

REGULATORY OBSERVATION

CHINA COMPLIANCE

SEP 2021



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Law

1. [Law] - JUL 30, 2021, SAMR Releases the Provisions on Information Publicity of Administrative Punishment

Starting from July 1, 2021, the reform of “Separation of Certification and License” of 18 business licenses in the industrial and information fields has been further deepened. Accordingly, measures including cancellation of approvals, notification of commitments, and optimization of approval services will have been adopted.

On July 30, 2021, the State Administration for Market Regulation (SAMR) released the Provisions on Information Publicity of Administrative Punishment, which will be effective from September 1, 2021.

Key messages of the Provisions include:

For administrative punishment which is only criticized or fined in a lower amount, the publicity shall be stopped after three months. For other administrative punishment, publicity shall be stopped after three years.

Credit repair can be applied for when the publicity of administrative punishment reaches the prescribed time limit. However, publicity shall not be stopped in advance for serious administrative punishment including suspension or restriction of production and business operation, reducing level of qualification, revoking business license, etc.

A more transparent system for publicity of administrative punishment could enable MNCs and foreign investors with more knowledge on the enterprise or entities that they intend to invest.

If you need more information on the topic, please contact:

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2. [Law]: SEP 10, 2021, Calls for Comments on the Circular Economy Promotion Law of the People's Republic of China

On September 10, 2021, the National Development and Reform Commission (NDRC) called for comments on the [Circular Economy Promotion Law of the People's Republic of China](#).

The outline for comments includes:

I. The definition, essence and characteristics of circular economy.

II. The significance of the development of circular economy in promoting high-quality economic development, safeguarding national resource security, achieving carbon peak and carbon neutrality, and promoting ecological civilization construction, etc.

III. Comparison of international legal system of circular economy and the national one.

IV. The implementation, problems and reasons, etc of the current Circular Economy Promotion Law,.

V. Issues that need to be further speculated in Legislation, including:

(A) Extended producer responsibility system, all -lifecycle management, and green supply chain management.

(B) Reduction in production side, distribution side, and consumption side.

(C) Green design of materials, products, buildings, packaging, etc.

(D) Construction of circular economy development models for industry, agriculture, construction, production and living services.

(E) The development of recycling in industrial parks.

(F) Recycling system building covering waste materials, especially waste electronic information products, power batteries, fan blades, photovoltaic components, automobiles and parts, waste plastics, and waste textiles.

(G) Resource recycling and remanufacturing and the promotion of recycled raw materials and remanufactured products.

(H) Recycling of water resources.

(I) Waste classification and utilization of domestic waste, food waste, kitchen waste, construction waste, garden waste, urban sludge as resources.

(J) Internet+ resource recycling, secondary market, sharing economy, green consumption, etc.

VI. Specific comments on the revision of the existing Circular Economy Law, including the name of the laws, the framework structure, the legislative purpose, the definition of circular economy, the basic management system, incentives and constraints, rewards and penalties, the legal responsibilities and obligations of relevant parties and amendment suggestions of specific provisions.

The deadline is September 30, 2021.

Please contact assistant@bestao-consulting.com for more details.

GA

3. [GA - ICT] - Aug 27, 2021, Policy Review on Internet Algorithm Recommendation Regulations

Background:

1. A continuing, detailed supplement on the current data governance system in China.
2. Establishing management rules for rampant over-recommendation and data collection in internet services and applications.

Current Status and Facts:

1. Regulations on Algorithm Recommendation Management of Internet Information Service (hereinafter referred to as the “Regulations”) have called for comments since August 27th, 2021.
2. An extension to current cybersecurity law systems (for example, Cybersecurity Law of the People's Republic of China, Data Security Law of the People's Republic of China, etc.).
3. All such service providers and developers are included; and regulating scope covers a wide range of the internet, including search engines, service platforms (e.g.: food delivery or ride-hailing), social media, and so on.

Possible Impact and Suggestions:

1. Service providers may no longer “play God” with users.
2. Any further app or platform upgrades must be provided with a non-algorithm option for users.
3. A request for service providers to publish their algorithm rules could potentially cause or influence a business model to change (which in turn may lead to a change in profit patterns).
4. More compliance-related actions are suggested to be taken to comply with Regulations.

4. [GA - ICV] - JUL 30, 2021, Policy Review on ICV Market Access for Enterprises and Products

Background:

1. Autonomous vehicles and autopilot technology are rising trends.
2. ICV involves security control in a variety of aspects (data, cyber, etc.)
3. Existing regulatory systems in such a field needs to be more up-to-date and specific.
4. Clarified managing rules on terminal products and manufacturers are necessary to close the loop for the administration of the entire ICV sector.

