

China Newsletter | Winter 2019/Issue No. 41



In this Issue:

**Foreign Direct Investment | Company Law and Civil Law | Tax |
Capital Markets | Compliance | Entertainment Law**

Foreign Direct Investment

China Securities Regulatory Commission Issues Administrative Measures for Foreign-invested Futures Companies

中国证券监督管理委员会出台《外商投资期货公司管理办法》

On Aug. 24, 2018, the China Securities Regulatory Commission (CSRC) issued the *Administrative Measures for Foreign-invested Futures Companies (AMFFC)* to open up the futures market and strengthen the supervision and administration of foreign-invested futures companies (i.e., a futures company of which no less than five percent of equity is directly held or indirectly controlled by a single overseas shareholder or by several overseas shareholders connected by an affiliate relationship, where the investors from Hong Kong, Macao, and Taiwan are treated as an overseas shareholder(s)).

Highlights of the *AMFFC*:

- Foreign-invested futures companies shall satisfy the following requirements: (1) engagement in business for not less than five years without having been seriously punished by the supervisory authority, administrative organization, or judicial organization at its business site; (2) good

professional qualities and management capacity of the management; (3) sound internal control and risk management system; (4) good worldwide reputation and business performance maintaining business scale, income, and profit at a top global level, and three years of strong long-term credit.

- The indirect equity holding via investment relations, agreement, or other arrangement (except for the indirect equity holding through Chinese domestic-securities companies or other ways prescribed by CSRC), which results in the actual control by overseas shareholder(s) of not less than five percent of the equity of the futures company, shall be converted into direct equity holding.
- The senior executives of a foreign-invested futures company must perform their duties within the territory of China.

Ministry of Justice Releases Draft for Review of the Implementing Rules of the Law on the Promotion of Private Education

司法部就民办教育促进法实施条例公开征求意见

On Aug. 10, 2018, the PRC Ministry of Justice (MOJ) published the *Implementing Rules of the Law on the Promotion of Private Education (Revised Draft) (Draft for Review)* (the Draft) and sought public opinion.

Compared with the 2004 version of the *Implementing Rules of the Law on the Promotion of Private Education* (the Implementing Rules), currently in effect, and the Draft for Comments of the Implementing Rules issued in April 2018, there are two notable changes under the Draft that may affect the establishments, operations, investments, and listings of private schools, especially where a variable interest entity (VIE) structure is adopted:

1. Restrictions on foreign investment and VIE structure

The Draft stipulates that foreign-invested enterprises and social organizations controlled by foreign entities are prohibited from sponsoring, participating in sponsoring, or controlling private schools providing compulsory education. The Draft further stipulates that education groups are not allowed to control any not-for-profit private schools by means of merger and acquisition, franchising, or contractual arrangement. The VIE structure is widely used for overseas listing purposes due to foreign-investment restrictions in the Chinese education sector. Once the Draft's restrictions on the "participating in the sponsoring or actual controlling" or "control by contractual arrangement" of the not-for-profit private schools are officially promulgated and become effective, the VIE structure may no longer be applicable in the field of private education, and the compliance of overseas-listed education companies with VIE structures may also be adversely affected.

2. Restrictions on related-party transactions

The Draft requires that the education administration, human resources, and social security departments strengthen supervision of agreements signed between nonprofit, privately run schools and related parties, and examine and audit the necessity, legality, and compliance of the agreements involving major interests or those agreements that shall be performed permanently and repetitively. The legality of the arrangements for the transfer of profits from not-for-profit private schools to foreign invested enterprises under the relevant VIE agreements may be challenged.

MOFCOM Releases Draft Revising Measures Governing Foreign Strategic Investment in Listed Companies

商务部修改《外国投资者对上市公司战略投资管理办法》并公开征求意见

On July 30, 2018, the Ministry of Commerce (MOFCOM) released for public comment the *Decision on Draft Amended Administrative Measures for Strategic Investments in Listed Companies by Foreign Investors* (the Draft Amended Measures). Based on the *Interim Measures for Filing Administration on the Establishment and Change of Foreign-Invested Enterprises* (the Filing Measures), released just one month prior, the Draft Amended Measures further clarify the approval authority, lock-up period, and other issues of foreign strategic investment.

