REGULATORY OBSERVATION
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Highlights of this edition

Mandatory Standard Revision - Protection of Motor Vehicle for Pedestrians i n the Event of a Collision

On May 28, 2024, the Standardization Administration of China (SAC) announced the approval of GB 24550-2024 Protection of motor vehicle for pedestrians in the event of a collision.

Full article available at Page 6 or visit:
https://www.bestao-consulting.com/detail?id=1683&status=china_compliance

Working Meeting Held for Mandatory Standard on China RoHS

On May 28, 2024, SAC/TC297/SC3 held a working meeting in Shenyang city for the draft of national mandatory standard project of China RoHS, Requirements for certain restricted su bstances in electrical and electronic products。

Full article available at Page 10 or visit:
https://www.bestao-consulting.com/detail?id=1668&status=china_compliance

FAQ Clarifies ICV Product and Road Traffic Access Rules in China

On June 4, 2024, four national ministries of China, namely the Ministry of Industry and Information Technology (MIIT), the Ministry of Public Security (MPS), the Ministry of Housing and Urban-Rural Development (MoHURD), and the Ministry of Transport (MOT) announced the first batch of ICV product list and their on-road traffic pilot areas, together with an FAQ.

Full article available at Page 15 or visit:
https://www.bestao-consulting.com/detail?id=1688&status=china_compliance

China Revised its Measures for International Standard Adoption

From May 8 to June 8, 2024, the Ministry of Industry and Information Technology (MIIT) is seeking public comments on the development of four mandatory national standards for the safety of lithium-ion batteries and battery packs used in electronic devices.

Full article available at Page 21 or visit:
https://www.bestao-consulting.com/detail?id=1676&status=china_compliance

Horizontal

1. Public Feedback Called on Unequal Enterprise Treatments in Regulations and Policies

On May 13, 2024, the Ministry of Justice of China (MOJ) issued the ***Announcement on Clearing up Laws, Regulations and Policies Concerning Unequal Treatment of Enterprises*** (referred to as "the Announcement"), calling for public feedback on issues and hints on unfair treatments for enterprises among all existing laws, regulations and policies. The feedback deadline is September 30, 2024.

The Announcement is issued under the State Council's request on the topic, and it outlines 5 scenarios that are defined as "unequal treatments" with further explanation as below:

Hindering market access and exit.

Setting unreasonable or discriminatory entry and exit conditions in infrastructure project construction, tendering and bidding, and government procurement; Restrict the operation, purchase and use of commodities and services provided by specific business operators; Set up establishment of procedures and intermediary services in the nature of administrative license, such as examination and approval procedures and pre-record procedures without legal basis from laws and regulations or decisions of the State Council; Set up approval or filing procedures on approval for industries, fields and businesses that are not on the negative list for market access; Illegally establishing franchise rights or granting franchise rights to enterprises without fair competition.

Impeding equal access to and free movement of factors of production and free movement of goods and services.

Discriminatory pricing policies and discriminatory subsidies for goods and services imported from abroad; Restricting the access of foreign and imported goods and services to the local market or impeding the transport of local goods and services to get out of the region; Excluding and restricting foreign enterprises from participating in local public resource trading activities; Excluding, restricting or forcing foreign enterprises to invest or set up branches or business premises locally; Discriminatory treatment of local investment or branches established by foreign enterprises, infringing on their legitimate rights and interests; Illegal addition of migration conditions, restricting the migration or withdrawal of enterprises; Unreasonable restrictive provisions that are imposed on the acquisition of capital, land, talents and other elements by enterprises.

Affecting production and operation costs.

In violation of laws and regulations, preferential policies that are given to specific enterprises in terms of financial subsidies, access to factors, taxation, environmental protection standards, and emission rights; Illegally linking fiscal expenditures to tax or non-tax income paid by

specific enterprises; Reduce or suspend the payment of social insurance fees and taxes that should be paid by specific business operators in violation of laws and regulations; Illegally requiring operators to provide or withhold various types of deposits; Set discriminatory requirements for obtaining government investment funds, loans and other financing.

Affecting the production and operation of enterprises.

Illegally force an enterprise to engage in the monopoly acts prescribed in the ***Anti-Monopoly Law of the People's Republic of China***; Illegally disclosing or requiring enterprises to disclose sensitive information of production and operation, providing convenient conditions for other operators to engage in monopoly behavior; Illegal government pricing beyond the pricing authority; To illegally intervene in the market to regulate the price level of goods and services.