Current Status and Main Contents:

1. Opinions of the Ministry of Industry and Information Technology on Strengthening the Access Management of Intelligent and Connected Automobile Manufacturers and Products (hereinafter referred to as the “Opinions”) as released by MIIT on July 30th, 2021.
2. Articulate the data and cybersecurity management responsibilities for manufacturers in ICV.
3. Give an official definition of ICV and the scope of administration of the Opinions.
4. Require ICV manufacturers to establish effective and comprehensive car data management systems and cybersecurity systems (to deal with, prevent, and solve security and internet breach issues).

5. Specify requirements on ICV products' upgrades and outline the regulatory documents related to such products.
6. Demand that manufacturers set up self-inspection systems against all potential security breaches and risks for ICV products.

Possible Impact and Suggestions:

1. Higher demands on the compliance and security management teams for all ICV stakeholders who have business within China.
2. MNCs and relevant enterprises should take care in regards to all the concrete provisions on security-related matters to ensure compliance; and make necessary adjustments in their current managing systems for all involved fields (data, cyber breach, security evaluation, etc.).

If you need more information on the topic, or the full text of the document, please contact:
assistant@bestao-consulting.com

5. [GA] - Policy Briefing - Two New Plans for the Greater Bay Area of China

Background:

1. Two years after the release of the ***Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area*** (hereinafter referred to as "the Outline", issued on February 18, 2019), specified documents are necessary to take new economic status into considerations.

2. With 2 years' general development piloting in the Guangdong-Hong Kong-Macao Greater Bay Area (hereinafter referred to as "the GBA"), further actions and measures are expected to be taken to facilitate the Outline's implementation.

Current Status and Facts:

1. The Central Committee of the Communist Party of China and the State Council successively issued Master Plan of the Development of the Guangdong-Macao Intensive Cooperation Zone in Hengqin (hereinafter referred to as "the Hengqin Plan", issued on September 5, 2021), and Plan for Comprehensively Deepening the Reform and Opening up of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone (hereinafter referred to as "the Qianhai Plan", issued on September 6, 2021)

2. Both plans aim at facilitating a comprehensive and integrated development of the GBA.

3. The main content of the Hengqin Plan:

- a) Impetus for Macao's appropriate economic diversification and general development.
- b) Specify goals for the next 24 years in 3 stages (2021-2024, 2024-2029, 2029-2035)
- c) The Intensive Cooperation Zone will focus on industries such as: scientific and

technological R&D, high-end manufacturing, cultural tourism, convention and exhibition, commercial and trade, and modern financial services.

d) Promote safe and orderly cross-border flows of internet data.

4. The main content of the Qianhai Plan:

a) Expand current Qianhai area to 120.56 m^2 (previously 14.92 m^2).

b) Industrial focuses on: AI, healthcare and medical, financial technologies, smart city, IoT, new energy and materials, as well as marine science and technology.

c) Actively attract venture capitals, science and technological capitals and R&D institutions.

d) Legally and appropriately facilitate market access for in internet-connected products.

e) Enhance the scope of opening-up for financial and legal affair agencies and institutions.

Possible Impact and Suggestions:

1. A sign of China's determination on continued globalization.

2. Easier market and talent access for MNCs and foreign investors, especially those in the mentioned industry in the GBA

3. MNCs or foreign enterprises deeply involved in the international trade and manufacturing shall expect lower operational cost and cross-border barriers with the enhancement of free trade zone service in the GBA.

4. Clear welcoming notes for global financial and technological institutions.

For more information on the topic, please contact:

assistant@bestao-consulting.com

6. [GA] - AUG 23, 2021, 14th Five-Year Plan for Employment Promotion Issued

Background:

1. A good number of long-term trends are casting a great impact on the supply and demand of labor: aging of the population; structural employment contradiction; the application of artificial intelligence technology and so on.

2. Plan for Employment Promotion has been an important supplementary document for China's Five-Year Plans since the 12th Five-Year Plan.

Current Status and Facts:

1. On August 23, 2021, the State Council issued its 14th Five-Year Plan for Employment Promotion (hereinafter referred to as “the Plan”). On August 30, 2021, however, the State Council Information Office held a policy briefing press conference with the specific purpose of further interpreting the Plan.
2. In general, the Plan:
 - a) Focuses on alleviating structural employment contradictions
 - b) Focuses on issues in key areas of public concern
 - c) Is a systematic guideline for promoting high-quality employment development during the “14th Five-Year Plan” period.
3. The Plan is consist of three parts:
 - a) Outlines guiding principles and main objectives
 - b) Sets critical goals, such as enhancing modern agricultural zones and pilot areas to improve employment for rural areas.
 - c) Specifies the supporting measures (such as technical training subsidy for labor force).
4. Overall objective is to increase minimum 55 million people for employment by 2025.

Possible Impact and Suggestions:

1. A possible reduction on personnel cost for companies with the policy and subsidy support on employment promotion.
2. Enterprises in the manufacturing business may expect less difficulties in finding technical and regular workers.
3. MNCs and foreign investors with advanced agricultural solution and technology may find more business opportunity in rural areas.