Key focuses of the Draft Amended Measures:

- Redefines scope of application. The Draft Amended Measures lower the threshold for foreign investors to participate in the PRC securities market in the following ways: (i) qualified foreign-nationals will be entitled to make foreign strategic investments in A-share listed companies; (ii) qualifications for foreign investors using their equity in an overseas company as consideration for strategic investment in onshore listed companies will be relaxed; and (iii) the shareholding requirement of foreign-strategic investors as a result of their strategic investment in an A-share listed company will be completely removed.
- Clarifies approval authority. To be consistent with the Filing Measures, the Draft Amended Measures clarify that (i) all foreign strategic investments not related to any industry on the “Negative List” will only need to be filed by the underlying A-share listed company with competent MOFCOM offices within 30 days after the relevant transactions have been registered; and (ii) foreign strategic investments involving any industry on the Negative List will need to go through an advance approval and review procedure with the central or local MOFCOM office, depending on the amount of proposed investment.
- Shortens lock-up period. According to previous regulations, the shares of an A-share listed company obtained by foreign strategic investors shall be subject to a three-year lock-up period during which such shares are not tradable. The Draft Amended Measures have shortened such lock-up period to one year for all foreign strategic investments in A-share listed companies.

China Banking and Insurance Regulatory Commission Collects Public Comments for the Implementing Rules for the Administrative Regulations on Foreign-invested Insurance Company

中国银保监会对《中华人民共和国外资保险公司管理条例实施细则（征求意见稿）》公开征求意见

On July 5, 2018, the Banking and Insurance Regulatory Commission released the updated version of the *Implementing Rules for the Administrative Regulations of the People’s Republic of China on Foreign-invested Insurance Companies (Draft for Comment)* (the *Implementing Rules*). The updated version

made minor changes on the previous version (which was issued on May 30, 2018) by adding one channel (<http://www.chinalaw.gov.cn>) for public comment collection, and slightly modifying the definition of the major shareholder of the foreign invested insurance company.

Highlights of the *Implementing Rules*:

- The shareholding percentage held (directly or indirectly) by the foreign insurance company shall not exceed 51 percent of the total volume of the Sino-foreign joint equity insurance company.
- The majority shareholder of a foreign-invested insurance company shall not transfer its equity for a period of five years after its acquisition of the equity.
- When the majority shareholder of a foreign-invested insurance company intends to reduce its equity volume or quit the Chinese market, it shall first fulfill its shareholder obligations and replenish capital for the company if necessary.
- The registered capital or operating funds of a foreign-invested insurance company shall be paid.

Company Law and Civil Law

The Formal Promulgation of the Amendments to the Company Law

《公司法修正案》颁布

On Oct. 26, 2018, the *Decision on Amendments to the Company Law of the People's Republic of China* (the Amendments) was adopted at the Sixth Session of the Standing Committee of the 13th National People's Congress and took effect immediately. The Amendments redefine the repurchase situations, the decision-making procedure, and the treasury-share arrangement of listed companies in accordance with the draft amendment released Sept. 6, 2018 (the Draft Amendment).

As stipulated in the Amendments, companies may repurchase their shares (i) for employee stock ownership plans or equity incentives (to substitute the old rule on share rewards to employees); (ii) for equity conversion of convertible bonds and warrants issued by listed companies; (iii) as a necessity for listed companies to maintain company credit and shareholder equity; and (iv) under other situations provided by laws and regulations. Under the first three situations, the board of directors may adopt such resolutions on share repurchase in accordance with the company's articles of association or the authorization by the general meeting of shareholders. The maximum repurchase limit is 10 percent of the total issued shares of the company. Relevant shares may be transferred, canceled, or held in stock as treasury shares (if held in stock as treasury shares, the holding period shall not exceed three years).

Compared with the Draft Amendment, the Amendments further require listed companies to fulfill their information-disclosure obligations pursuant to securities laws and regulations and to repurchase their shares through centralized public trading if they use the repurchased shares (i) for employee stock ownership plans or equity incentives; (ii) for equity conversion of convertible bonds; or (iii) as a necessity to defend their corporate value and protect shareholder interests. Listed companies may not repurchase their shares by means of contractual transfers in these three situations.