Administrative supervision and law enforcement.

Illegally set differentiated discriminatory inspection items and inspection frequency among enterprises; Sets discrete administrative benchmark for different enterprises, and makes administrative penalties, administrative enforcement measures, and administrative enforcement decisions that are obviously discriminatory against specific enterprises.

Feedback can be submitted via email to fgql@chinalaw.gov.cn, and submitting party must specify:

- Name of the law, regulation or policy.
- Document/notice/announcement number (if applicable)
- Issuing date
- Detailed contents on the unequal treatment and relevant description.

Such action is supportive to China's narrative in recent years on expanding the country's opening-up level. Similar action has been taken in the yar of 2023, when 4 national ministries issued a notice to clear up policies and measures that barricade a unified market and the fair competitions. This kind of measures will be friendly to foreign stakeholders in regards of a better business environment, so it is also advised to actively provide feedback if any.

Automotive

2. Mandatory Standard Revision - Protection of Motor Vehicle for Pedestrians in the Event of a Collision

On May 28, 2024, the Standardization Administration of China (SAC) announced the approval of ***GB 24550-2024 Protection of motor vehicle for pedestrians in the event of a collision*** (hereinafter referred to as "the Standard"), together with its implementation date (January 1, 2025).

This Standard is a revision of the presently effective GB/T 24550-2009, and will fully replace the latter when it implements in 2025.

It specifies the technical requirements, test regulations, test procedures and the calibration of the impactor for vehicle collision protection for pedestrians. It applies to M1 and N1 vehicles, but does not include M1 vehicles where the R point of the driver's seat is in front of the transverse plane of the front axle center, or the horizontal distance between the R point of the driver's seat and the transverse plane of the front axle center is not greater than 1100mm, and the maximum total mass is greater than 2500kg; It also does not fit for N1 vehicles where the driver's seat point R is in front of the transverse plane of the front axle center, or the horizontal distance between the driver's seat point R and the transverse plane of the front axle center is not greater than 1100mm.

Based on the information released by the Standard's drafting SDO, SAC/TC114/SC33(Automotive Impact Test Procedures and Crash Protection), the reasons for the revision on the standard on the automotive collision protection for pedestrians are:

- According to China's statistics of road vehicle accidents involving pedestrians, It is necessary to have a mandatory national standard that can effectively evaluate the performance of pedestrian protection on such vehicles, and to effectively promote relevant manufacturers to actively develop and improve the vehicle structure.

- Improving the protection performance of road vehicles and pedestrians can avoid technical barriers when the product enters overseas markets.

The most important point of this standard for MNCs foreign stakeholders is that once this revision comes into force, it would become mandatory instead of being voluntary as the GB/T 24550-2009. It may require some further action to ensure product compliance during the 6-month period before the final implementation date. The fact that the Standard does not have any direct adoption of any international (although it has refers to some technical requirements of the ***UN Regulation No.127***, and the ***Global Technical Regulation No.9 Pedestrian Safety***) may also lead to more attention on products for foreign manufacturers.

Green and Environmental Protection

3. New Working Plan Set 2024-2025 Targets on Energy Conservation and Carbon Reduction in China

On May 29, 2024, the State Council published the ***Working Plan for Energy Conservation and Carbon Reduction for 2024-2025*** (hereinafter referred to as "the Work Plan 2024-2025"). This 4-chapter Working Plan is a further supportive document for the last two years in the 14th five-year plan period to the ***Working Plan for Energy Conservation and Carbon Reduction during the 14th Five-Year Plan Period*** (issued on December 28, 2021 by the State Council). The main purpose is to intensify efforts to promote energy conservation and carbon reduction, to take practical and effective measures, and to make all efforts possible to complete the binding targets for energy conservation and carbon reduction during the period.

The main contents of the Working Plan 2024-2025 include general goals, 27 key tasks categorized in 10 perspectives, measures for managing systems and supportive actions etc.

