



REGULATORY OBSERVATION CHINA COMPLIANCE

May 2023

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Highlights of this edition

EMC and Energy Efficiency Mandatory Standards under Revision

The Standardization Administration of China (SAC) issued notice on the revision plan of multiple mandatory national standards that are closely related with electrical and electronic products (EEP), especially home and commercial appliances. This article lists all relevant standards along with its connection with international standards.

Full article available at Page 4 or visit:

https://www.bestao-consulting.com/detail?id=1414&status=china_compliance

China Develops Standardization Plan for Automotive Chips

The Ministry of Industry and Information Technology (MIIT) released the *Guidelines for the Establishment of the National Automotive Chip Standardization System* (Draft for Comments), aiming at guiding and regulating the R&D and matching application of automotive chips. The general structure and key points for foreign stakeholders are summarized in this article.

Full article available at Page 5 or visit:

https://www.bestao-consulting.com/detail?id=1412&status=china_compliance

China Enforces Specialized Cybersecurity Products Certification, Abolishes Sales License

Five national ministries jointly issued the Announcement on Adjusting the Security Management of Specialized Cybersecurity Products, to strengthen the security management of specialized cybersecurity products via new standards, and promote the mutual recognition of certification, thus avoiding repetitive product testing and certification. Implementation details and dates are elaborated in this article.

Full article available at Page 11 or visit:

https://www.bestao-consulting.com/detail?id=1410&status=china_compliance



EMC

1. EMC and Energy Efficiency Mandatory Standards under Revision

On April 3, 2023, the Standardization Administration of China (SAC) issued notice on the revision plan of multiple mandatory national standards. Some of the to-be-revised standards are closely related with electrical and electronic products (EEP), especially home and commercial appliances, thus worth overseas EEP manufacturers' attention.

The basic revising information of these EEP standards include:

| Category | Standard/Project No. | TC in charge | Standard Name | National Standard to be Replaced | Relation with International Standard |
|-------------------|----------------------|--|---|--|--------------------------------------|
| EMC | 20230472-Q-469 | TC79/SC8 Limits for the Protection of Radio | Electromagnetic compatibility (EMC)– Generic standards – Part 3: Emission standard for equipment in residential Environments | GB 17799.3-2012 | IEC 61000-6-3:2020, IDT |
| | 20230471-Q-469 | | Electromagnetic Compatibility (EMC) – Generic standards – Part 8: Emission standard for professional equipment in commercial and light-industrial locations | GB 17799.3-2012 | IEC61000-6-8:2020, IDT |
| Energy Efficiency | 20230474-Q-469 | TC 20 Energy Fundamentals and Management | Minimum allowable values of the energy efficiency and energy efficiency grades for household and similar kitchen appliances | GB 21456-2014 GB 24849-2017 GB 39177-2020 GB 12021.6-2017 | N/A |
| | 20230452-Q-469 | | Minimum allowable values of energy efficiency and energy efficiency grades for air cleaner | GB 36893-2018 | N/A |
| | 20230455-Q-469 | | Minimum allowable values of energy efficiency and energy efficiency grades for gas cooking appliances | GB 30531-2014 GB 30720-2014 | N/A |
| | 20230473-Q-469 | | Minimum allowable values of energy efficiency and energy efficiency grades for commercial refrigerating appliances | GB 26920.1-2011 GB 26920.2-2015 GB 26920.3-2019 | N/A |

Foreign manufacturers producing EEP products are advised to track the revision of these standards, to avoid potential compliance risks.

