



Legal News:

I. Food: China Newly Released Anti-Food Waste Law

On April 29, 2021, China passed Anti-Food Waste Law (the “Law”) which aims to curb the food waste in Chinese society nowadays and to guarantee the national food security.¹

The Law mainly sets up the obligations for various subjects including government bodies at all levels, schools, catering service operators, food business operators, food and beverage delivery platforms, press agencies, travel operators, and employers equipped with canteen, etc; further, the Law accordingly provides the penalties for some violations.

PRC companies (including foreign invested entities), in and outside the food industry, are advised to check any potential compliance obligations under this new regime.

Key Takeaways:

	Misbehaviors	Penalties
Catering service providers (e.g. restaurants)	who do not actively remind the consumers not to waste food	• warning/correction ²
	who encourage or mislead the consumers to order excessive quantities of food	• warning/correction • a fine ranging from RMB 1000 to RMB 10,000 ³
Video service providers	who produce and spread content of video encouraging food-wasting behaviors	• warning/correction • a fine ranging from RMB 10,000 to RMB 100,000 • suspension business ⁴
Food manufacturers	who cause severe food waste during the manufacturing process	• warning/correction • a fine ranging from RMB 5,000 to RMB 50,000 ⁵

(<http://www.npc.gov.cn/npc/c30834/202104/83b2946e514b449ba313eb4f508c6f29.shtml>)

II. FDI: FTZs’ Relaxed Process for Certain Administrative Approval

On April 29, 2021, Standing Committee of NPC made a decision which authorizes the State Council to temporarily modify some laws in Free Trade Zones (the “FTZs”) according to actual needs⁶ (the “Decision”).⁷ The Decision aims to optimize business environment and will take effect on July 1, 2021. The temporary modification period is 3 years.

Key Takeaways:

Education (Private School):

Original Requirement	Relaxed Requirement
Preparing to set up • kindergarten • primary school • secondary school • other cultural schools need approval by PRC Education Authority. ⁸	Approval requirement is cancelled. ⁹
Preparing to set up • vocational school • technician college need approval by PRC Human Resource Authority. ¹⁰	
Setting up, changing, or terminating • school training for preparing self-study exam need approval by PRC Education Authority. ¹¹	Obtaining approval is modified to filing a record . ¹²

Accounting:

Original Requirement	Relaxed Requirement
Setting up • agency engaging in bookkeeping need approval by PRC Finance Authority. ¹³	Approval requirement is cancelled. ¹⁴
Setting up • a branch office of accounting firm need approval by PRC Finance Authority. ¹⁵	Obtaining approval is modified to filing a record . ¹⁶

Banking:

Original Requirement	Relaxed Requirement
Setting up, changing, terminating, or modifying business scope of • a division office of foreign bank (below branch office level) need approval by PRC Banking Regulatory Authority. ¹⁷	Obtaining approval is modified to filing a record . ¹⁹
Appointment qualification on senior officials of • a division office of foreign bank (below branch office level) need approval by PRC Banking Regulatory Authority. ¹⁸	

Insurance:

Original Requirement	Relaxed Requirement
Setting up, substantially changing, or revoking • a branch office of insurance company need approval by PRC Insurance Regulatory Authority. ²⁰	Obtaining approval is modified to filing a record . ²¹
Appointment qualification on senior officials of • a branch office of insurance company need approval by PRC Insurance Regulatory Authority. ²²	

(<http://www.npc.gov.cn/npc/c30834/202104/b362326aec5f419a917d3a4ca73f77a8.shtml>)

Should you have any inquiry about the above, please contact us at asiallians@asiallians.com.

As always, Asiallians remains at your service and our teams are currently mobilized in all our offices in Mainland China, in Hong Kong and in Taipei.

- 1. The law enters into force with immediate effect on April 29, 2021.
- 2. Article 28 of the Law
- 3. Article 28 of the Law
- 4. Article 28 of the Law
- 5. Article 28 of the Law
- 6. A Free Trade Zone is an economic zone where companies can enjoy offered advantages on tax, services and infrastructure to promote import, export and trade business. As of May 2021, there are 21 Free Trade Zones (FTZs) in China: Shanghai FTZ (2013), Fujian FTZ (2015), Guangdong FTZ (2015), Tianjin FTZ (2015), Chongqing FTZ (2016), Henan FTZ (2016), Hubei FTZ (2016), Liaoning FTZ (2016), Shanxi FTZ (2016), Sichuan FTZ (2016), Zhejiang FTZ (2016), Hainan FTZ (2018), Shandong FTZ (2019), Guangxi FTZ (2019), Jiangsu FTZ (2019), Hebei FTZ (2019), Yunnan FTZ (2019), Heilongjiang FTZ(2019), Hunan FTZ (2020), Beijing FTZ (2020), Anhui FTZ (2020).
- 7. The laws that may be modified include: 1) PRC Promotion of Privately Run Schools Law; 2) PRC Accounting Law; 3) PRC Certified Public Accountant Law; 4) PRC Auction Law; 5) PRC Banking Supervision and Administration Law; 6) PRC Commercial Bank Law; 7) PRC Insurance Law
- 8. Article 12, 13, 14, 15 of PRC Promotion of Privately Run Schools Law
- 9. Article 1, 2, 3 of Modified Catalogue
- 10. Article 12, 13, 14, 15 of PRC Promotion of Privately Run Schools Law
- 11. Article 12, 53, 54, 55, 56, 62 of PRC Promotion of Privately Run Schools Law
- 12. Article 4 of Modified Catalogue
- 13. Article 36 of PRC Accounting Law
- 14. Article 5 of Modified Catalogue
- 15. Article 27 of PRC Certified Public Accountant Law
- 16. Article 6 of Modified Catalogue
- 17. Article 19, 24, 74 of PRC Commercial Bank Law
- 18. Article 9, 11 of Modified Catalogue
- 19. Article 24, 74 of PRC Commercial Bank Law
- 20. Article 74, 84, 162, 164 of PRC Insurance Law
- 21. Article 12, 13 of Modified Catalogue
- 22. Article 24, 74 of PRC Commercial Bank Law

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