Besides the consistent overall objectives listed in both Working Plans, the Working Plan 2024-2025 elaborates more specific goals:

General goals:

- By 2024, energy consumption and carbon dioxide emissions per unit of GDP should be decrease by about 2.5% and 3.9% respectively. Energy consumption per unit of added value of industries above designated size should be cut by about 3.5%, with non-fossil energy consumption accounting for about 18.9%. Energy conservation and carbon reduction in key areas and industries will save about 50 million tons of standard coal and reduce about 130 million tons of carbon dioxide.
- By 2025, non-fossil energy consumption will account for about 20%, and energy conservation and carbon reduction in key areas and industries will save about 50 million tons of standard coal and 130 million tons of carbon dioxide

Quantitative tasks for some key sectors or fields include:

- **Construction:** from 2024 to 2025, the energy conservation and carbon reduction transformation of the sector of construction materials will save about 10 million tons of standard coal and reduce about 26 million tons of carbon dioxide.
- **Transportation:** by the end of 2025, the CO_2 emission intensity of the transportation sector will be reduced by 5% compared with that in 2020.
- **Industrial and consumer products**: comparing with the level in 2021, the average operating thermal efficiency of industrial boilers and power station boilers in 2025 will be increased by more than 5 percentage points and more than 0.5 percentage points respectively. The proportion of high-efficiency energy-saving motors and high-efficiency energy-saving transformers in operation will be increased by more than 5 percentage points and more than 10 percentage points respectively. The proportion of energy-saving products in industrial and commercial

refrigeration equipment, household refrigeration equipment and general lighting equipment reached 40%, 60% and 50% respectively.

- **Non-fossil energy**: by the end of 2025, the country's non-fossil energy generation will account for about 39%.
- **New energy**: while ensuring economic development, the utilization rate of new energy in areas with good resource conditions can be reduced to 90%.

For foreign stakeholders, it is advised to notice that following measures will take place in corresponding managing and regulatory systems:

- Intensify existing managing system on energy conservation and carbon reduction, including but not limited to performance assessment, review and approval on environmental assessment for projects, the carbon reduction management for enterprises in key sectors, energy conservation monitor and the system for energy consumption and carbon emission calculation.
- Improve systems for examining energy conservation in fixed asset investment projects; administer energy conservation in key energy-using units, and supervise energy conservation
- Improve the national carbon market regulation system.
- Benchmark domestic and international advanced standards, accelerate the formulation and revision of mandatory energy conservation standards, and expand the coverage scope of standards.
- Set different energy-saving targets for enterprises with differed energy conversation levels. Enterprise with energy conservation level in the top 5% of the sector should reach grade 1 energy efficiency stipulated in the corresponding national standard(s), and that in the top 20% and top 80% should respectively be grade 2 and grade 3 (or 5).

4. Carbon Footprint Management Will Be Intensified in China

On May 29, 2024, the Ministry of Ecology and Environment (MEE) held a regular press conference, where the MEE spokesperson disclosed some significant information regarding the country's carbon footprint management.

The press conference further clarified the key definitions as below:

· **Carbon footprint:** the sum of greenhouse gas emissions and removal of specific objects (include products, individuals, families, institutions or enterprises etc.) expressed in carbon dioxide equivalent. The more carbon-containing resources (such as oil and coal) are consumed, the greater the carbon dioxide emissions will be, and the greater the carbon footprint shall be, and vice versa.

· **Product carbon footprint**: as the most widely used concept in carbon footprint, it refers to the total carbon emissions generated during the entire life cycle of a product, including the production, transportation, distribution, use and discard of raw materials. It is an important indicator to measure the green and low-carbon level of production enterprises and products.

Other significant information published in the press conference is that, it introduced a latest policy document named the ***Implementation Plan on Establishing a carbon footprint***

Management system (hereinafter referred to as "the Implementation Plan"). the purpose of strengthening the management of carbon footprint, improving domestic rules and promoting international connectivity from the product carbon footprint perspective, and establishing a unified and standardized carbon footprint management system.

Arrangements and considerations of issuing the Implementation Plan include：

- **Establish a sound carbon footprint management system**. Carry out basic work on standards, factors, system rules and so on to promote the publication of product carbon footprint accounting standards and rules for key products. Establish and improve relevant systems on product carbon footprint, such as factor database and identification certification, classification management, information disclosure etc.

- **Build a multi-participation working model.** Strengthen policy coordination; increase financial support; encourage pilot and policy innovation om regional level. Such work should also encourage enterprises in key industries to participate and implement. The final goal is to form a interactive and sharing working model to improve works on carbon footprint.