Supreme Court Releases Interpretation on Statute of Limitations

最高人民法院颁布关于诉讼时效的司法解释

On July 18, 2018, the *Interpretation of the Supreme People's Court on Several Issues concerning the Application of the Statute of Limitation Rules in the General Provisions of the PRC Civil Law* (the Judicial Interpretation) was released by the Supreme People's Court and has been in effect since July 23, 2018.

Pursuant to the Judicial Interpretation, the three-year statute of limitations, which was stipulated in the *General Rules of the Civil Law* released March 15, 2017 (the General Provisions), will replace both the two-year general and the one-year shorter statute of limitation stipulated in the *General Principles of the Civil Law*. In line with the principle that if both the old and new provisions are applicable, the new provisions should prevail, where the limitation period of a case lasted less than two years or one year as stipulated in the *General Principles of the Civil Law* upon the promulgation of the General Provisions, if a party requests to apply the three-year limitation period, such request should be supported by the court. However, the statute of limitations shall not be extended if it has expired before Oct. 1, 2017, the effective date of the General Provisions.

Tax

China Adopts New Individual Income Tax Law

新个人所得税法出台

On Aug. 31, 2018, the *Decision of the Standing Committee of the National People's Congress on Amending the Individual Income Tax Law of the PRC* (the Decision) was adopted at the Fifth Session of the Standing Committee of the 13th National People's Congress of the People's Republic of China. Pursuant to the Decision, the revised *PRC Individual Income Tax Law* (the New IIT Law) will be implemented step by step, with most of the provisions in effect as of Jan. 1, 2019.

Highlights of the New IIT Law:

- **Tax reduction measures.** The New IIT Law reduces individual tax burden by raising the threshold and introducing additional deductible items.
- **Criteria for qualification as a PRC tax resident.** The New IIT Law tightens up the physical-presence test for determining the tax-residency status of foreign individuals without a domicile in China (including Hong Kong, Macao and Taiwan residents) from one full year to 183 days spent in China. Under the new criteria, a foreign individual without domicile in China who has spent 183 days or more in China during the relevant tax year would be considered a PRC tax resident for individual income tax purposes and thus will be subject to individual income tax on his/her income.
- **Conditions for change registration for equity transfer of individuals.** The New IIT Law says that individual income tax clearance is a condition for an individual to complete the change registration for a proposed equity transfer.

- Anti-tax-avoidance rules. The New IIT Law introduces a series of anti-tax-avoidance rules to prevent individuals from evading their tax obligations through related-party transactions, offshore structures, and other special arrangements without reasonable commercial purposes.
-

Tax Deferral for Overseas Investors Expanded

境外投资者再投资的递延纳税适用范围扩大

To further encourage foreign investments, on Sept. 29, 2018, four central government departments, including the PRC Ministry of Finance and State Administration of Taxation, jointly issued the *Notice on Expansion of Policy of Temporary Exemption of Withholding Income Tax from Overseas Investors' Direct Investment with Distributed Profits* (the Notice). The Notice took effect retroactively to Jan. 1, 2018.

The tax deferral policy for foreign investors' reinvestments was first released in December 2017 and stated that the distributed profits to overseas investors used for domestic direct reinvestment would enjoy tax deferral and be exempted from the 10 percent withholding tax on a temporary basis (the Tax Deferral Policy), but the Tax Deferral Policy at that time was only applicable to reinvestments in encouraged foreign direct investment projects. According to the Notice, the Tax Deferral Policy covers not only the encouraged category of foreign-invested projects but also all projects and fields from which foreign investments are not prohibited.

The Notice further clarifies that, where an overseas investor is eligible for the Tax Deferral Policy but does not benefit from the tax incentive, it can apply for the Tax Deferral Policy within three years of the date on which the relevant tax payments are made, and receive a refund of taxes paid.

Capital Markets

CSRC Releases Revised Code of Corporate Governance for Listed Companies

证监会发布新版《上市公司治理准则》

On Sept. 30, 2018, the CSRC released the *Code of Corporate Governance for Listed Companies (2018 Edition)* (the New Code). Based on the 2002 version, the New Code adds many new provisions to adapt to changes in both domestic and foreign markets and developments in corporate governance.