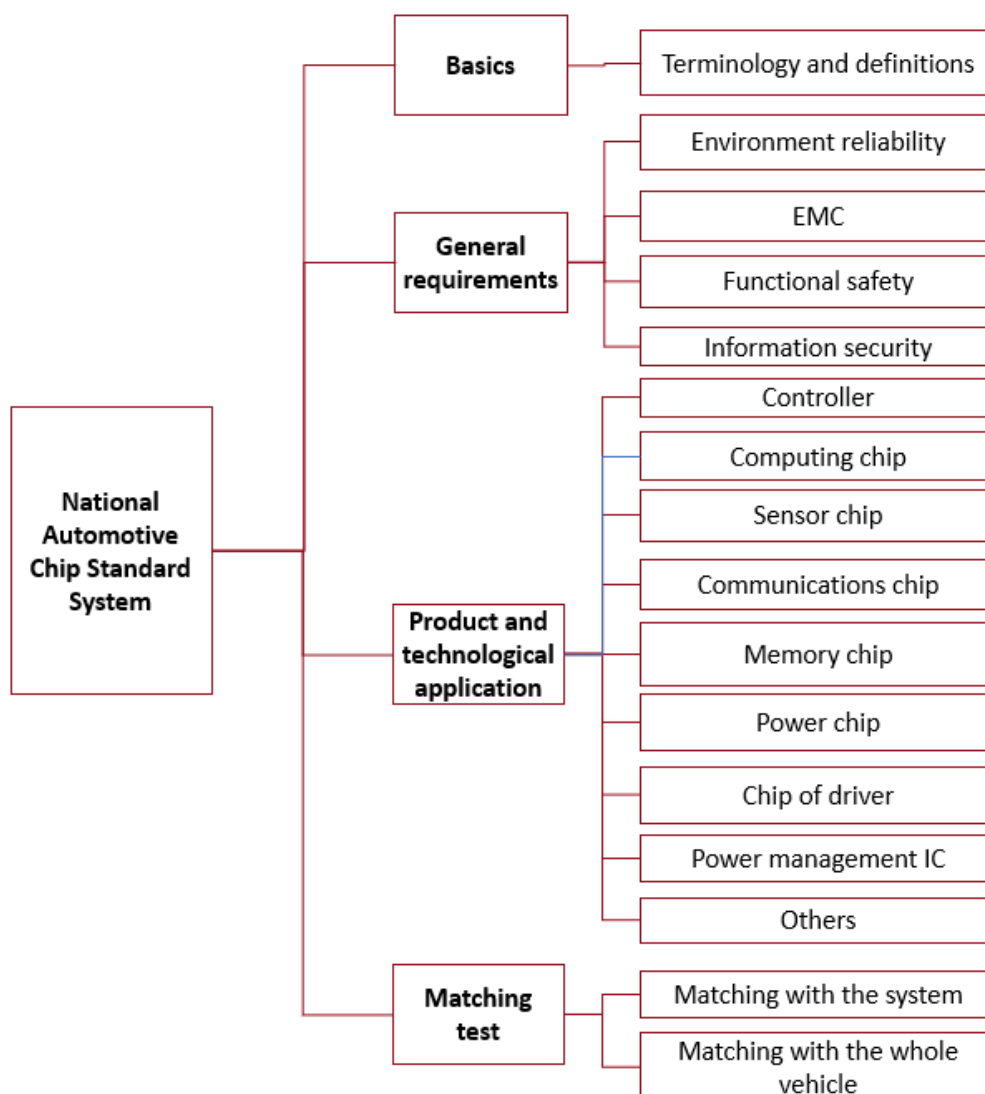


Standardization

2. China Develops Standardization Plan for Automotive Chips

On March 28, 2023, the Ministry of Industry and Information Technology (MIIT) released the ***Guidelines for the Establishment of the National Automotive Chip Standardization System*** (Draft for Comments). The document, which aims at guiding and regulating the R&D and matching application of automotive chips, was open for comments until 28 April 2023.

The document elaborates on the structure of the automotive chip standardization system as below:



In addition to the standard system, some key facts include:

- the document includes a list of 76 standards/standard projects. Among these, 59 are sector

standards and 17 are national standards.

- only one of the standards listed has been published: **QC/T 1136-2020 Environmental test requirements and test methods of IGBT Module for electric vehicles** (issued by MIIT and has come into force on April 1, 2023).
- one standard is confirmed to adopt international standard **ISO 26262.11 Road vehicles — Functional safety — Part 11: Guidelines on application of ISO 26262 to semiconductors** and has submitted for standard project approval. The relation with international standards of other ones remains unknown for now.
- The rest of the standard in the list are under preliminary research and yet to be formulated.

Foreign stakeholders are recommended to closely track the dynamics of three technical committees, namely TC599 on Integrated Circuits (newly-established), TC114 on Road Vehicle, and TC78 on Semiconductor Devices: these are expected to be the main platforms for the development of automotive chips standards. In addition, it is advised to observe the updates of standards, because these standards not only outlines the future standardization direction, but also may impact the market access of vehicle chips.

