## China Legal Update

July 20, 2018

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State Administration for Market Regulation (SAMR) Solicits Opinions on the Administrative Regulations on the Registration of Enterprise Names

The Regulations specifies the length of a trade name shall subject to 2-10 Chinese characters. This is an official response to the public discussion on whether the length of an enterprise name shall be limited or not, which is caused by a controversial enterprise got registered successfully with a 39-character-name.

Besides, the "中国" (China), "中华" (Chinese), "国际" (international), "中 央" (central), "全国" (nationwide) are all forbidden to use in the trade name unless otherwise approved by the State Council. If a WOFE, or a foreign holding company is to use the trade name of the foreign investor, it is allowed to use "(中国)" in the middle of its enterprise name.

In addition, without prior authorization, it is not allowed for an enterprise to use the name of registered trademarks of others, name of famous social organization, other famous individual's name (including stage name, translated name and pen name) and so forth as its trade name.

The Regulations adds the "public order and good customs" into the criteria for trade name review. The trade names which corrupt public order and moral customs will be prohibited. This amendment is to keep pace with the General Rules of the Civil Law, which regulates "No civil subject engaging in civil activities may violate laws or go against the public order and good morals".

## State Council Calls for More Imports to Promote the Balanced Development of Foreign Trade

On July 9, 2018, the Ministry of Finance and other departments have announced the Opinions on Expanding Imports to Promote the Balanced Development of Foreign Trade (the "Opinions"), which has been forwarded by the General Office of the State Council. The Opinions initiates measures from four aspects to facilitate imports for foreign trade balance.

First is to improve the import structure for upgrading the production and consumption by encouraging the importation of the goods concerning people' livelihood, lowering import tax and reducing immediate circulation. It specifically promotes the import of productive services such as the building design, trade logistics, consulting services, R&D and design, energy conservation and environmental protection, environmental services, etc. Furthermore, the state is to optimize the layout in international markets. China will continue to negotiate with other countries/areas to form free trade areas within WTO framework, lowering tariff and eliminating trade barriers for further transaction cooperation, along with the Belt and Road Initiative Cooperation. Moreover, it is to make full use of the multiple sources, such as import fairs, overseas economic and trade cooperation zones and cross-border ecommerce transactions. Last is to provide a more free and convenient trade environment, establishing credit system and IP protection system for foreign trade, which is determined to crack down counterfeit and shoddy products.

(http://www.gov.cn/zhengce/content/2018-07/09/content\_5304986.htm)

## State Council Issues the Interim Regulations for the Human Resources Market

The Regulations, effective from October 1, 2018, aims to improve government's role of inspection and service in optimizing the human resource market. It explicitly states that to facilitate reasonable flow of the human resources, any authority or institution shall not pose unlawful limits based on household registration, territory or identity. Recruiting information shall be true and lawful, and not contain any racial, ethnic, gender or religious discrimination. Otherwise, for entities violating such regulations, if they fail to correct the violations within the time period specified by the relevant labor bureau, they may be fined ranging from RMB 10,000 to RMB 50,000, have its bureau ligance revelted, here airly lightility for demage to individual and even

business license revoked, bear civil liability for damage to individual and even criminally prosecuted.

The Regulations also makes it clear that commercial human resource service institutions shall apply to Human Resource and Social Security Department for obtaining an administrative license for conducting intermediary business. To engage in other business such as human resource training and management consulting, a special license is not requested, instead, the institutions need to conduct a record-filing procedure at relevant labor bureau.

Furthermore, the concerned institutions are requested not to disclose or illegally use the private information and business secrets collected during its service.

(http://www.gov.cn/zhengce/content/2018-07/17/content\_5306967.htm)

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