- **Promote international mutual trust in product carbon footprint rules**. Follow up and study the developing trend of international carbon trade policies and product carbon footprint rules to promote the international docking on such systems. Improve exchange and mutual recognition of product carbon footprint rules in countries within the Belt and Road Initiative. Actively participate in the formulation of international standards and rules, and strengthen international exchanges and cooperation on carbon footprint.

- **Optimize the capability level of product carbon footprint management**. Improve capability building of product carbon footprint accounting; standardize professional services; cultivate professional personnel and institutions; strengthen data quality, data security management and intellectual property protection.

For the next steps, the Ministry of Ecology and Environment will accelerate the research and publications of carbon footprint accounting methods and factors for key products such as electricity, coal and fuel oil, so as to provide a solid foundation for the carbon footprint accounting of downstream products.

China's efforts for achieving its carbon peak and carbon neutrality goals will result in stricter and more comprehensive carbon emission/reduction requirements for enterprises and products, relevant foreign stakeholders are advised to follow closely on their corresponding sector on such policy documents and regulations to avoid potential market access issues.

The Implementation Plan be jointly issued by the MEE with other ministries and commissions of China on June 4, 2024. BESTAO will provide further briefing on it soon, please stay tuned.

China RoHS

5. Working Meeting Held for Mandatory Standard on China RoHS

On May 28, 2024, SAC/TC297/SC3 held a working meeting in Shenyang city for the draft of national mandatory standard project of China RoHS, ***Requirements for certain restricted substances in electrical and electronic products*** (hereinafter referred to as "the Standard Draft").

About 60 experts participated in the meeting, and the leader of the China Electronics Standardization Institute (secretariat of the SC) emphasized the significance and the positioning set by the Ministry of Industry and Information Technology (MIIT): i) improving the applicability and effectiveness of the standard; ii) close gap with relevant international standards; iii) fully supportive for boosting the supply and quality of green products.

The current Standard Draft contains 7 chapters and 4 annexes. The main contents and some supportive information please refer to the ***20240415 BESTAO Policy Briefing - Significant Updates on China RoHS - On-going Mandatory Standard*** in the March monthly report.

The main objective of this working meeting is:

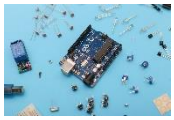
· Brief the comments collected from the internal opinion soliciting and gave the reply from the secretariat to the experts in the working group.
· Full review on the latest draft of the mandatory standard and collected additional comments.

About 60 pieces of feedback has been collected from the previous round, and based on the contents, agreed modifications taking in the present draft are mostly some wording optimizations to avoid blurred expression or misunderstanding, and change Annex C Requirements on the Informatization System of Restricted Substances in Electrical and Electronic Products from informative to normative.

Considering the importance of this standard (will replace 2 presently core standards in the China RoHS system, GB/T 26572 (concentration limits for certain restricted substances) and SJ/T 11364 (marking and labelling), attendees of the meeting carried in-depth engagement on following topics:

· Structure and key items covered, especially how detail would some requirements dig into considering it a mandatory standard.
· Quantitative requirements set on conformity assessment for electrical and electronic products.
· Annex B: report format and requirements for the testing of certain restricted substances in electrical and electronic products.
· Annex C: requirements of informatization managing system on certain restricted substances in electrical and electronic products.

The working group will continue to collect feedback from working group experts and finalize a draft for public comment before June 28, 2024. The next working meeting on this standard is scheduled in the end of September.



Electrical and Electronics

6. Revised Mandatory Standard on EMC for Household Appliances, Electric Tools and Similar Apparatus

On May 28, 2024, the Standardization Administration of China (SAC) announced the approval of a new batch of mandatory standards for implementation. One standard in this batch has a big coverage of products, the name of which is ***GB 4343.1-2024 Electromagnetic compatibility requirements for household appliances, electric tools and similar apparatus—Part 1: Emission***. （hereinafter referred to as "the Standard"）.

It is a revision of the currently effective version GB 4343.1-2018. The main purpose for revising the standard is simply to keep up with the international standard version change, as the Standard is an identical adoption of IEC standard ***CISPR 14-1:2020 Electromagnetic compatibility - Requirements for household appliances, electric tools and similar apparatus - Part 1: Emission***., whereas the 2018 version is the identical conversion of CISPR 14-1:2011. Therefore, it is easier for products manufactured abroad or within the country to be compliant.