3. Full list! Newly Approved National Standards in China

The Standardization Administration of China (SAC), as the highest standardization authority in the country, will announce all newly-approved and to-be-implemented national standards as a routine.

The latest two standard announcement of SAC were issued on December 30, 2022 and March 17, 2023. A total of 927 national voluntary standards, covering a variety of sectors, are disclosed with implementation date, and adopted international standard (if any). All full

translation of the list is provided in the attachment for free download in order to facilitate relevant foreign stakeholders.

For the full list preview or download in English with the international standard adoption status, please visit:

https://www.bestao-consulting.com/detail?id=1413&status=china_compliance

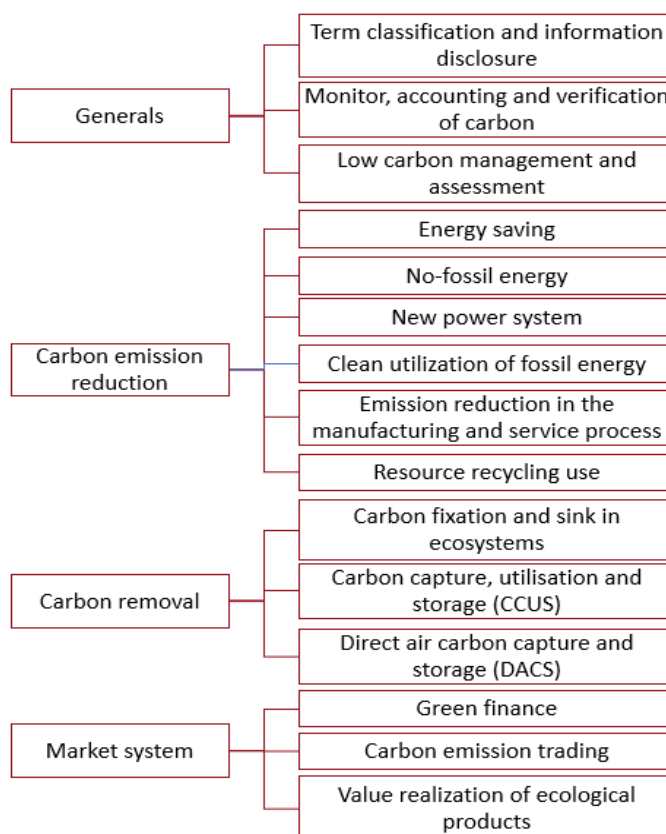


Green and Environmental Protection

4. China Issued Top-design for Carbon Peak and Neutrality Standard System

On April 1, 2023, the Standardization Administration of China (SAC) partnered with ten other ministries and jointly issued the **Guidelines on the Construction of Carbon Peak and Carbon Neutrality Standard System** (hereafter referred to as “the Guidelines”). It is a further supportive document for the working goals laid out in the **Implementation Plan for Establishing and Improving the Measurement System for Carbon Peak and Carbon Neutrality Standards** (issued by the State Administration for Market Regulation jointly with multiple national ministries on October 18, 2022) and outlines the standard system and more concrete next steps for China’s carbon peak and neutrality goals.

The Guidelines emphasize optimizing the duality between government-issued standards and market-based standards, as well as calls for cross-industry and cross-sector standard coordination. Quantitative goals set in the Guidelines include to newly draft and revise no less than 1000 national and sector standards and to actively participate in the work of no less than 30 international standards. The standard system is defined in the document to have 4 categories, which consist of 15 second-tier sub-systems as the diagram on the right



Key contents that relate to enterprises and manufacturers include:

- Standards and specifications on carbon emission calculation, reporting standards, and data quality will be formulated for key sectors including machinery, ICT, transportation etc.
- Optimize carbon emission evaluation standards, and explore to formulating carbon footprint standards.
- Formulate or revise standards for green products or overall (cross-sector) carbon neutrality assessment.
- Accelerate the standard revision/drafting for mandatory energy consumption limit, and make such parameters coordinate with the carbon emission index for key sectors such as mining, machinery and transportation.
- Follow international advanced level to improve the mandatory energy efficiency standards for industrial equipment, home appliance, lighting equipment, new energy/renewable energy equipment, machinery manufacturing equipment etc.

- Set up standards and specifications to complete the carbon emission trading system: quota distribution, adjustment etc.