If you need more information on the topic, please contact:

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7. [GA] - SEP 3, 2021, Beijing Stock Exchange Set-up

Background:

1. The original function of establishing the National Equities Exchange and Quotations (NEEQ, known as the New Third Board) in 2013 was to offer SMEs a financing channel with low costs and simple listing procedures.
2. The actual outcomes of the NEEQ have not reached expectations.

3. Quite a few SMEs are still struggling in financing and finding capitals.

Current Status and Facts:

1. On September 3, Chinese President Xi Jinping announced the establishment of the Beijing Stock Exchange (hereinafter referred to as “BSE”) while addressing the Global Trade in Services Summit of the 2021 China International Fair for Trade in Services
2. Quick actions were taken on the BSE following its announcement:
 - a) Several essential operational documents were released on September 5th and 10th to call for comments, covering listing and disclosure requirements, pricing mechanisms, governance structures and so on.
 - b) On September 10, 2021, the official website launched (www.bse.cn).
3. China Securities Regulatory Commission (CSRC) stated that
 - a) The BSE would be built based on the existing NEEQ Select Tier.
 - b) The BSE, Shanghai and Shenzhen stock exchanges (the two main onshore exchanges and regional equity markets) will adhere to coordination and interconnection.
4. The exchange will use a registration-based IPO system like those used in developed economies, but when the BSE would begin trading remains unannounced.

Analysis:

1. The BSE will replace the current NEEQ Select tier to form the New Third Board along with existing Innovative tier and Basic tier
2. Analysts of the sector speculated that the preparation period of the BSE may be shorter than the Shanghai Stock Exchange’s STAR Market in 2019 (Science and Technology Innovation Board).

Possible Impact and Suggestions:

1. Foreign investors, who are currently shareholders or intend to buy stocks for the SMEs of the previous NEEQ Select Tier, should keep an eye on the policy and news for any potential implications during the transition period.
2. A general stimulation for stocking price of the current NEEQ Select Tier.
3. Potential business leaps for SMEs who are fitting in the BSE scope.

If you need more information on the topic, please contact:

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8. [GA] - SEP 3, 2021, Measures to Promote China Pilot Free Trade Zones Issued

Background:

1. From January to July of 2021, the import and export volume of 21 pilot free trade zones in China accounted for 16.6% of the country's total. It achieved an increase of 42% year-on-year, which is more than 10 percent higher than the national average.
2. The "dual-circulation" policy is still the mainstream for China's economic development.

Current Status and Facts:

1. On September 3, 2021, *Measures for Promoting Reform and Innovation on Trade and Investment Facilitation in Pilot Free Trade Zones* (hereinafter referred to as "the Measures") were issued by the State Council.
2. The regular policy briefing press conference held by the State Council Information Office on the same day provides further info for the Measures.
3. The Measures empower the pilot free trade zones with greater reform autonomy in facilitating trade and investment. It covers several horizontal sectors such as: finance, commerce, import & export, medical and pharmaceutical, as well as transportation (railway and airway). Each measure is assigned to specific government ministries for further implementation and supervision.
4. Specific contents include:
 - a) facilitating financial service sector to serve for real economy.
 - b) a domestic and foreign currency "all-in-one" bank settlement account system being initiated for pilot.
 - c) permitting online cross-border retail for a portion of medical devices and pharmaceuticals.
 - d) exploring the possibility of a securitization model on intellectual property.
 - e) establishing a better international trading platform for future products in the pilot free trade zones.

Next Steps and Suggestions:

1. More official documents are expected to be released by the supervising ministries to specify further actions. MNCs and foreign investors are likely to benefit from the policies.
2. Retail business opportunity rises for medical device and pharmaceutical enterprises

CCC

9. [CCC] - JUN 23, 2021, New Certification Rules of CCC on Motorcycles

On June 23, 2021, Certification and Accreditation Administration of People's Republic of China released Implementation Rules for the Compulsory Product Certification of Motorcycles (CNCA-C11-02: 2021), effective from July 1, 2021.

In accordance with requirements, CQC issued Detailed Implementation Rules for the Compulsory Product Certification of Motorcycles (CQC-C1102-2021) to replace CQC-C1102-2014. Specific requirements for the new version of the implementation rules or detailed implementation rules are as follows:

1. Requirements for New Applications

As of July 1, 2021, clients should apply for certification in accordance with the new version of the rules. Based on the new rules, CQC will implement certification and will issue relevant certificates.

2. Conversion of Certificates

Continued usage of the valid compulsory certification certificate of a product issued before is allowed. The conversion work of certificates can be done by means of changing certificates upon expiry, renewing products and modifying standards.

