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Securities

CSRC Revises Provisions on Prohibition of Access to the Securities Market

证监会发布修订后的《证券市场禁入规定》

On June 15, 2021, the China Securities Regulatory Commission (CSRC) issued revised Provisions on Prohibition of Access to the Securities Market (the “Provisions”), effective July 19, 2021, implementing the new Securities Law revised in 2019 and the new Administrative Penalties Law revised in 2021. The amended Provisions mainly focus on the following:

1. Clarifying and supplementing the scope of entities subject to the Provisions

Entities	Scope of Entities	Relevant Personnel
Securities Issuers	Listed Companies	1. their directors, supervisors, and senior executives;
	Non-Listed Public Companies	
	Corporate Bond Issuers	2. shareholders holding not less than 5% of shares and actual
	Other Securities Issuers as	

Entities	Scope of Entities	Relevant Personnel
	prescribed by laws, administrative regulations, or the CSRC	controllers of securities issuers; as well as their directors, supervisors, and senior executives;
	Other Information Disclosure Obligors	3. other officers or persons directly liable for fraudulent issuance or illegal information disclosure as identified by enforcement agencies.
Securities Companies	Securities Companies and their Subsidiaries	their directors, supervisors, senior executives, and staff members.
	Shareholders and Actual Controllers of such Securities Companies	
Securities Service Agencies and Bond Trustees	Securities Service Agencies	1. their directors, supervisors, senior executives, partners, principals, and staff members;
	Bond Trustees	2. their shareholders and actual controllers, as well as the directors, supervisors, and senior executives of such shareholders or actual controllers.
Publicly Offered Securities Investment Fund	Fund Management Companies	1. their directors, supervisors, senior executives, partners, principals, and staff members;
	Other Publicly Offered Fund Managers	2. their shareholders and actual controllers, as well as the directors, supervisors, and senior executives of such shareholders or actual controllers.
	Fund Service Agencies	
	Subsidiaries of Fund Management Companies	their directors, supervisors, senior executives, partners, principals, and staff members.
	Fund Custodians	
	Fund Custodian Department	
Privately Offered Investment Fund (“PE”)	Fund Managers	1. their directors, supervisors, senior executives, partners, principals, and staff members;

Entities	Scope of Entities	Relevant Personnel
		2. their shareholders, actual controllers, partners, and persons in charge.
	Fund Custodians	their directors, supervisors, senior executives, partners, principals, and staff members.
	Sales Agencies	
	Other PE Service Agencies	
Natural Persons and Trading Decision Makers	Natural Persons and Trading Decision Makers of institutional investors that invest directly or indirectly in stock exchanges or at other national securities trading venues approved by the State Council (hereinafter collectively referred to as “securities trading venues”)	
Liable persons concerned who <u>fabricate or disseminate false or misleading information</u> .		
Staff members of law enforcement agencies or relevant self-regulatory organizations.		
Other liable persons concerned who violate laws, administrative regulations, or the relevant provisions of the CSRC as identified by law enforcement agencies.		

2. Clarifying the Classification of Prohibition Measures

In accordance with the new Securities Law’s relevant provisions, the Provisions divide the measures prohibiting entry into the Chinese Securities Market into two categories. The enforcement agencies (including CSRC and their local offices) may take the following measures against the persons described in Article 3 of the Provisions who commit serious violations of the laws, administrative regulations, or the relevant provisions of the CSRC:

- a) Status Prohibition: Prohibiting such persons from engaging in securities business or securities service business, or serving as a director, a supervisor, or a senior executive of any securities issuer; and/or
- b) Transaction Prohibition: Prohibiting such persons from trading any securities at any securities trading venue directly, or under a pseudonym, or in the name of other person.

The Enforcement Agencies may, in light of the identity and duties of the liable person concerned, type and social harmfulness of the illegal act, as well as seriousness of the illegality, separately or concurrently apply the above-mentioned measures to prohibit market access.