The Standard is organized and managed by SAC/TC79/SC6 (Household appliances Tools Lighting Equipment and Similar Apparatus, mirror group of IEC/CIS/F). The drafters of the Standard covers a wider range of enterprises, and shows an evident of increase in terms of drafter numbers comparing with the 2018 version. Quite a few MNC have participated in the standard revision, such as Panasonic, Daikin, A. O. Smith and P&G etc.

It specifies the requirements that apply to the emission of radio-frequency disturbances in the frequency range 9 kHz to 400 GHz from appliances, electric tools and similar apparatus as defined below, whether powered by AC or DC (including a battery). This document is applicable to household appliances or similar equipment, electric tools and similar apparatus. However, some products are exempted from the requirements of this product, which are:

- equipment for which all emission requirements in the radio-frequency range are explicitly formulated in other CISPR standards;
- equipment intended to be used only on a vehicle, ship or aircraft;
- equipment used only in industrial environment
- the effects of electromagnetic phenomena relating to the safety of the equipment.

For foreign stakeholders, this mandatory standard will come into force on June 1, 2026, leaving quite a period for relevant transition

New Energy

7. Official Interpretation - Requirements for Recovery of Traction Battery Used in Electric Vehicle

On June 3, 2024, SAC/TC114/SC27 (Electric Vehicles) issued an official explanation article, analyzing the national standard ***GB/T 44132-2024 Recovery of Traction Battery Used in Electric Vehicle - General Requirements*** (hereinafter referred to as "the Standard")

The analyzing article contains 6 chapters covering brief intro, drafting background, purpose, main contents and the standard's significance. The key contents are summarized as follows:

Scope and intro

The standard stipulates the terms and definitions, principles, basic requirements, recovery requirements and comprehensive utilization requirements for recovery of traction battery used in electric vehicles. It applies to the recovery of lithium-ion traction batteries and nickel-metal hydride traction batteries, and can be used as a reference for other types of batteries.

Drafting background

At present, the traction battery recycling industry has ushered in a new stage of rapid development. According to statistics, there are more than 20,000 registered battery recycling enterprises in China, but most of them apply "small-mill-style" recycling, which is of very low efficiency and has great potential safety and environmental hazards.

By implementation of this standard and other relevant standard series, it is expected that the industry access conditions shall be improved, and eventually to standardize the recycling of waste traction batteries, and promote the high-quality development of the industry.

Drafting purpose

- Organize the terminology of traction battery recycling, and clarify its definitions and boundary.
- Stipulate relevant requirements of waste traction batteries for the dismantling, collection, packaging and transportation and other related activities.
- Specify requirements for echelon use, recycling and relevant products.

Main contents

- Terms and Definitions.
- Recycling and Reuse Principles: safety, green and low-carbon, reusing, full life cycle.
- Basic Requirements: general requirements, product requirements of traction batteries, traceability management requirements, safety requirements, environmental protection requirements, recycling emergency management requirements.
- Recycling Requirements: dismantling requirements, collection requirements, classification requirements, packaging and transportation requirements, handling requirements, storage requirements.
- Comprehensive Utilization Requirements: production requirements of echelon use, product requirements of echelon use, production requirements for recycling, product requirements for recycling.

Foreign stakeholders and MNCs are advised to notice that, although it is a voluntary standard,

but is still possible to play an important role in the EV sector under the country's green transition. Special focus are suggested to be paid on whether it would be cited by any mandatory certification schemes or regulations

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ICV

8. China Announced First Batch ICV Product for Road Traffic Access

On On June 4, 2024, four national ministries of China, namely the Ministry of Industry and Information Technology (MIIT), the Ministry of Public Security (MPS), the Ministry of Housing and Urban-Rural Development (MoHURD), and the Ministry of Transport (MOT) announced the first batch of ICV product list and their on-road traffic pilot areas, together with an FAQ on ICV pilot program of access and on road traffic.

The ICV here refers to the automation driving system level 3 (conditionally automated driving) and level 4 (highly automated driving) defined in national standard ***GB/T 40429-2021 Taxonomy of driving automation for vehicles***.

The information disclosed in the list of the first batch ICV vehicles and on-road traffic contains 9 vehicle manufacturers, each manufacturer's product is matched with main vehicle using entity (the one who actually uses and carry out the ICV test), operation city and vehicle type. Specifically, all nine manufacturers are Chinese enterprises. The approved pilot regions covering Chinese mega cities such as Beijing, Shanghai, Guangzhou, Shenzhen, and other three other big cities (Chongqing, Danzhou of Hainan Province, and Zhengzhou of Henan Province), whereas not only passenger cars are permitted in this first batch, but also van and bus.

