goods : http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201805/t20180531_2914284.html)

NISSTC Issues the Guidance Note on Cybersecurity - Noteworthy Features of the EU's GDPR

The Secretariat of the National Information Security Standardization Technical Committee has recently released the Guidance Note on Cybersecurity – Noteworthy Features of the European Union’s General Data Protection Regulation (GDPR) (the “Note”).

The note mainly highlights 14 noteworthy points including scenarios and scope of the application of GDPR, the general principle of and justified data process.

It specifically emphasizes multiple mechanism for cross-border data transfer, such as transfer to third country which has acquired adequacy from the EU, transfer with safeguard by entering into a standard contract that meets relevant requirements, binding corporate rules or passing relevant certifications.

(<https://www.tc260.org.cn/front/postDetail.html?id=20180525203713>)

II. Case

MUJI Fined in China for Packaging Listing Taiwan as A Country

Foreign companies in China may face sanctions from their misconducts in damaging the dignity or interest of China, either the “Country of Origin” or “incorrect map”, or even how to list countries on website (e.g. a hotel’s website was suspended in China before for listing Tibet, Taiwan, Hong Kong and Macau as separate countries).

MUJI, the Japanese retailer, has been recently fined by Chinese authority for listing Taiwan as a country when marking the “country of origin”. It has been fined for 200,000 as the authority said MUJI failed to fulfill the obligation of inspection, resulting the 119 clothes with MUJI failed to mark hangers entering into the market, thus hurts China’s dignity and interests. It cites article 9 of PRC Advertisement Law, in which any advertisement shall not involve any circumstances that damaging the dignity or interest of the state, then, according to article 57 of PRC Advertisement Law, anyone who breaching article 9 shall be imposed a fine of not less than RMB 200,000 and not more than RMB 1 million.

MUJI is not the first brand to spark critics over a geopolitical faux pas. GAP, another Fashion retailer, earlier apologized for selling T-shirts with an incorrect map of China. It pulled off all the concerning products in Chinese stores and promised to reinforce the review in case the same thing happens again.

Feel free to contact asiallians@asiallians.com for more information.

An Integrated Network of European and Asian Lawyers

www.asiallians.com

In cooperation with

Wang Jing & Co.

WTW Taipei Commercial Law Firm

Taipei • Paris • Bruxelles • Beijing • Tianjin • Qingdao • Shanghai • Fuzhou • Xiamen • Guangzhou • Nansha • Shenzhen

[Unsubscribe](#)