3. Clarifying the Rules for Transaction Prohibition

First, the Provisions clarify that the Transaction Prohibition can only be applied in cases of serious violations against order and fairness in securities trading, and such Prohibition cannot last more than five (5) years. Securities trading venues are required to conduct corresponding restrictions on the trading account of the violating entity.

Second, the Provisions state the exceptions to the Transaction Prohibition. The person subject to the Transaction Prohibition measure can only conduct the following actions during the period of access prohibition:

- a) the liable person concerned is ordered to repurchase or buy back securities in accordance with the Securities Law of the People's Republic of China or the relevant provisions of the CSRC;
- b) the liable person concerned is ordered to, in accordance with the law, dispose of illegally held securities;
- c) the securities held by the liable person concerned are forcibly withheld, sold, or transferred in accordance with the law;
- d) in accordance with relevant laws, administrative regulations, the provisions of the CSRC, or relevant legally formulated business rules of securities trading venues, it is necessary to continue trading securities so as to prevent and resolve credit business risks;
- e) it is necessary to continue trading securities so as to fulfill the obligations stipulated in the materials already submitted or publicly disclosed prior to access prohibition;
- f) securities held prior to access prohibition are sold; or
- g) other circumstances as prescribed by laws, administrative regulations, the CSRC or legally formulated business rules of securities trading venues, or as identified by the CSRC.

4. Circumstances for Lighter or Mitigated Punishment

The Provisions state that the prohibition measures could be lightened or mitigated in cases where the person subject to the prohibition measures takes the following actions:

- a) takes the initiative to eliminate or abate the harmful consequences of the illegal act;
- b) cooperates in the investigation and punishment of the illegal act by performing meritorious service;
- c) was coerced or deceived by others to commit an illegal act;
- d) takes the initiative to account for the illegal act before the law enforcement agency decides to impose an administrative punishment or to prohibit access to the securities market; or
- e) other circumstances provided by laws and regulations.

Further, the Provisions set forth two circumstances where the person who conducts the illegal act could be exempted from the prohibition measures:

- a) in case of a minor illegal act, promptly corrected, resulting in no harmful consequences; and
 - b) such illegal act is a first-time offense that has few harmful consequences, and is promptly corrected.
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China Securities Regulatory Commission Issues Administrative Measures for the Information Disclosure by Listed Companies

中国证券监督管理委员会发布《上市公司信息披露管理办法》

On March 18, 2021, the China Securities Regulatory Commission issued the *Administrative Measures for the Information Disclosure by Listed Companies (2021 Measures)*, which took effect May 1, 2021. The 2021 Measures have been formulated in accordance with the *Company Law of P.R.C.* and the *Securities Law of P.R.C.* to regulate the information disclosure by listed companies and other information disclosure obligors, strengthen the management of information disclosure matters, and protect the legitimate rights and interests of investors. Each obligor of information disclosure must promptly and legally perform the information disclosure obligation, and ensure that the information disclosed is authentic, accurate, complete, concise and distinct, straightforward and accessible without any false records, misleading statements, or material omissions. The directors, supervisors, and senior executives of a listed company are required to perform their duties faithfully and diligently while ensuring the authenticity, accuracy, and completeness of the information disclosed as well as the timeliness and fairness of information disclosure. The *2021 Measures* replaced the prior version of the *Administrative Measures for the Information Disclosure of Listed Companies*, which were promulgated in 2007 and expired on the same date when the *2021 Measures* came into effect.

The major revisions reflected in the *2021 Measures* include: (i) improved information disclosure requirements, (ii) improved periodic reporting system, (iii) refined provisional reporting system, (iv) improved information disclosure management system, (v) refined supervision measures.