It is a major step on the country's ICV development and implementation, which is in accordance with a document called the ***Guidelines of Implementing the Pilot Program of Access and On-road Traffic of Intelligent Connected Vehicles*** (hereinafter referred to "the Guidelines") issued by the same four ministries aforementioned on November 17, 2023. The issuance of the Guidelines and the notice to announce it actually kicking off the procedure where relevant manufacturers are allowed to apply for the ICV pilot in specific regions. Then on January 15, 2024, the four ministries, jointly with the Ministry of Natural Resources (MNR), issued ***Notice on Implementing the Pilot Program of Applying "Vehicle-Road-Cloud Integration" to Intelligent Connected Vehicles*** (hereinafter referred to "the Notice on Vehicle-Road-Cloud Integration"), which is setting up one of the most important platforms for the actual ICV pilot testing in China.

The latest data shows that by the end of April 2024, China has opened more than 29,000 kilometers of ICV test roads, issued more than 6,800 test demonstration licenses, and the total mileage of road tests exceeds 88 million kilometers. According to information disclosed by MIIT, at present, some ICV products have certain conditions for mass production applications. In the next step, under the premise of ensuring safety, the country will promote the function and performance improvement of ICV products, iterative optimization on its sector ecology, and promote the high-quality development of China's ICV sector.

Foreign manufacturers and stakeholders are advised to notice that the pilot process will systematically carry out product testing and safety assessment. It will also explore the improvement of intelligent connected vehicle production access management and road traffic

safety management system. Such practice may accelerate China's ICV development. What's more important is that, there should be more approved manufacturers and regions for the ICV testing, and MNCs and foreign stakeholders are advised to look into the criteria and requirements to participate or observe relevant progress of any major ICV practical progress out of such actions.

9. FAQ Clarifies ICV Product and Road Traffic Access Rules in China

On June 4, 2024, four national ministries of China, namely the Ministry of Industry and Information Technology (MIIT), the Ministry of Public Security (MPS), the Ministry of Housing and Urban-Rural Development (MoHURD), and the Ministry of Transport (MOT) announced the first batch of ICV product list and their on-road traffic pilot areas, together with an FAQ that elaborates details on application procedure, applying approach, next steps and the next batch. It would be very useful for MNCs and stakeholders to explore the way to understand and seek for possible participation of the ICV pilot testing program. BESTAO has translated the main FAQ contents as below:

What is the application process and selection process of the pilot?

Application process

Automotive manufacturers and the main vehicle using entity (the one who actually uses and carry out the ICV test) shall pair into a consortium. The consortium will formulate an application plan in accordance with requirements stated in the ***Guidelines of Implementing the Pilot Program of Access and On-road Traffic of Intelligent Connected Vehicles*** (hereinafter referred to "the Guidelines). After the application plan is approved by the municipal government (including districts under the jurisdiction of the municipality directly under the Central Government) where the ICV pilot shall carry out, the application plan should be voluntarily submitted to the provincial industrial and information authorities for approval. When the application plan is reviewed and approved on the provincial level, the provincial regulator shall submit it to MIIT for the final evaluation.

The selection process.

After receiving the application plan approved by the provincial level, the Ministry of Industry and Information Technology (MIIT), the Ministry of Public Security (MPS), the Ministry of Housing and Urban-Rural Development (MoHURD), and the Ministry of Transport (MOT) (hereinafter referred to as the "four ministries") should organize experts for preliminary and merit-based review based on the requirements elaborated in the ***Notice of Implementing the Pilot Program of Access and On-road Traffic of Intelligent Connected Vehicles*** (hereinafter referred to "the Notice")

During the application process, relevant pilot guidelines should be provided and publicized to the automotive manufacturers.

In the preliminary review, technical experts are organized to evaluate the consortium's application plan, focusing on ensuring that no shortboard or missing items remained before entering the merit-based review.

In the merit-based review, the preliminary review comments should be provided to the applying consortium, as well as presenting them the defense outline for the merit-based review. An expert group composed of academicians and well-known experts of the sector should be organized to evaluate the comprehensive capabilities of the consortium, product testing and safety assessment schemes, the city conditions for the vehicle to be operated, safety control measures and the expected effects of the pilot. The expert group will independently evaluate the defense of the consortium and their response to the question.