Highlights of the New Code:

- Adds new chapter on institutional investors' participation in corporate governance. The New Code adds a new Chapter 7, "Institutional Investors and Other Organizations," to encourage institutional investors to participate in corporate governance and exercise shareholder rights, and to regulate such activity. According to this chapter, institutional investors are entitled to take part in corporate governance in many ways, including but not limited to exercising their right to vote, to inquire, to submit proposals, and other shareholder rights; participating in major corporate decision-making in

accordance with laws, regulations, and articles of association, and nominating and overseeing directors and supervisors.

- Enhances protection for small and minority investors' lawful interests. The New Code enhances protection for small and minority investors' rights and interests. Specifically, it requires that listed companies actively repay and reward their shareholders, and that the articles of association specify the profit-distribution method, especially the cash dividend policy, and fully disclose the reasons for not carrying out any cash-dividend distribution if all other conditions are met. In addition, the New Code further restricts controlling shareholders and/or actual controlling parties of listed companies from abusing their controlling position to harm the interests of minority shareholders.
- Regulates corporate governance in change-of-control situations. The New Code requires all parties to take measures to ensure the stable operation of the company during the transitional period in change-of-control situations, and to promptly report to the CSRC and relevant stock exchange when any major problem arises.
- Establishes basic framework for information disclosure on environment, social responsibility and corporate governance (ESG). The New Code stipulates that listed companies should disclose information on environment, fulfillment of social responsibility and corporate governance. In this way, the New Code establishes the basic framework of ESG information disclosure, aiming to keep in line with the prevailing ESG practice in the international capital market.

Compliance

State Administration for Market Regulation Revises Guiding Opinions for Declaring Concentration of Undertaking

国家市场监督管理总局修订经营者集中申报指导意见等文件

On Sept. 29, 2018, the State Administration for Market Regulation of PRC (SAMR) published the revised version of the **Guiding Opinion on Declaring the Concentration of Undertakings**. On the same day, the Anti-Monopoly Bureau of the State Administration for Market Regulation published the trial version of the **Guiding Opinions on Declarations for Concentrations between/among Undertakings subject to the Summary Procedure**, the revised version of the **Guiding Opinions on Regulating the Case Title for the Declaration of the Concentration between/among Undertakings**, and the revised version of the **Guiding Opinions on Documents and Materials Required for Declaration of Concentrations between/among Undertakings** (together referred to as the **Four Guiding Opinions**). The **Four Guiding Opinions** took effect immediately. The undertakings involved should be reported to SAMR in advance if the declaring/reporting requirement is triggered; the intended concentration is not allowed if the declaring/reporting requirement is triggered but not yet declared or reported.

After the Institutional Reform/Restructure of the State Council, executed on March 17, 2018, the Bureau of Price Supervision and Anti-Monopoly under the National Development and Reform Commission, the anti-monopoly law enforcement function targeting the concentration of undertakings under the Ministry of Commerce, and the Office of the Anti-Monopoly Committee of the State Council are now integrated into SAMR.

Highlights of the *Four Guiding Opinions*:

- The declarants shall use a unified case name/title (which can reflect the basic background of the concentration) for all declaring materials.
 - The declarants may apply for a discussion with the Anti-Monopoly Bureau of SAMR before the formal declaration about the criteria that distinguishes summary procedure from normal procedure.
 - The declaration form shall provide the name, domicile, and business scope of the undertakings involved in the concentration; the nature, background, and schedule date of the concentration; the market to be influenced by the concentration; commercial considerations; the economic rationale behind the concentration; and the declaration standard satisfied by the concentration.
-

The Formal Promulgation of eCommerce Law

《电子商务法》正式出台

After four rounds of deliberations, the eCommerce Law was formally released on Aug. 31, 2018, and came into force Jan. 1, 2019. Except for financial services and commodities, provision of audio and video services, publication and cultural products through the Internet, all other business activities involving sale of commodities and provision of services through information networks fall under the jurisdiction of the eCommerce Law. A fundamental law in Chinese eCommerce, the law provides guidance for the further development of eCommerce and encourages eCommerce operators to do more to protect the interests of consumers.