- The *2021 Measures* require that the information voluntarily disclosed by the obligors of information disclosure be authentic, accurate, and complete; be consistent with the information disclosed upon legal requirements; and the obligors must not make selective disclosures.
- The *2021 Measures* require that the information disclosure documents include periodic reports, provisional reports, prospectuses, offering circulars, listing announcements, and acquisition reports, etc. Such documents must be disclosed to the public on the applicable websites, newspapers, and periodicals, and the disclosure methods may not be replaced by a press release and media briefing. The documents must be in Chinese, and if multiple language versions are provided for the documents, the Chinese version will prevail.
- The periodic reports include the annual report and interim report. The *2021 Measures* further improve the dissenting statement system in respect of directors and supervisors of listed companies, by requiring the review and approval by the board of directors on the periodic reports to be disclosed (particularly on the authenticity, accuracy, and completeness of the contents of such reports). If the authenticity, accuracy, or completeness of the contents is not guaranteed, directors and supervisors must fulfill their fiduciary duty by voting against the periodic report, or abstain from voting.
- The *2021 Measures* refine the provisional reporting system by supplementing the circumstances that constitute a “material event,” such as the company’s incurrence of any large-amount compensation liability, or the engagement or dismissal of an accounting firm to audit the company.
- The *2021 Measures* improve the information disclosure management system by requiring the establishment of a registration and management system for persons with knowledge of insider information and specifying the scope and confidentiality obligation of such persons. The listed companies are required to develop and formulate a code of conduct for the public release of information by directors, supervisors, and senior executives, and specify the circumstances under

which the undisclosed information of the listed companies may not be publicly released without the written authorization of the board of directors.

Compliance

Implementation of the Administrative Measures for the Registration and Record-Filing of Cosmetics and Supporting Provisions

《化妆品注册备案管理办法》配套规定施行

The State Administration for Market Regulation (SAMR) announced the Administrative Measures for the Registration and Record-Filing of Cosmetics (the “Measures”), effective May 1, 2021. The supporting provisions of the Measures, issued by National Medical Products Administration (NMPA), titled the Administrative Provisions on Registration and Record-Filing Materials for Cosmetics (“Provisions on Materials”) and the Administrative Provisions on the Registration and Record-Filing Documents for New Raw Materials of Cosmetics (“Provisions on New Raw Materials”), were effective the same day.

1. The Measures

The Measures were formulated in accordance with the Regulations on the Supervision and Administration of Cosmetics, effective Jan. 1, 2021, regulating cosmetics registration and record-filing and ensuring quality control.

First, the Measures require the classification of cosmetics in line with the degree of risk. According to Article 4, the State administers the registration of special cosmetics and new raw materials of cosmetics with high-level risks and the record-filing of general cosmetics and other new raw materials of cosmetics. Special cosmetics are cosmetics used for hair coloring, hair perming, freckle removal and whitening, anti-suntan and anti-hair loss, and cosmetics that claim new effects. Cosmetics other than special cosmetics are classified as ordinary cosmetics.

Second, the Measures specify the responsible person for cosmetics quality and safety. According to Article 7, registrants and record-filing persons of cosmetics and new raw materials of cosmetics must perform product registration and record-filing obligations, and they are responsible for quality and safety. Registrants and record-filing persons are also responsible for the authenticity and scientific nature of the data submitted. In particular, according to the Article 8, the registrant or record-filing person abroad must designate a business corporation within the territory of China as its domestic responsible person.

New raw materials of cosmetics are subject to safety monitoring and reporting, the period for which is three years, starting from the date when the new raw cosmetic materials are first registered or filed. Each registrant or record-filing person of new raw materials of cosmetics is required to establish a safety risk monitoring and evaluation system after the marketing of relevant new raw materials of cosmetics, track and research the safety as well as conduct continuous monitoring and evaluation of the use and safety of such new raw materials. Where there is evidence of a safety defect in a new raw material, the registrant or record-filing person of such material must immediately take measures to control the risks and report them to the technical evaluation institution.

2. Provisions on Materials

The Provisions on Materials mainly include general provisions, requirements for user information, requirements for registration and filing information, requirements for change matters, requirements for continuation of cancellation, etc. The Provisions on Materials specify the requirements for the format and standardization of information, applicant information, cosmetics registration and filing information, and change and continuation of information.

The Provisions on Materials have 24 annexes, which can be divided into three parts. First, application forms, information sheets, overview tables, and other formats required during the registration and filing process are clarified. Second, they provide sample authorization letters, product standards, and a self-inspection report. The third part is the detailed provisions of the safety information report.