Further specifically, based on the Guidelines, standards are to be formulated or revised in the following perspectives in some high-profile sectors:

- Automobile and machinery:
 - For achieving emission reduction in the manufacturing and service process: standards for low-carbon and carbon fixation technology, low-carbon process and equipment, non-carbon dioxide greenhouse gas emission reduction technology, low-carbon detection technology, low-carbon metering and analysis technology, green manufacturing, water saving etc., and other key technical standards and supporting standard samples.
 - For promoting hydrogen energy: standards for hydrogen filling stations and fuel cell batteries.
 - For promoting EV development: standards on safety and functional requirements, testing methods, remote service management, safety technical inspection for the vehicle's drive system, traction battery system and charging/battery swap system.
 - To enhance energy consumption and efficiency management: improve energy consumption limits, labelling, calculation of energy consumption, as well as assessment methods.
 - For emission control: accelerate the research and revision of the next emission control level.
 - For resource recycling: standards on recycling and reuse of waste traction(power) battery, and the remanufacturing of automobile parts and machine tools.
- Agriculture: standards on energy-saving and low carbon for agricultural machinery.

In the topic of international standard system interaction and development, the Guidelines state to:

- Establish an international standardization working group of all relevant national ministries (including but not limited to SAMR, NDRC, MIIT, MEE, together with regulators on foreign affairs, commerce, natural resources, science and technology, agriculture and rural affairs etc.) to facilitate international standard cooperation on carbon, and better implement international carbon standard work.
- Set up a batch of standard expert groups to actively involve in international standard drafting.
- Enhance the cooperation and communication with the UN's Intergovernmental Panel on Climate Change (IPCC), ISO, IEC and ITU to follow up on the latest carbon-relevant standards and achievements.
- Further study and research on standardization policy and technical trade measures of developed countries such as the United States and EU.
- Actively submit proposals on international standards under the topic of greenhouse gas emissions monitoring and accounting, forest and grass carbon fixation and sink enhancement, clean and low-carbon use of traditional energy in the energy sector, clean energy, information and communication sector and digital empowerment etc.
- Actively push the founding of technical groups in international SDOs on the topic of regional energy systems, medical refrigeration equipment and ecological carbon sink etc.
- Recommend China experts to join strategic research and governance coordination institutions such as the ISO Climate Change Coordination Committee (CCCC), ISO ESG CC and UN's Council of Engineers for the Energy Transition (CEET).
- Convert applied international standards into China under the topic of greenhouse gas

management, carbon footprint, carbon capture, utilization and storage, clean energy, and energy conservation.

- Increase the foreign version translation of China's national, sector and regional standards to facilitate international promotion and application in service trade, overseas projects etc.

Foreign manufacturers are advised to pay more attention to energy efficiency and consumption standard changes, as they would directly impact the market access of relevant product. MNCs with the aforementioned carbon reduction technologies may have better market opportunities and are suggested to participate in the standard system construction by taking part in relevant TC works, or actively communicating with Chinese experts in international SDO works.





Cybersecurity and Data Security

5. Twelve Cybersecurity Standards Implement Soon

On March 17, 2023, the State Administration for Market Regulation (SAMR) and the Standardization Administration of China (SAC) issued announcement on implementation of national standards.

Twelve national voluntary standards on security techniques of information technology will come to force on October 1, 2023, among which, seven are revision and five are newly drafted.

Further details of these standards are summarized as follows:

| No. | Standard No. | Standard Name | Standard to be Replaced | Relation with International Standards |
|-----|-------------------|---|-------------------------|---------------------------------------|
| 1 | GB/T 15843.3-2023 | Information technology—Security techniques—Entity authentication—Part 3: Mechanisms using digital signature techniques | GB/T 15843.3-2016 | IDT ISO/IEC 9798-3:2019 |
| 2 | GB/T 17902.1-2023 | Information technology—Security techniques—Digital signatures with appendix—Part 1:General | GB/T 17902.1-1999 | IDT ISO/IEC 14888-1: 2008 |
| 3 | GB/T 20274.1-2023 | Information security technology—Evaluation framework for information systems security assurance—Part 1:Introduction and general model | GB/T 20274.1-2006 | N/A |
| 4 | GB/T 21053-2023 | Information security techniques—Public key infrastructure—Security technology requirement for PKI system | GB/T 21053-2007 | N/A |
| 5 | GB/T 21054-2023 | Information security techniques—Public key infrastructure—Security testing assessment approaches for PKI system | GB/T 21054-2007 | N/A |
| 6 | GB/T 32922-2023 | Information security technology—Baseline and implementation guide of IPSec VPN securing access | GB/T 32922-2016 | N/A |
| 7 | GB/T 33134-2023 | Information security technology—Security requirement of public domain name service system | GB/T 33134-2016 | N/A |
| 8 | GB/T 42446-2023 | Information security technology—Basic requirements for competence of cybersecurity workforce | N/A | N/A |
| 9 | GB/T 42447-2023 | Information security technology—Data security guidelines for telecom field | N/A | N/A |
| 10 | GB/T 42453-2023 | Information security technology—General technical requirements for network security situation awareness | N/A | N/A |