For the addition or revision of the standards, as long as there are no new test items, certified products can directly update the certificates with no need for testing. Otherwise, the products need to take different experiments and can only renew their certificates after passing the tests. As for the certified products launched into the market before implementing the new standard but no longer produced, there is no need to issue new certificates according to the revised standards.

If the certified products implement specified standards, certificate holders need to finish changing or updating the certificates ahead of the time required by the certificates. Certification bodies shall suspend issuing certificates to products that fail to complete the version change. If the certificate's version remains unchanged three months after the deadline, certification bodies will revoke the relevant product certificates.

3. Requirements for Reporting Testing Capacity

The relevant designated laboratories should report their testing capacity required by the new standards as soon as possible. It's also suggested that a timely report and record are submitted for cases passing the certification of laboratories' qualification under the new standards.

As of the standard's releasing date, Product Department III of CQC will accept certification application under new standards. Clients could submit the certification application through CQC's website. For specific matters, please contact engineers from Product Department III responsible for motorcycle certification.

MNCs and foreign enterprises of this sector, who intend to or have entered the Chinese market, are advised to check the difference between the two certification rules and make necessary compliance actions accordingly.

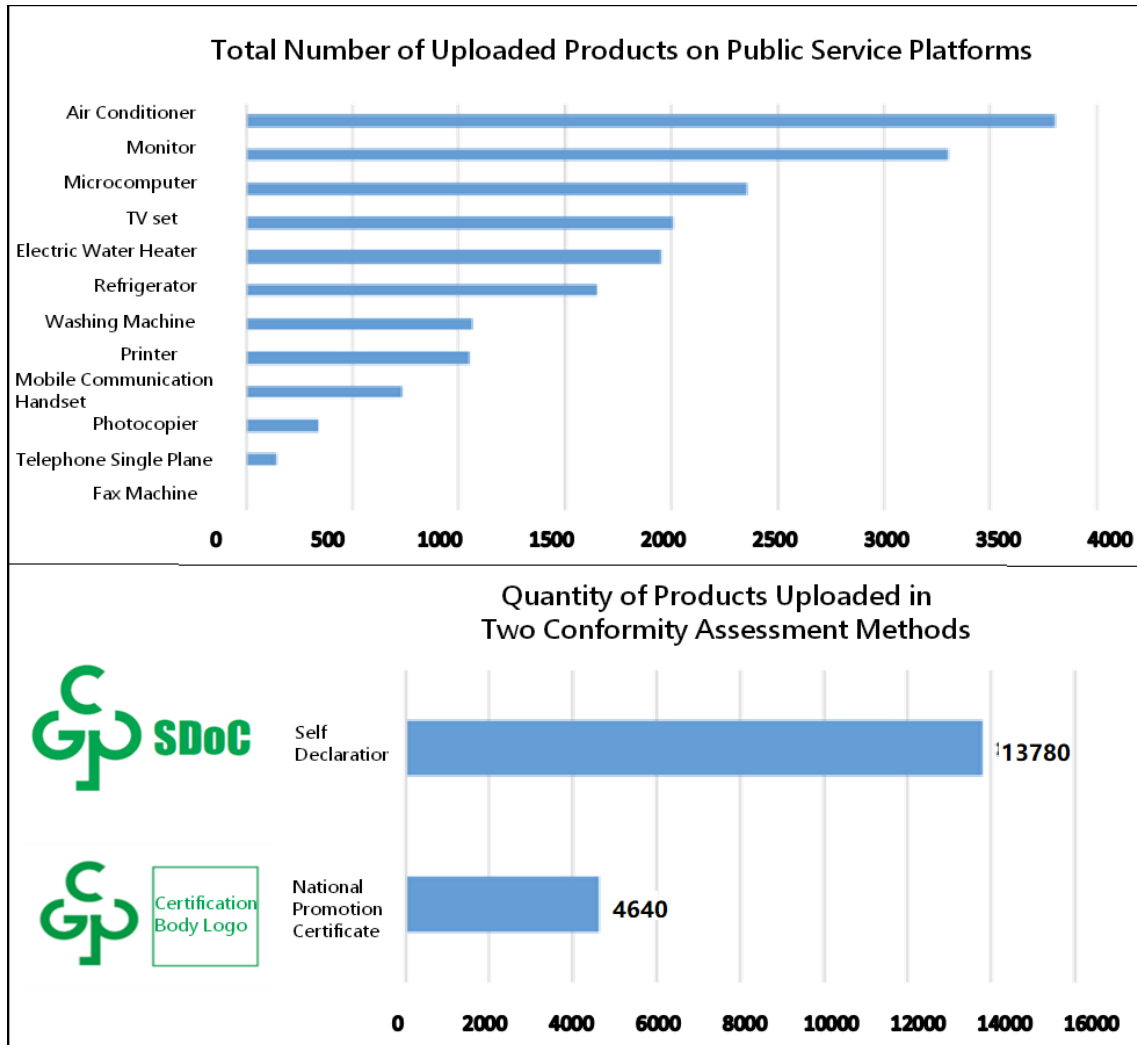
For more information or any help needed on this topic, please contact:
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China RoHS

