



Legal News:

1. FDI: Foreign Investors Can Now Open Entertainment Venues Independently

On May 27, 2021, China released a Circular for Adjustment of Opening Entertainment Venues clearly pointing out that foreign investors can now open entertainment venues¹ in China independently without any restrictions on the proportion of foreign investment. Foreign investors who are interested are requested to file an application at provincial level of Administrative Department of Culture and Tourism for an approval, and all establishment requirements shall be the same as the ones requested from Chinese investors.

The Circular is a sign that foreign investors can now open a wholly foreign-owned entertainment venue.

China gradually removed the limits. For example, On November 29, 2020, article 6 of Regulations on the Administration of Entertainment Venues were amended with the following details:

Previous version	Amended version in 2020
Foreign investors may establish joint venture entertainment venues together with Chinese investors, other than wholly foreign-invested entertainment venues.	Foreign investors may establish entertainment venues within the territory of China in accordance with the law.

The 2020 version used a general wording "in accordance with the law" and did not clearly state whether foreign investors can establish a wholly foreign-invested entertainment venue or not. The Circular now makes it clear.

(http://zwgk.mct.gov.cn/zfxgkml/scgl/202105/t20210531_924875.html)

2. Products: China Releases New Rules for Cosmetic Labels

On May 31, 2021, China released Measures for the Administration of Cosmetic Labels which will enter into force as of May 1, 2022. We hereby introduce some major clauses in the new Measures.

1. **Chinese characters** are mandatorily requested to be put on the cosmetic labels²

Previously, for certain imported cosmetics, labels were sometimes only in foreign languages. The new Measures clearly ban this situation in the future.

2. Labels shall be printed on the **smallest** sale package³

This new rule also applies to free trial and small gift of cosmetics.

3. **Medical related terms** are forbidden⁴

The cosmetic labels shall not appear any medical terms, name of any medical celebrities, words describing the effect of medical treatment.

(<https://www.nmpa.gov.cn/xxgk/ggtg/qtggtg/20210603171933181.html>)

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1. According to article 2 of Regulations on the Administration of Entertainment Venues, the "entertainment Venues" as mentioned in the present Regulations refers to the singing, dancing, and game places for profits, which are opened to the general public and for the self-entertainment of consumers.

2. Article 6 of the Measures

3. Article 5 and article 21 of the Measures

4. Article 19 of the Measures

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