| No. | Standard No. | Standard Name | Standard to be Replaced | Relation with International Standards |
|-----|-----------------|--|-------------------------|---------------------------------------|
| 11 | GB/T 42460-2023 | Information security technology—Guide for evaluating the effectiveness of personal information de-identification | N/A | N/A |
| 12 | GB/T 42461-2023 | Information security technology—Guidelines for cyber security service cost measurement | N/A | N/A |

These standards are under the scope of SAC/TC 260 (Information Security). Foreign stakeholders are suggested to further track if any of the standards will be cited or used in mandatory regulations or certification schemes on relevant products/solutions. Because once cited by mandatory regulation or certification, corresponding requirements will become mandatory for market access.

6. China Enforces Specialized Cybersecurity Products Certification, Abolishes Sales License

On 17 April 2023, the CAC, the MIIT, the MPS, the MoF, and the CNCA, jointly released the Announcement on Adjusting the Security Management of Specialized Cybersecurity Products (hereinafter referred to the Announcement).

The main purpose of the Announcement is to strengthen the security management of specialized cybersecurity products via new standards, and promote the mutual recognition of certification, thus avoiding repetitive product testing and certification. It is in line with the 23rd Article of the Cybersecurity Law which specifically outlines requirements for (i) mandatory compliance with national standards, (ii) certification carried out by qualified bodies, and (iii) establishment of a specialized cybersecurity product catalogue. Consequently, in accordance with those requirements, relevant ministries published a series of notices and announcements, including the Cybersecurity Product Catalogue (first batch), the Catalogue for Certification and Testing Bodies (first batch), and the notice of unified announcement of certification and

testing results. The newly-released Announcement, which will become effective on 1 July 2023, is an official notice for enforcing the new rules for supplying specialized cybersecurity products.

The detailed adjustments made in the newly-released Announcement are summarized as follows:

- From 1 July 2023, the specialized cybersecurity products listed in the Cybersecurity Product Catalogue (first batch) shall be sold or supplied only after they pass the security certification, thus meeting the mandatory security testing requirements of the qualified bodies stipulated in GB 42250-2022 Information security technology—Security technical requirements for specialized cybersecurity products (to be effective from 1 July 2023). Qualified bodies refer to those bodies listed in the Catalogue for Certification and Testing Bodies (first batch). CAC, MIIT, MPS, and CNCA are responsible for updating the product catalogue of critical network devices and specialized cybersecurity products, and the catalogue

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- | | |
|---|---|
| <p>of qualified certification and testing bodies.</p> <ul style="list-style-type: none">• From 1 July 2023, China will cease to issue the "Sales License for Specialized Products in Computer Information System": relevant product manufacturers will not need to apply anymore, while those that have already obtained the Sales License may continue to sell or supply the products within the validity period of the license.• From 1 July 2023, the Announcement on Adjusting the Implementation Requirements of Mandatory Certification of Information Security Products and the Notice on the Implementation of Government Procurement of Information | <p>Security Products will no longer be enforced.</p> <ul style="list-style-type: none">• CAC, together with MIIT, MPS and CNCA, shall publicly publish, update and disclose the lists of critical network devices and specialized cybersecurity products that meet the requirements. <p>In short, the Announcement is a predictable move of the Chinese administration in managing the security of specialized cybersecurity products – as indicated in the Cybersecurity Law. Relevant foreign stakeholders are advised to closely analyze GB 42250-2022, and carry out product testing and certification as required.</p> |
|---|---|



New Energy

7. Certification Scheme Established for Graded Use of Traction Batteries

On March 6, 2023, the State Administration for Market Regulation (SAMR) and the Ministry of Industry and Information Technology (MIIT) issued the notice to kick off the voluntary certification for the echelon use of traction batteries used on new energy vehicles.