3. Provisions on New Raw Materials

The Provisions on New Raw Materials provide requirements for the documents submitted by registrants and record-filing applicants for new raw cosmetic materials, including an overview of the safety risk monitoring and evaluation system; requirements for the registration and record-filing documents; technical requirements; requirements for the preparation of R&D report; requirements for the preparation of quality control standards; requirements for the preparation of an annual report on safety monitoring; requirements for the preparation of a report on the safety risk control, as well as an information update form.

General Administration of Customs Issues Two Regulations on Food Safety

海关总署发布《进出口食品安全管理办法》和《进口食品境外生产企业注册管理规定》

On April 12, 2021, the China General Administration of Customs (CGAC) issued two regulations – the *Administrative Measures of the People’s Republic of China for the Safety of Imported and Exported Food Products* (“*Measures for Safety of Food Products*”), and the *Administrative Provisions of the People’s Republic of China on Registration of Overseas Manufacturers of Imported Food* (“*Provisions for Registration of Manufacturers*”). Both regulations will take effect Jan. 1, 2022.

The *Measures for Safety of Food Products* in effect update six administrative measures that regulate the safety of imported and exported food products, the inspection and quarantine of honey for export, aquatic products for import and export, meat products for import and export, dairy products for import and export, and manufacturer registration. The regulation associated with the *Measures for Safety of Food Products* covers the activities of production and trading related to food products for import and export, and supervision and administration of the manufacturers and traders of the food products for import and export.

- Food products for import must be in compliance with Chinese laws and regulations and meet the national standards for food safety. If any new food raw materials are used for food products, production must, in accordance with the *Food Safety Law*, obtain a hygiene administrative permit for new food raw materials from the health administration.
- Customs will conduct a conformity assessment of food products for importation in accordance with relevant laws and administrative regulations on inspection of commodities for import and export. Such assessment activities include the examination of the foreign food safety management systems that

export food products to China, the registration of foreign manufacturers, the recording and conformity assurance of importers and exporters, quarantine approval for the entry of animals and plants, checking of attached certificates of conformity, document review, on-site inspection, supervision and sampling inspection, checking of import and sales records, as well as combinations of various items.

- Every exporter or agent that exports food products to China must file a record with the CGAC. Every importer of food products must file a record with customs at the place of its domicile, and establish a record system for import and sale of food products with details such as food name, net content/specification, date of production, production or import batch number, shelf life, date of delivery, as well as name, address, and contact information of the foreign exporter and buyer. The importer must keep relevant vouchers for at least six months after the expiration of the shelf life of food products; for food products with no set shelf life, the vouchers must be kept for at least two years after the sale. Importers of food products are required to establish a review system for foreign exporters and manufacturers, highlighting information on formulation and implementation of food safety risk-control measures and information on ensuring the compliance of food products with Chinese laws and regulations as well as national standards on food safety.
- The packaging, labels, and marks of imported food products must comply with Chinese laws and regulations, and conform with national standards for food safety, and the Chinese instructions must be provided if Chinese instructions are required in accordance with the law.
- The supervision and administration of food products for export include the documentation of planting and breeding farms of raw materials producing food products for export, documenting of manufacturers of food products for export, verification on enterprise, document review, on-site inspection, supervision and sampling inspection, at-the-port spot checking, verification of notices circulated overseas, and combinations of various items.
- Manufacturers of food products for export must establish a sound and traceable food safety and sanitation control system, a supplier evaluation system, a check-for-acceptance record system, a production record archiving system, a factory inspection record system, a traceability system for food products for exportation, and a disposal system for non-conforming food products. The relevant records must be kept no less than six months after the expiration of the shelf-life of the food products or no less than two years if no specific shelf-life is provided.

The *Provisions for Registration of Manufacturers* require foreign manufacturers to be registered at the CGAC through recommendation from the competent authority in the home country (region) and through application by the foreign manufacturers themselves. Registration through recommendation from the competent authority in the home country (region) is required for the following food products: meat and meat products, casings, aquatic products, dairy products, bird's nests and bird's nest products, bee products, eggs and egg products, edible fats and oils, stuffed food made of flour, edible grains, grain milling industrial products and malt, fresh and dehydrated vegetables, and dried beans, seasonings, nuts and seeds, dried fruits, unroasted coffee beans and cocoa beans, and special dietary food and health food.