10. [Cybersecurity]- AUG 4 2021, Five national standards of TC260 calls for comments

In accordance with relevant provisions of Measures for the Administration of the Restricted Use of the Hazardous Substances Contained in Electrical and Electronic Products (8 departments including MIIT No. 32 [2016]), Implementation Arrangements for the Conformity Assessment System for the Restriction of Hazardous Substances in Electrical Appliances and Electronic Products (SAMR No. 23 [2019]), 12 categories of products including refrigerators, washing machines, and TV sets manufactured or imported after November 1, 2019 shall complete the conformity assessment on the restriction of hazardous substances, and submit results to the public service platform of Restricted Use of the Hazardous Substances Contained in Electrical and Electronic Products (China RoHS).

China RoHS public service platform is jointly established by Ministry of Industry and Information Technology (MIIT) and China's State Administration for Market Regulation (SAMR), and was officially launched into use since December 2019. It is used to uniformly manage the conformity assessment information related to the Restricted Use of the Hazardous Substances Contained in Electrical and Electronic Products, publish conformity assessment results, and has functions including conformity assessment information submission, public inquiry, statistical analysis, information release, etc. As of the end of July 2021, a total of 1,140 companies have uploaded 12,369 conformity assessment information to the platform involving 18,420 products.



For more details, please visit the public service platform website:

<https://chinarohs.miit.gov.cn/>

Any question you may have, or further information you may need on this topic, please contact:

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ICT

11. [ICT Security], SEP 10,2021- SAC/TC260 on Information Security Calls for Drafting Members for National Standards

The content potentially related to ICT business include:

- [Information security technology – Security requirement and test evaluation method for radio frequency identification systems](#)

- [Information security technology – Security technology requirements for wireless local area network\(WLAN\) access system \(EAL2+\)](#)
- [Information technology – Security techniques – Information security management for inter-sector and inter-organizational communications](#)
- [Information security technology – Security capability requirements for big data services](#)
- [Information security technology – Security requirement for software supply chain](#)
- [Information security – Cyber Security and Privacy Protection –Evaluation criteria for IT security \(Part 1-Part 5\)](#)

The deadline is September 24, 2021.

Please contact assistant@bestao-consulting.com for more information.

Cybersecurity

12. [Cybersecurity] - SEP 1, 2021, China Throws A Punch against Data Vulnerability

On September 1, 2021, the *National Vulnerability DataBase* (NVDB) (<https://www.nvdb.org.cn/index>), which is established by the Cybersecurity Administration Bureau of the Ministry of Industry and Information Technology (MIIT), was officially put into operation.

According to the ***Provisions on the Management of Network Product Security Vulnerability*** (hereinafter referred to as “the Provisions”), network product providers shall submit relevant vulnerability information to the NVDB of MIIT within 2 days. The submitted content needs to include the name, model, and version of the product with security vulnerability. Other requirements include technical characteristics, harm, and impact range of the vulnerability, etc. The NVDB will simultaneously report the vulnerability information to the National Circular Center of Network and Information Safety and the National Internet Emergency Center (CNCERT).

The NVDB includes General Network Product Security Vulnerability Database, Industrial Control Product Security Vulnerability Database, Mobile Internet APP Security Vulnerability Database, and Internet of Vehicles Security Vulnerability Database, etc.

The NVDB will support technical assessment of network product security vulnerabilities and urge network product providers to patch and release their own product security vulnerabilities. Relevant foreign service providers are advised to follow the requirements of the Provisions to submit information accordingly.

If you need more information on the topic, please contact:
assistant@bestao-consulting.com

Automotive

13. [Automotive - Cybersecurity]- AUG 2021, Provisions for the Administration of Automobile Data Security (Trial) Released

Recently, the Cyberspace Administration of China (CAC), the National Development and Reform Commission (NDRC), the Ministry of Industry and Information Technology (MIIT), the Ministry of Public Security (MPS) and the Ministry of Transport (MOT) jointly released Certain Provisions for the Administration of Automobile Data Security (Trial), which will come into force in October 1, 2021.

Key messages are as follows:

The Provisions advocates that automobile data processors adhere to the data processing principles of 'in-automobile processing', 'no collection by default', 'application within accuracy range', 'data masking', etc. when processing important automobile data, in an effort to reduce the disorderly collection and illegal abuse of automobile data.

The Provisions emphasizes that when automobile data processors process important data, they should abide by the regulations on domestic data storage according to law and strengthen the security protection of important data; implement the requirements of the risk assessment report system and prevent data security risks; implement the requirements of the annual report system and report the annual automobile data security management situation on time. If it is necessary to provide important data overseas due to business needs, the automobile data processor shall adhere to the requirements of the data export security evaluation system, and shall not provide important data overseas in violation of the export security evaluation conclusions. Relevant information shall be included in the annual report.