Key information includes:

- Regulators will create certification scope and rules: a product catalogue for echelon-use battery certification will be created and published by the government (SAMR and MIIT). Certification rules for such products will be published by the Certification and Accreditation Administration of China (CNCA), and they should be made and specified based on existing national, sector or association standards.
- A certification technical committee will be organized by SAMR and MIIT to provide policy consultation and technical support.
- An application database will be established for products that are certified and will be open to the public.
- Certified products are more encouraged to be used in governmental funding projects, key local projects and municipal public works.

Once the certification is published, it is very likely to be adopted by the governmental procurement or similar projects by state-owned enterprises etc., therefore may cause some impact for certain foreign suppliers of such products.

Development banks are encouraged to offer capital support, loans or financing services to relevant manufacturers. Support insurance companies to design solutions and services that can offer risk guarantees for the wider application of such batteries.

In addition, as the certification scheme is still under development, foreign manufacturers with locally registered entities in China are suggested to closely observe and follow up on future updates, even join the preparing work on drafting implementation rules/product catalogues if possible.



BESTAO Reviews and Translations

8. Full English Version - Compliance Management Catalogue of China Rohs II (First Batch)

Price: USD 30.00

Page: 6

Number of Words: 1651

Releasing Unit: Ministry of Industry and Information Technology of China (MIIT)

The document is issued by Ministry of Industry and Information Technology (MIIT) in 2018 under China RoHS 2. It has entered into force on 12 March 2019.

Products listed in the Catalogue must comply with the China RoHS hazardous substance restriction limits unless they fall into the Exemption List.

For preview or purchase of this document, please visit:

https://www.bestao-consulting.com/detail?id=1169&status=bestao_library

9. Full English Version - Exemptions List of Compliance Management Catalogue of China RoHS II (First Batch)

Price: USD 30.00

Page: 6

Number of Words: 1547

Releasing Unit: Ministry of Industry and Information Technology of China (MIIT)

In 2018, the document is issued by Ministry of Industry and Information Technology (MIIT) under China RoHS II and has entered into force on 12 March 2019.

Products listed in the Compliance Management Catalogue must comply with the China RoHS hazardous substance restriction limits unless they fall into the THIS Exemption List. The exemption list includes 39 applications for lead, cadmium, mercury and hexavalent chromium in electrical and electronic products.

For preview or purchase of this document, please visit:

https://www.bestao-consulting.com/detail?id=1168&status=bestao_library

10. Full English Version - Official FAQs on China RoHS II – 2016

Price: USD 58.00

Page: 23

Number of Words: 7433

Releasing Unit: Ministry of Industry and Information Technology of China (MIIT)

The document is issued by Ministry of Industry and Information Technology (MIIT) in 2016 to facilitate the implementation on China RoHS, and to guide relevant parties on understanding more details on China RoHS. It contains 55 Q&A under four big categories.

For preview or purchase of this document, please visit:

https://www.bestao-consulting.com/detail?id=1187&status=bestao_library

11.Full English Version - Guidelines for Security Assessment on Cross-border Data Transfer (English Translation)

Price: USD 58.00

Page: 23

Number of Words: 3300

The Security Assessment Measures for Cross-border Data Transfer is effective on September 1, 2022. This guidance is specially formulated to guide and help data handlers to standardize and orderly notify security assessment for cross-border data transfer.

For preview or purchase of this document, please visit:

https://www.bestao-consulting.com/detail?id=1306&status=bestao_library

12.English Translation Available – GB 8624-2012 classification for burning behavior of building materials and products

Price: USD 45.00

Page: 22

Number of Words: 5623

GB 8624-2012 classification for burning behavior of building materials and products is a mandatory national standard for building materials and products to be put on the Chinese market. This standard adopted EN 13501-1:2007 in a non-equivalent way and has come into effect on October 1, 2013.

For preview or purchase of this document, please visit:

https://www.bestao-consulting.com/detail?id=1442&status=bestao_library

About 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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