The relevant competent authority in the home country (region) must conduct the examination and inspection of the manufacturers that require the recommendation for registration at CGAC. After such authority confirms the registration conditions are met, the following application materials must be submitted to the CGAC: a recommendation letter from the competent authority, a list of manufacturers and the application letters for registration from such manufacturers, the certificates of the identity of the manufacturers (such as the business license), the statement from the competent authority in the home country (region) confirming that the recommended manufacturers meet the requirements, and the examination report issued by the competent authority in the home country (region) after it conducts the

said examination and inspection. In addition, CGAC may request other documents related to the food safety and hygiene of the manufacturers or that relate to their protection system, such as the floor plans of the factory, workshop, and refrigeration house, as well as a process flow diagram.

Other foreign manufacturers of food products, apart from the aforesaid, must themselves or through an agent submit the following application materials to CGAC: an application letter for registration of the manufacturer, the identity certificate of the manufacturer (such as the business license), and a statement in which the manufacturer attests that it conforms to the relevant requirements.

Based on the evaluation and review, CGAC may grant registration for the foreign manufacturers of food products for importation for a five-year term. Revocation of the registration may be announced by CGAC if any of the following occurs: the registered foreign manufacturer causes any major food safety incident; any serious food safety problem is found during the importation inspection and quarantine; any major problem exists in the food safety and hygiene management of the manufacturer; the manufacturer fails to meet any registration condition after rectification; the manufacturer provides any false material or conceals relevant information; the manufacturer declines to cooperate with any examination or incident investigation by CGAC; or the registration number is lent out, borrowed, transferred, sold, or falsified by the manufacturer.

The *Provisions for Registration of Manufacturers* further specify that where any notice of a pandemic is issued by any international organization or any competent authority in the country (region) from which the food products are exported to China, or any pandemic, public health incident, or other major incidents are found in the importation, inspection, and quarantine for relevant food products, CGAC may suspend importation of the relevant food products from the said country (region) by issuing an announcement and will not accept the registration application of any manufacturers of said food products from said country (region).

State Administration for Market Regulation Issues Measures for Supervision and Administration of Online Transactions

国家市场监督管理总局发布《网络交易监督管理办法》

On March 15, 2021, the State Administration for Market Regulation issued the *Measures of the Supervision and Administration of Online Transactions* (MSAO), which took effect May 1, 2021. The MSAO applies to the business activities involving the sale of commodities or provision of services through information networks (such as the internet) as well as social networking and live streaming in China, and to the supervision and administration thereof by departments for market regulation in China.

The MSAO defines the terms “online transaction operator,” “online transaction platform operator,” and “platform-based operator,” and stipulates the corresponding obligations of different entities.

- The “online transaction operator” refers to any natural person, legal person, or unincorporated organization, including online transaction platform operators, platform-based operators, self-built website operators, etc., that organize and carry out online transaction activities through other network services.
 - Online transaction operators must conduct registrations of business entities, except when an exemption from registration exists as prescribed in Article 10 of the E-commerce Law, including small-scale trading activities (with the cumulative annual transaction amount of not more than

100,000 Chinese yuan) and home-related labor activities (such as cleaning, washing, sewing, hairdressing, moving, key making, plumbing, household appliance and furniture repairing, and supply replacement).