If you need the translation of this document, please contact
assistant@bestao-consulting.com

14. [Automotive - Environmental] - JUL 2021, China VI Emission Standard Implemented for Heavy-Duty Diesel Vehicles

On July 1, 2021, China began to fully implement the China VI emission standard for heavy-duty diesel vehicles nationwide, namely GB 17691-2018 Limits and Measurement Methods for Emissions from Diesel-fueled Heavy-duty Vehicles (China VI).

Previously, the Ministry of Ecology and Environment, the Ministry of Industry and Information Technology and the General Administration of Customs issued a joint announcement in April 2021 to stipulate the implementation of China VI emission standards. The details are as follows:

- From July 1, 2021, the production and sales of heavy-duty diesel vehicles that fail to meet the China VI emission standard shall be prohibited (the production date shall be subject to the date on which the motor vehicle certificate is uploaded and the sales date shall be subject to the date indicated on the motor vehicle sales invoice); imported heavy-duty diesel vehicles shall comply with the China VI emission standard (the date of import shall be subject to the date of arrival marked on the import certificate of the goods).
- As the responsible entity for the environmental friendly production, automobile manufacturers and importers shall disclose the vehicle emission inspection information and pollution control technology information before the vehicles leave the factory or enter the country according to the law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution and relevant regulations, and upload the vehicle information sheet to ensure that the actual vehicles produced/imported meet the requirements of the China VI emission standard.
- The emission concentration limits of nitrogen oxide (NOx) at the valid data point in PEMS test on real road for heavy-duty vehicles and the conformity factor (CF) of real driving emissions test for light-duty vehicles shall be implemented according to the limits and relevant requirements of corresponding standards. Heavy-duty vehicles meeting the requirements of the 6b emission standard shall be connected for the remote emission data monitoring according to the requirements of standards and specifications.

Overseas heavy-duty diesel vehicle manufacturers shall conduct inspection and information disclosure in accordance with the requirements of GB 17691-2018, otherwise their products will be unable to enter the Chinese market.

For information on the topic, please contact:

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15. [Automotive] - SEP 16, 2021, Officially Recommended New Energy Automobile Products and Models Issued

On September 16, 2021, MIIT issued new batches of authorized automobile products and models in accordance with new regulations. The released documents include ***Manufacturers and Products of Road Motor Vehicles*** (Batch No.347), ***Catalogue of Recommended New Energy Vehicle Models for Promotion and Application*** (Batch No.8 in 2021), ***Catalogue of New Energy Vehicle Models with Admission to Vehicle and Vessel Tax Reduction and Exemption*** (Batch No.30), and ***Catalogue of New Energy Vehicles Exempted from Vehicle Purchasing Tax*** (Batch No.46).

In [Manufacturers and Products of Road Motor Vehicles](#) (Batch No.347), the names of products such as authorized vehicles, civil modified vehicles, motorcycles and their related enterprises are given. It requires that the road motor vehicles that do not meet production and sales requirements should be suspended and their license canceled. In this document, the catalogue of new vehicle products consists of 106 enterprises, 98 brands, and 202 product models. Specifically, there are 75 automobile enterprises with 146 product models, 31 civil modified vehicles enterprises with 56 product models, and 202 new energy vehicle products have passed the technical review.

[Catalogue of Recommended New Energy Vehicle Models for Promotion and Application](#) (Batch No.8 in 2021) gives lists of new energy vehicles that meet the requirements of Notice on Further Improving the Financial Subsidy Policy for the Promotion and Application of New Energy Vehicles and other requirements for promotion and application. Meanwhile, according to updated regulations for new energy vehicles to get tax preferential, the [Catalogue of New Energy Vehicle Models with Admission to Vehicle and Vessel Tax Reduction and Exemption](#) (Batch No.30), and the [Catalogue of New Energy Vehicles Exempted from Vehicle Purchasing Tax](#) (Batch No.46) provide new energy vehicle models that can respectively get reduction and exemption from vehicle and vessel tax, as well as exemption from vehicle purchasing tax.

At present, China pays great attention to the development of new energy products and supports the production and sales of new energy vehicles. These new catalogues are very important to relevant manufacturers. Enterprises who produce and sell new energy vehicles in China or participate in the research and supply of relevant products, including entities who have already done business in China and are ready to enter China's market, need to keep an eye on the update of the specific content in these product lists, and focus on the parameters of these product models to meet the technical requirements. It will help them with facilitating their products into the market.

For new energy products that can get the preferential, relevant enterprises need to not only know the product list but also have an in-depth study of the preferential policies to help maximize their benefits and promotion of their products.

