

May 31, 2023

1. Macron's visit to China: highlight the need for continued transatlantic coordination on China-related issues

Last month, French president Macron visited President Xi in China with European Commission President Ursula von der Leyen. A strong signal to enforce the China-France and China-EU cooperation, especially under the stress between China and USA.

The Chinese and French heads of state witnessed the signing of a number of bilateral cooperation agreements in the fields of agri-food, science and technology, aviation, civil nuclear energy, sustainable development, culture and others.

Among them, French aircraft manufacturer Airbus signed a volume purchase agreement with China Aviation Equipment Group Co. for 160 civil aircraft, worth a total of about \$20 billion, and will build a second production line in Tianjin to produce up to 75 A320 Neo aircraft per month by 2026.

In addition, among the large business delegation accompanying Macron on his trip, railroad equipment maker Alstom, France's Duffy Maritime, nuclear power supplier EDF, companies such as L'Oréal and the French pork industry have also signed agreements with China to expand cooperation.

In recent years, China and France have had close economic and trade ties. According to official data, bilateral trade between France and China reached 541.67 billion yuan in 2022, accounting for 9 percent of the total trade between China and Europe. On May 17, 2023, PRC Ministry of Commerce reported that foreign direct investment from France surged 567.3 percent year-on-year during January-April 2023.[1]

(https://www.mfa.gov.cn/zyxw/202304/t20230406_11055543.shtml)

2. Internet Advertising: new rules, new duties

Recently, the State Administration for Market Regulation has issued a new regulation on Internet Advertising: *Measures for the Administration of Internet Advertising* (the "New Measures"), came into effect on May 1st, 2023, and the former *Interim Measures for the Administration of Internet Advertising* was repealed.

The New Measures send a signal of China's strict control over online advertisement, and we would like to draw your attention of the following highlights:

(1) Government service website/apps[2]

It is prohibited to insert advertisements ranked under competitive bidding into the search results of any government service website/apps.

(2) Advertisement to Children[3]

The following products are not allowed to be advertised on the internet media such as websites/webpages/apps targeted at children:

- medical treatment
- pharmaceuticals
- medical equipment
- health food,
- formula food for special medical purpose
- cosmetics
- alcohol
- beauty products
- online games

(3) Easily closing pop-up advertisements[4]

The following misconducts are not allowed for any pop-up advertisements:

- no closure signage
- misleading closing signage
- cannot be closed until time expired
- multiple clicks to close
- continued pop-up after closing

(https://gkml.samr.gov.cn/nsjg/fgs/202303/t20230320_353974.html)

3. Cyber Security: Another 5 enterprises passed CBDT Security Assessment

In our previous legal update dated March 8, 2023[5], Beijing reported the first two cases that passed Cross-border data transfer ("CBDT") security assessment in China.

Recently, other three local cyberspace administrations have updated another five new approvals:

(1) Shanghai

Till May 5, 2023, Mazda (China) Enterprise Management Co., Ltd. and Sephora (Shanghai) Cosmetics Sales Co., Ltd. passed CBDT security assessment, which are the first two enterprises in Shanghai passed the assessment.

(2) Jiangsu Province

Till May 9, 2023, "made-in-china.com" operated by Jiangsu Focus Technology Co., Ltd. passed CBDT security assessment, which is the first case in the cross-border e-commerce field passed the assessment.

(3) Zhejiang Province

Till May 24, 2023, Hangzhou Hikvision Digital Technology Co., Ltd., and its subsidiary company Hangzhou EZVIZ Network Co., Ltd. became the first two enterprises in Zhejiang who passed CBDT security assessment.

(<https://mp.weixin.qq.com/s/wsTpDrGBhwlux2fd9Zq5rw>)

<https://mp.weixin.qq.com/s/gQ6HcHb4d2eKcSikITkXWg>

https://mp.weixin.qq.com/s/41GorMq_MhAA9sn7MhMXEw)

4. Cyber Security: US Micron Products Banned in China due to Cyber Risks

On May 21, 2023, China Cyberspace Administration published a notification on its official website that all Chinese critical information infrastructure operators ("CIIO") are requested to cease purchasing any products from US chipmaker Micron[6], as Micron did not pass the cybersecurity review requested under PRC Cyber Security Law.

According to article 35 of PRC Cyber Security Law, any purchase of network products by CIIO in China that may threaten the national security is subject to the national security review.

(<https://mp.weixin.qq.com/s/1ZxmaJsqaorOfD37KiBmg>)

[1] <http://www.mofcom.gov.cn/article/xwfb/xwsjzr/202305/20230503410374.shtml>

[2] Article 17 of New Measures

[3] Article 12 of New Measures

[4] Article 10 of New Measures

[5] <https://asiallians.com/data-security-first-two-cases-passed-cbdt-security-assessment/>

[6] Micron Technology, Inc

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