Highlights of the eCommerce Law:

- Defines the “eCommerce operator.” The eCommerce Law clarifies that eCommerce operators include eCommerce platform operators (platform operators), business operators who conduct sales on platform (in-platform operators), and eCommerce business operators engaging in the sale of commodities or provision of services through their self-built website or other network services. In principle, all eCommerce operators are required to be properly registered with competent industry and commerce authorities.
- Clarifies the obligations of platform operators. The eCommerce Law attaches certain obligations and responsibilities to platform operators, including but not limited to cooperating with public authorities to help in-platform operators complete business and tax registration, and taking technical measures and other necessary measures to guarantee the safety and normal operation of its network, and preparing emergency plans to specify how to respond to cybersecurity incidents.
- Strengthens protection of intellectual property rights. Based on a series of provisions including the Tort Law of China and the Regulations on the Protection of Rights to Information Network Communication, the eCommerce Law further specifies intellectual property protection in the field of eCommerce, especially the “notice and take-down” process, to make it more feasible. Specifically, if a platform operator knows or should know that an in-platform operator has infringed any intellectual property right, it shall take necessary measures, such as deleting or blocking relevant information, disabling relevant links, and terminating transactions and services. Otherwise, it shall be held jointly liable with the infringing party.
- Sets out antitrust and anti-unfair competition rules. Based on the existing PRC antitrust legislation, the eCommerce Law bypasses a series of existing procedures such as the identification of relevant

market, the judgment of dominant position, and identification of abuse, and provides direct protection for in-platform operators against potential abuse of platform operators.

China's Central Bank Issues Notice to Tighten Administration of Cross-Border Financial Network and Information Services

中国人民银行发布通知加强跨境金融网络与信息服务管理

On July 27, 2018, the People's Bank of China circulated the *Notice on Tightening the Administration of Cross-Border Financial Network and Information Services* (the *Notice*) to increase oversight of the increasing domestic use of cross-border financial networks and information services offered by the Society for Worldwide Interbank Financial Telecommunication (SWIFT), regulating both domestic banking, financial institutions, and overseas institutions that provide cross-border financial information transmission for domestic institutions via an exclusive financial network under certain message standard(s).

Highlights of the *Notice*:

- Any overseas financial network and information-service providers (overseas providers) shall (within 30 business days before formally providing the service to the domestic financial institutions) report in writing (electronic documents included) to the People's Bank of China with their basic information, supporting legal documents, and internal control system for anti-money laundering and anti-terrorism financing.
- The overseas providers of services to domestic financial institutions shall submit semi-annual reports (before July 20, and then before January 20 of the next year) to the People's Bank of China for business conducted in China, including their client list, business category and volume, management measures, and customer-protection measures.
- The reporting obligations of the overseas providers also include any major change(s) relating to service content, business rules, and technical approach; and urgent issues/accidents within different report time limits (30 minutes, same day, five business days).
- The overseas providers are not allowed to establish exclusive financial networks within the territory of China to provide the service, such as the transmission of financial information.
- The overseas providers and the domestic banking financial institutions shall join the Payment & Clearing Association of China and agree to obey the industry self-regulating rules.

MOFCOM Collects Public Comments on Catalogues of Prohibition and Restriction on Technology Import and Export

商务部就修订禁止、限制进出口技术目录征求意见

On July 23, 2018, MOFCOM released the revised version and solicited public comments for the *Catalogue of Technologies Prohibited and Restricted from Import (Import Catalogue)* and the *Catalogue of Technologies Prohibited and Restricted from Export (Export Catalogue)* (together referred to as the

Catalogues), with the deadline for public comment Aug. 22, 2018. The *Catalogues* list the principles for prohibition and/or restriction of imports/exports and the affected technologies of multiple industries.