If you need more information on the topic, please contact:

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Electrical

16. [Electrical] - AUG 20, 2021, SAC Releases 450 Recommended National Standards

On August 20, 2021, the Standardization Administration of China (SAC) released 450 recommended national standards and 4 national standards amendment lists.

Some of the critical standards include:

- Programmable controllers—Part 9: Single-drop digital communication interface for small sensors and actuators (SDCI)
- OPC unified architecture—Part 10: Programs
- Automation systems and integration—Interoperability of capability units for manufacturing application solutions—Part 3: Verification and validation of interoperability among capability units
- Electrical equipment and system of industrial machines—PLC programme in numerical control system
- Automation systems and integration—Key performance indicators (KPIs) for manufacturing operations management—Part 2: Definitions and descriptions

The complete released standard list is as follows:

<http://std.sacinfo.org.cn/gnoc/queryInfo?id=C25CF400CE0A4087E40C5E96BAD872D5>

If you need more information, or the English version of the standards, please contact:

assistant@bestao-consulting.com

Comestics

17. [Cosmetics] - AUG 2, 2021, Measures for Supervision and Administration of Cosmetics Production and Operation Released

On August 2, 2021, the State Administration for Market Regulation (SAMR) officially published the Measures for Supervision and Administration of Cosmetic Production and Operation. This document will go into effect on January 1, 2022.

Based on Regulation on the Supervision and Administration of Cosmetics, the Measures have been developed to regulate activities involved in cosmetics production and operation, as well as to ensure cosmetics quality and safety. In 2020, the National Medical Products Administration (NMPA) drafted the Measures for Supervision and Administration of Cosmetic Production and Operation (draft for comments), and on July 21, 2020, the NMPA issued a notice for public opinions.

The Measures consist of 4 major aspects that are detailed through 7 chapters and 66 articles. The major aspects are illustrated below:

1. Optimize the production licensing procedures

According to the Measures, notification and commitment system should still be implemented for the cosmetics production license. Supervision measures after the notification and

commitment will also be strengthened. Licenses that don't meet the requirement shall be revoked according to law. The classification principles for a cosmetics production license are clarified, and the production of cosmetics related to children's skin care and eye skin care are required to be under special conditions. This document also improves the review and approval procedures for production license changes under different circumstances. When a company needs to have a license renewal due to production changes, a comprehensive on-site inspection will be carried out and a new cosmetics production license will be issued if the on-site inspection is qualified. The validity period of the license will be recalculated to reduce the burden and increase efficiency for enterprises.

2. Clarify the requirements for cosmetics production management

This document requires the cosmetics registrant, recorders, and entrusted production enterprises to establish a series of measures to ensure proper cosmetics production. These established measures include but are not limited to: a production quality management system, the implementation of a quality and safety responsibility system, as well as refining the requirements for sample retention management, self-examination, and the obligations of rectification, production halt, and reporting. Qualifications and specific responsibilities for quality and safety leaders are refined. As a result, conditions and obligations of the entrusting party and the entrusted production enterprises are clarified. At the same time, label management requirements are elaborated on in different aspects including cosmetics naming, special labeling of children's cosmetics, and label defects identification. Administration for false publicity and illegal declaration of cosmetics are also clarified.

3. Clarify the requirements for cosmetics operation management

Regulations on purchase inspection, product inspection, as well as storage and transportation record systems will be improved. In addition, the document defines the obligations of beauty salons, hairdressers, and hotels when they use cosmetics for business purposes or provide cosmetics for consumers. Moreover, it refines the responsibilities for the review, report, inspection and deterring of illegal behavior for all channels. These channels include the e-commerce platform, centralized trading market and exhibition organizers. The document also emphasizes the obligations for the platform to report major information involving quality and safety.

4. Strengthen the supervision measures and responsibilities for regulatory authorities

The document specifies the standards for cosmetics production quality management, and clarifies the key points and assessment principles of production quality management inspection developed by the NMPA. It also strengthens the management requirements for key regulatory objects, and refines the requirements for sampling inspection of drug regulatory departments at all levels. Concurrently, it stipulates that if the cosmetics sampling inspection is unqualified, the cosmetics registrant and recorder shall be responsible for self-examination and recalling the

products in accordance with the law. Finally, according to this document, adverse reaction monitoring of cosmetics should comply with the reporting principle for any suspicious reaction.

If you need more information on the topic, please contact:

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18. [Cosmetics] - Second Round: Cosmetics Production Regulation Call for Comment

On September 8, 2021, after the first round of calling-for-comment, National Medical Products Administration (NMPA) is calling for comment again for ***Management Regulations for Cosmetics Production*** (hereinafter referred to as “the Management Regulation”). In the revised version of the Management Regulation, following main contents are specified:

- General guidelines
- Organisation and personnel
- Quality assurance and control
- Production site facilities and equipment management
- Material and product management
- Product process management
- Product sales management
- Sub-contracting production management
- Supplementary guidelines

The call-for-comment period lasts from September 8th to 28th Sep 2021. Please check the following link for the original announcement and the full Chinese text of the Management Regulation:

<https://www.nmpa.gov.cn/xxgk/zhqyj/zhqyjhzhp/20210908164424103.html>

For more information on the topic, or any question you may have on the new version of Management Regulation, please contact:

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Energy

19. [Energy] - China Released Special Energy Conservation Supervision Task in 2021

On July 21, 2021, Ministry of Industry and Information Technology (MIIT) released “Notice on the National Special Energy Conservation Supervision Task in 2021”.

