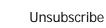
August 09, 2018





11 Administrative Approvals to Be Abolished by the State Council

I. Legal News

ATTORNEYS-AT-LAW

In a decision published on the 3rd of August (the "Decision"), the State Council announced the abolition of 11 administrative approvals and requested relevant

governmental authorities in charge to publish such abolition within 20 days upon releasing of the Decision. Among the beneficiaries of this Decision, the following administrative approvals are to be abolished, such as the registration of approved conglomerates,

employment permits for Taiwan, Honk-Kong and Macao residents working in

mainland China, business permits for motor-vehicles repairs, project approval for foreign investment in the transport sector, preliminary approvals for investment of domestic enterprises in establishing enterprises (except for financial enterprises) abroad, record-filing for establishing company branches, record-filing for branches established, changed and deregistered by foreigninvested partnerships, and announcements for withdrawing business licenses. Measures will be taken to balance the suppression of these administrative authorizations. For instance, about the "registration of approved conglomerates", the State Administration for Market Regulation will revise relevant regulations to detail the standards and requirements concerning the

of the stakeholders during the in- and post-process will be reinforced, and more transparency demanded. (http://www.gov.cn/zhengce/content/2018-08/03/content_5311485.htm)

use of the word "group" in conglomerates' name. In general, the supervision

Regulation on Dishonest Behaviors

records of judicial decisions and enforcement.

NDRC and PBC published a Circular on Strengthening Credit

jointly published a circular on Strengthening Credit Regulation among Subjects of Bad Faith (the "Circular"). This Circular will be piloted from the 24th of July 2018 until December 31, 2020.

The General Office of the National Development and Reform Commission

("NDRC") and the General Office of the People's Bank of China ("PBC") have

The Circular provides 20 measures among which include "urging subjects of bad faith to make corrections within a designated amount of time", "warning a subject about bad faith behavior and organizing cautionary talks in a standardized manner" or "the disclosure of information". The information that should be disclosed include administrative penalties, blacklist or negative

The Circular also calls for establishing and improving China's social credit system. It further explains that a credit restoration system will be put in place for dishonest individuals and legal representatives (or responsible individual in charge) of dishonest organizations under blacklist or under closely watched list. They may restore their credit if they rectify the dishonest act, attend credit repair training or participate to social public services. (http://www.ndrc.gov.cn/zcfb/zcfbtz/201808/t20180802_894669.html)

Carrefour, a French food retail group operating more than 12.300 stores in

II. Hot Topic

more than 30 countries $\frac{1}{2}$, entered the Chinese market in 1995 and in 2017, it

situation in China deteriorate in the last years.

Recent Rumors about Carrefour Leaving China

ranked 7th in the hypermarket category in China. For a long time, the brand's success in the Chinese market has been praised. However, since 2009 the group has been losing market shares, outperformed by competitors such as the Chinese Da Yun FA and the American WAL-MART. In the meanwhile, Carrefour seems to have had adaptation problems to

appreciate the rapid development of e-commerce. In 2013, Carrefour opened a Carrefour online shopping mall in China, focusing on door-to-door delivery,

At the beginning of August, a text named "Goodbye Carrefour" spread on the internet and generated rumors about the possible withdrawal of the company from the Chinese market. This is not the first time, as Carrefour has seen its

but the delivery happened to be to slow and pricey compared to services offered by Chinese competitors such as T-mall or Jingdong. During the same period, Carrefour also faced criticisms regarding to its customer service, the high price of its products, underpaying its employees or food safety issues $\frac{2}{3}$. Two recent decisions might cause the rumors. Firstly, a plan for the voluntary

departure of 2400 employees, justified by the "Carrefour 2022" strategy

oriented towards e-commerce and online shopping. Secondly, in January 2018

Carrefour announced investments from Tencent and the local supermarket chain Yonghui in Carrefour China as well as a strategic cooperation agreement with Tencent in China. This partnership led to the opening of a high-tech store in Shanghai last May, "Le Marche". Some observers have analyzed this move as determination from the French retailer to continue its adventure in the Chinese market, other have interpreted this announcement as a sign that Carrefour was ready to sell itself and leave China.

Regarding the rumors spread recently, they were unofficially denied by

keep on developing on the Chinese market. However, till now, no official

statement of Carrefour has been released.

☐ https://www.creditchina.gov.cn

French source:

<u>Chinese source</u>:

www.asiallians.com

Carrefour China³ whose spokesperson stated that Carrefour was determined to

https://xw.qq.com/finance/20180805006104/FIN2018080500610400 http://www.gov.cn/zhengce/content/2016-06/12/content_5081222.htm ☐ <u>http://www.xinhuanet.com/2018-05/08/c_1122797913.htm</u>

https://chine.in/actualite/cn/carrefour-est-resolu-poursuivre-son_112026.html

An Integrated Network of

European and Asian Lawyers

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

Unsubscribe

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