- Online transaction operators are required to, on an ongoing basis, feature the business entity’s information or a link to such information in a prominent position on the online transaction operators’ homepages or the main pages of their business activities.
 - Online transaction operators must obtain customer consent for the collection and use of their personal information. Online transaction operators may not force any customers directly or in a disguised way to agree on the collection or use of information not directly related to business activities, by means of one-off general authorization, default authorization, bundled authorization, cessation of installation and use, etc. Customer consent must be obtained on an item-by-item basis for collection or use of sensitive information such as personal biological characteristics, medical and health care, financial account, and personal location. And the personal information collected by the online transaction operators and their staff must be kept strictly confidential and may not be disclosed to any third party (including the affiliates) without the authorization or consent from the subject, except when being provided in cooperation with regulatory and law enforcement activities.
 - Online transaction operators must not deceive or mislead consumers through false or misleading commercial publicity, such as fabricating transactions or making up user evaluations, posting false favorable comments or negative comments, fabricating stock in-hand, panic buying, traffic data, and transaction interaction data.
 - Online transaction operators must alert consumers, in a conspicuous way, if the tie-in sales of any commodity or service are performed by direct bundling or multiple options. And no option for tie-in sales of any commodity or service via multiple options may be set as the default selection of consumers, and any option previously selected by the consumers may not be set as the default selection for the subsequent independent transactions.
 - Online transaction operators must alert consumers, in a conspicuous way, when any service is provided with automatic extension or automatic renewal, prior to acceptance of the service by the consumers and five days before the date of automatic extension or automatic renewal. Further, the option for cancellation or change in a conspicuous and easy way must be provided at any time during the period of service, and the online transaction operators must not charge unreasonable fees.
 - Live streaming service providers must keep records for at least three years of the live streaming videos of online transaction activities from the end date of such live streaming.
 - Online transaction operators must not use standard terms, notices, or statements to exempt or limit their liabilities for repair, replacement, return, re-make, refund as well as compensation, or exclude or limit consumers’ right to claim the above-mentioned rights; exclude or restrict consumers’ right to complain, report, request mediation, apply for arbitration, or take legal actions; exclude or restrict consumers’ right to change or rescind a contract; or self-authorize their unilateral right of interpretation or final interpretation.
- A “platform-based operator” refers to any online transaction operator that carries out online transaction activities through online transaction platforms.
 - An “online transaction platform operator” refers to any legal person or unincorporated organization that provides such services as online business premises, transaction matchmaking, and information release for two or more transaction parties in online transaction activities, thus enabling them to independently carry out online transaction activities. The network service providers (including social

networking and live streaming) that provide such online transaction platform services as online business premises, commodity browsing, order generation, and online payment for operators must fulfill the obligations of online transaction platform operators. And the operators that carry out online transaction activities through a social networking and live streaming platform must fulfill the obligations of platform-based operators.

- Online transaction platform operators must, in January and July of each year, submit the identity information of their platform-based operators to the provincial authority of market regulation, including the business name, unified social credit code, actual business address, contact information, online store name, and website link.
- If the platform service agreement and trading rules are modified, the online transaction platform operator must keep all historical versions of three years prior to the effective date of the modified version and ensure that the platform-based operator and consumers can easily and completely access and download them.
- If a platform-based operator is punished by the online transaction platform operator for an illegal act, via a warning, service suspension, or termination, the online transaction platform operator must publicize the punishment measures on an ongoing basis, with the specified information about the platform-based operator, such as online store name, illegal act, and punishment, until the expiry date of the implementation of such punishment.
- Online transaction platform operators must keep the record of the identity information of each platform-based operator for at least three years from the date of its exit from the platform, and keep the record of transaction information such as payment records, logistics, express delivery, return and replacement, and after-sales services for at least three years from the date of completion of transactions, unless otherwise prescribed in the laws and regulations.
- Online transaction platform operators must not impose any unreasonable restriction on or attach any unreasonable condition to the in-platform transactions and transaction prices of the platform-based operators as well as transactions with other platform operators, such as prohibiting the in-platform operators from carrying out business on multiple platforms through downgrading, shelving of goods, restriction on business, blocking stores, raising service charges, or interfering with the independent operation of the in-platform operators through prohibiting or restricting from independent selection on supporting service providers (including express delivery and logistics).