The key messages are as follows:

The total number of special energy-saving supervision tasks identified in the first batch is 3535 enterprises. Among them, there are 3080 special supervisors on energy consumption in key industries (including iron and steel, cement and electrolytic aluminum industries), 270 special supervisors on energy efficiency in data centers, and 185 special supervisors on the implementation of rectification of illegal enterprises in 2020.

These enterprises will carry out energy-saving transformation under the supervision of government. It is a good opportunity for enterprises in this sector to do energy saving business in China.

For more information on the topic, please contact:

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BESTAO Review

20. [BESTAO Review] - Security Certification for Network Key Equipment and Cybersecurity Specialised Products

In June 2017, the Cyberspace Administration of China (CAC), jointly released a catalogue (First Batch) of Network Key Equipment and Cybersecurity Specialised Products with the Ministry of Industry and Information Technology (MIIT), the Ministry of Public Security (MPS), and the Certification and Accreditation Administration of China (CNCA). It specified the products that fall into the catalogue must be certified or pass the testing by qualified institutions before being sold or provided on the Chinese market.

This article summarises the details of the certification, including the legal basis, scope, certification procedure, applicable standards and document checklist. If you are to sell such products in China, you will need this!

With 6 pages and 1671 English words, the article is only 18 USD for full access. For viewing the complete report, please visit:

<http://www.bestao-consulting.com/translated/detail/199>

Any question you may have, or need further consultation before the purchase, please contact:

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BESTAO Translation

21. [BESTAO Translation] - MAR 12, 2021, New Registration Requirement for Medical Device Rolled-out in China

On March 12, 2021, the National Medical Products Administration (NMPA) issued the Announcement on Registration of Medical Device Master Files. It went into force immediately following its announcement.

The medical device master file registration system has been established in likeness to the Opinions of the State Council on Reforming the Review and Approval System for Pharmaceuticals and Medical Devices (No. [2015] 44, issued by the State Council). It aims to further improve the quality of medical device review and approval. This could establish a more scientific and efficient review and approval system, as well as protect the business secrets of various enterprises.

For MNCs and foreign investors of medical devices, the new registration requirement for the medical device master file will apply to nearly all market approvals (registration, modification, clinical trial etc.) for Type II and Type III imported medical devices in the Chinese market. It's necessary to dig into the new documents and make adjustments to their existing master file registration system if needed.

BESTAO has translated the complete content of the Announcement and its annexes. The full text of these documents contains 2860 English words and 15 pages.

Please check the following link for further information, and Chinese version is also available on our regulatory library:

English version:

<http://www.bestao-consulting.com/translated/detail/566>

Chinese version:

<http://www.bestao-consulting.com/translated/detail/567>

If you need more information on the topic, or more info on the topic, please contact:

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Introduction of BESTAO Consulting

Founded by senior experts with solid industry experience, BESTAO Consulting provides regulatory compliance solutions across a wide range of industries to our global clients who wish to enter Chinese markets. Our areas of expertise include Government Affairs, Industry Policies, Technical Standards and Regulations, Certification and Market Access, and Translation Services.

Accessing the Chinese market has become increasingly more important for overseas companies of all kinds and having a better understanding of the requirements to enter this large and complex market will give you the advantage over your competition. BESTAO Consulting can help you understand the Chinese regulatory environment to quickly and effectively gain access to the Chinese Market.

What We Offer:

- The government affairs team supports our clients in identifying key stakeholders in China to build connections and improve business development.
- Our consulting team helps our clients understand China's legal framework, technical regulations, standardization system and certification schemes, including but not limited to CCC, China RoHS, Medical Device Registration, and Special Equipment Certification. We advise our clients on market access requirements and draw comparisons between EU/US and China.
- Our intelligence collection team gathers up-to-date information on China's technical regulations and standardization in areas such as China Energy Labelling scheme, Green Design and Manufacturing policies, and Regulation Development of New Energy Vehicles, etc. We make sure that our clients stay informed on the latest developments in regulation and standardization.
- Our training team is dedicated to conducting workshops for Overseas companies on understanding key China Technical Regulations to facilitate their entry into Chinese markets.
- Our translation team provides high-quality English translation of laws and regulations, standards, and technical specifications.

For more information on how BESTAO can help your company enter and grow in the Chinese market, please contact us at

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