Highlights of the *Catalogues*:

- The *Import Catalogue* lists six principles for technology-import prohibition and seven principles for technology-import restriction, mostly targeted at reducing the harmful effects that the technologies would have on state safety, human health and safety, the environment, and public interest.
- The *Import Catalogue* names the outdated or harmful technologies for multiple industries (nine for prohibition and 16 for restriction), including forestry, printing, oil and coal (e.g., viscosity-reducing technology), chemical materials, non-metallic mineral products, black metal smelting and rolling, nonferrous metal smelting and rolling (e.g., electrolytic aluminum), automobile manufacture, electrical machinery and equipment manufacture, agriculture, food production, textile, general equipment, special equipment, measuring instrument, currency, environmental governance.
- The *Export Catalogue* lists four principles for technology-export prohibition and four principles for technology-export restriction, mostly targeted at reducing the harmful effects the technologies would have on state safety, public interest, human health and safety, animal and plants life and health, and protection of Chinese cultural heritage.
- The *Export Catalogue* names the precious and unique technologies for multiple industries (19 for prohibition and 32 for restriction), including the industries of animal husbandry, fishery, agricultural products processing, alcohol and beverage and refined tea-making, papermaking, prepared Chinese ink and red inkpad, chemical materials, medicine manufacturing (particularly traditional Chinese medicine), non-metallic mineral processing, special equipment, railway and shipping and aviation, computer and communication, map-making, architecture, telecommunications and satellite transmission, internet, expertise (e.g., geodetic measurement), hygiene, agriculture, forestry, textile, crafts-making and antique restoration and duplication, rubber products, black metal smelting and rolling, nonferrous metal smelting and rolling, metal ware, general equipment, electrical machinery, measurement equipment manufacture, electric power and heating power, software, and information technology.

National Medical Products Administration Issues Technical Guiding Principles for Acceptance of Overseas Clinical Trial Data for Domestic Medicine Registration

国家药品监督管理局发布接受药品境外临床试验数据的技术指导原则

On July 6, 2018, the National Medical Products Administration issued the *Guiding Principles for the Acceptance of Overseas Clinical Trial Data for Domestic Medicine Registration (Guiding Principles)*, intending to expedite the registration in China of both innovative medicine and generics of which the development and research involve overseas clinical trial data.

Highlights of the *Guiding Principles*:

- The *Guiding Principles* require the applicant to ensure the truthfulness, completeness, accuracy, and traceability of the overseas clinical trial data. As to “completeness,” the applicant shall not selectively submit the overseas clinical trial data.
- The *Guiding Principles* require the application materials submitted for the medicine registration in China to include data and analysis for biopharmaceutics, clinical pharmacology, efficacy, and safety. For the last three categories, comparative analysis of the Chinese sub-group and the overall clinical trial group is required.
- The *Guiding Principles* list three kinds of results for the registration application regarding the acceptance of the overseas clinical trial data (i.e., full-extent accept, partial accept, not accepted).
 - A “full-extent accept” is applied to overseas clinical trial data that are authentic, reliable, comply with ICH GCP standards and the examination requirement for medicine registration, support the relevant effectiveness and safety assessment, and lack ethnically sensitive factors affecting the effectiveness and safety.
 - A “partial accept” result means that the data contain ethnically sensitive factors affecting effectiveness and safety, which leads to substantial uncertainty for the introduction of the overseas clinical trial data to the Chinese group. The applicant who gets the result of “partial accept” shall communicate with the Center for Medicine Evaluation of the China Food and Drug Administration for the preparation and development of the next-step targeted clinical trial. However, the partially accepted data can still be used if targeted at critical or rare diseases, or certain pediatric diseases currently lacking effective treatment.
 - A “not accepted” result is applied to overseas clinical trial data that are highly questionable for truthfulness, completeness, accuracy, and traceability, and fail to fully support the analysis of effectiveness and safety. The applicant must carry out a systematic clinical trial in China for the medicine registration submitted in China.

Entertainment Law

National Radio and Television Administration Plans to Regulate Introduction and Broadcast of Foreign Visual-Audio Programs and Foreigners’ Participation in Domestic Production of Radio and Television Programs

国家广播电视总局拟规范境外视听节目引进传播管理及境外人士参加广播电视节目制作

On Sept. 20, 2018, the National Radio and Television Administration (NRTA) released the *Administrative Provisions on the Introduction and Dissemination of Overseas Visual-Audio Programs (Revision Draft for Comment)* (the *Introduction and Dissemination*), which was open for public comment before Oct. 19, 2018; the NRTA also collected public comments for the *Administrative Provisions on the Overseas Personnel’s Participation in the Production of Radio and Television (Draft for Comment)* (the *Overseas Personnel’s Participation*), and the deadline for public comment was Oct. 20, 2018.