Cyberspace Administration and Other Authorities Jointly Issue Rules on the Scope of Necessary Personal Information for Common Types of Mobile Internet Applications

国家互联网信息办公室等发布《常见类型移动互联网应用程序必要个人信息范围规定》

On March 12, 2021, four authorities (Cyberspace Administration of China, Ministry of Industry and Information Technology, Ministry of Public Security, State Administration for Market Regulation) issued the *Rules on the Scope of Necessary Personal Information for Common Types of Mobile Internet Applications* (“Rules”), which took effect May 1, 2021. The Rules have been formulated in accordance with the *Cybersecurity Law of P.R.C.*, to regulate the collection of personal information (PI) via mobile internet applications and protect the security of PI. The Rules apply to the collection activities of user PI on any mobile applications that run on a smart mobile terminal. The applications include those pre-installed or to be downloaded and installed on a smart mobile terminal, as well as the mini-programs

developed to connect to an open platform of a mobile app via its API that can be used without being installed by users (Article 2).

The *Rules* first define “necessary personal information” as the PI necessary to ensure the normal running of any basic function or service of a mobile app, and without which the mobile app cannot realize the basic function. The *Rules* stipulate that mobile apps may not deny users access to the apps’ basic functions and services if users do not consent to providing their PI that is not necessary for such basic app functions.

The *Rules* list the basic functions and respective scope of necessary PI for 39 common types of mobile apps (including maps and navigations apps, ride-hailing apps, instant messaging apps, community apps, payment apps, shopping apps, food delivery apps, mail and express delivery apps, transportation ticketing apps, dating apps, job searching and recruitment apps, loan apps, real property lease and sales apps, etc.) (Article 5). For example, the basic functions of maps and navigation apps are “positioning and navigation,” so the necessary PI for maps and navigation apps includes location information, place of departure, and place of arrival. In addition, an organization or individual may report violations of the *Rules* to competent authorities (Article 6).

Dispute Resolution

The Supreme People’s Court (SPC) Announces Full Implementation of Supplementary Arrangement of the SPC on the Reciprocal Enforcement of Arbitration Awards Between the Chinese Mainland and the Hong Kong Special Administration Region (HKSAR)

最高人民法院发布公告以全面实行《关于内地与香港特别行政区相互执行仲裁裁决的补充安排》

Articles 2 and 3 of the *Supplementary Arrangement of the Supreme People’s Court on the Reciprocal Enforcement of Arbitration Awards Between the Chinese Mainland and the Hong Kong Special Administration Region* (“*Supplementary Arrangement*”) took effect May 19, 2021. The *Supplementary Arrangement* was first issued Nov. 26, 2020, and Articles 1 and 4 of the *Supplementary Arrangement* took effect on the same date. The *Supplementary Arrangement* includes five articles in total. The *Supplementary Arrangement* was made to supplement the *Announcement of Arrangement of the Supreme People’s Court on Reciprocal Enforcement of Arbitration Awards between the Mainland and the Hong Kong Special Administrative Region* (which took effect Feb. 1, 2000).

Article 1 (which took effect Nov. 26, 2020) stipulates that “enforcement” includes the procedures for both recognition and enforcement of arbitral awards in the Chinese mainland and the HKSAR. Article 4 (which took effect Nov. 26, 2020) specifies that the preservation or compulsory measures may be adopted by the competent courts upon application, before or after the application for enforcement of an arbitration award is accepted. Article 5 specifies that the effective dates of the above two articles are different from those of Articles 2 and 3.

Article 2 (which took effect May 19, 2021) stipulates that the reciprocal enforcement applies to the enforcement by the people’s courts in the Chinese mainland of any arbitration awards made in accordance with the *Arbitration Ordinance* of the HKSAR and the enforcement by the courts in the HKSAR for any arbitration awards made in accordance with the *Arbitration Law* of the People’s Republic of China. Article 3 (which took effect May 19, 2021) enables the courts in both the Chinese mainland and the HKSAR to share information on enforcement with each other upon request, if a respondent has a domicile or property available for enforcement in both the Chinese mainland and the HKSAR, and the enforcement for such may be applied by an applicant to the courts in both the Chinese mainland and the HKSAR.

** This GT Newsletter is limited to non-U.S. matters and law.*

Read previous issues of GT's China Newsletter.

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