Highlights of the *Introduction and Dissemination* and the *Overseas Personnel’s Participation*:

- The *Introduction and Dissemination* plans to forbid the introduction of foreign news programs; forbid the broadcast of foreign audio-visual programs between 19:00 and 22:00 unless otherwise approved; limit the broadcast of the foreign audio-visual programs to no more than 30 percent of the total volume of the same category broadcasted by the online audio-visual programs service providers; implement a licensing administration system for the introduction of foreign audio-visual programs; request application materials such as the application form, introduction contract, and an abstract of no less than 300 Chinese characters for each episode submitted by the introduction applicant(s).
- The *Overseas Personnel's Participation* plans to forbid general employment of overseas personnel (people from Hong Kong, Macao, Taiwan, and foreign countries) to host radio and television programs; implement a record-filing administration for the domestic production of television series, variety shows, and interviews that involve overseas personnel acting as executive producers (scriptwriter, director, main actor, main staff, producer, honored guest); limit the number of foreigners (not subject to people from Hong Kong, Macao, Taiwan) who act as executive producers in a domestic TV series or each episode of variety show or interview to no more than one fifth of total personnel for the same category; forbid circumstances where both scriptwriter and director of the domestic TV series are overseas personnel; and forbid circumstances where both the leading actor and the leading actress of the domestic TV series are overseas personnel.

Authors

This GT Newsletter was prepared by **George Qi, Dawn Zhang, and Calvin Ding**. Questions about this information can be directed to:

- **George Qi** | +86 (0) 21.6391.6633 | qiq@gtlaw.com
- **Dawn Zhang** | +86 (0) 21.6391.6633 | zhangd@gtlaw.com
- **Calvin Ding**° | +86 (0) 21.6391.6633 | dingc@gtlaw.com
- Or your **Greenberg Traurig attorney**

Albany. Amsterdam. Atlanta. Austin. Boca Raton. Boston. Chicago. Dallas. Delaware. Denver. Fort Lauderdale. Germany.~ Houston. Las Vegas. London.* Los Angeles. Mexico City.+ Miami. Minneapolis. New Jersey. New York. Northern Virginia. Orange County. Orlando. Philadelphia. Phoenix. Sacramento. San Francisco. Seoul.∞ Shanghai. Silicon Valley. Tallahassee. Tampa. Tel Aviv.^ Tokyo.² Warsaw.~ Washington, D.C.. West Palm Beach. Westchester County.

*This Greenberg Traurig Newsletter is issued for informational purposes only and is not intended to be construed or used as general legal advice nor as a solicitation of any type. Please contact the author(s) or your Greenberg Traurig contact if you have questions regarding the currency of this information. The hiring of a lawyer is an important decision. Before you decide, ask for written information about the lawyer's legal qualifications and experience. Greenberg Traurig is a service mark and trade name of Greenberg Traurig, LLP and Greenberg Traurig, P.A. ~Greenberg Traurig's Berlin office is operated by Greenberg Traurig Germany, an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. *Operates as a separate UK registered legal entity. +Greenberg Traurig's Mexico City office is operated by Greenberg Traurig, S.C., an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. ∞Operates as Greenberg Traurig LLP Foreign Legal Consultant Office. ^Greenberg Traurig's Tel Aviv office is a branch of Greenberg Traurig, P.A., Florida, USA. ¢Greenberg Traurig Tokyo Law Offices are operated by GT Tokyo Horitsu Jimusho, an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. ~Greenberg Traurig's Warsaw office is operated by Greenberg Traurig Grzesiak sp.k., an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. Certain partners in Greenberg Traurig Grzesiak sp.k. are also shareholders in Greenberg Traurig, P.A. Images in this advertisement do not depict Greenberg Traurig attorneys, clients, staff or facilities. No aspect of this advertisement has been approved by the Supreme Court of New Jersey. ©2019 Greenberg Traurig, LLP. All rights reserved.*