The first batch of manufacturers are determined after fulfilling the corresponding procedures by the four ministries according to the overall opinions of experts, consideration of the product category, the characteristics of the vehicle operation city, the declared automatic driving function, the corporate test demonstration basis, etc.

For the "consortiums that enter the pilot", with the approval by the four ministries does it mean that ICVs with automatic driving functions are allowed to pass on the road?

The organization and implementation of the pilot is divided into five stages: pilot application, pilot on product access, pilot on road traffic access, pilot suspension and withdrawal, evaluation and adjustment.

At present, only the selection of the pilot application stage is completed, and it does not mean that ICV with autonomous driving functions have obtained access permits or are allowed on the road. Next, the four ministries will guide the consortiums that enter the pilot program to carry out the pilot implementation.

For specific implementation work, the first is the pilot on product access, including product access testing and security assessment, product access licensing. The automotive manufacturers that has entered the pilot program shall refine and improve the product access test and safety assessment program. Then after gaining confirmation by MIIT and MPS, the manufacturers should carry out product access product testing and safety assessment under the supervision of the provincial competent regulators and the municipal government departments of the cities where the vehicles are operated.

After automobile manufacturers pass the product access test and safety assessment, and the products meet the mandatory inspection requirements of road motor vehicle products, they will submit an application for product access to MIIT for product access. After MIIT's acceptance, review and publicity, a decision shall be made on whether to enter the market. Where access is granted, restrictive measures such as the validity period of access and the implementation area shall be set.

The ICV products that have obtained access shall be registered by the traffic management department in accordance with the law, and the pilot road passage shall be carried out in the restricted area. Those engaged in transportation operations shall also have the operation qualification of the corresponding business category and meet the operation management requirements. The main using entities, automotive manufacturers and the government

departments of the cities where the vehicles are running should do a good job of emergency handling according to relevant requirements.

After the first batch of application, what are the procedures and when there is a subsequent pilot declaration demand?

In this round of application, automotive manufacturers responded positively, but some automotive manufacturers with a certain technical basis did not.

Automotive manufacturers and main using entities that have not applied or entered the pilot can refer to the Guidelines to further strengthen capacity construction, improve product functions and performance levels. They can voluntarily apply for the provincial industrial and information technology authorities in accordance with the pilot application process. Provincial industrial and information technology authorities may, according to several elements (such as: the intelligent network vehicle technology and industrial development, pilot implementation and joint declaration etc.), supplement the application plan to MIIT.

What are the expected results of the pilot work?

The first is to guide the ICV manufacturers and users to strengthen capacity building, and systematically promote the technological innovation, large-scale development and industrial ecological construction of intelligent connected automobile products.

Secondly, based on pilot demonstration, accelerate the formation of systematic, pragmatic and efficient laws and regulations, management policies and standard systems; accelerate the construction of ICV testing and verification, safety assessment and other supporting capabilities, and lay a solid foundation for the large-scale promotion and application of ICVs.

Thirdly, speed up the formation of a safety management mechanism for horizontal coordination and vertical linkage between various regulators and localities; explore more systematic and complete environmental construction such as the research and development and production of ICV products, supporting policies for road traffic, and infrastructure, so as to provide support and guarantee for the safe operation of ICV products.

Fourthly, accelerate the mass production and application of ICV products through pilot; foster the integration of automobile and new energy, artificial intelligence, information and communication industries; create new quality productivity, and help the high-quality development of intelligent connected new energy vehicles.

What is the relationship between the L3 test license obtained before and this pilot?

Previously, according to the ***Administrative Rules for the Road Testing and Demonstrative Application of Intelligent Connected Vehicles (for Trial Implementation)*** (issued by the MIIT, MPS and MOT on July 27, 2021), the corresponding test license obtained by the enterprises are mainly used in the product research and development process, such as carrying out actual road tests, verifying the safety of the product in the actual road traffic operating environment.

Adequate product development, testing and verification is an important basis for the mass production and application of subsequent products, and is also an important basis for this pilot.

According to the ***Opinions on Strengthening the Management of Intelligent Connected Vehicle Manufacturers and Product Access*** (issued by MIIT on July 30, 2021) and the requirements of the Notice, ICV products with automatic driving function should meet the testing and verification requirements of simulation, closed site, actual road, etc., among which, actual road testing is one of the important pillars of product automatic driving system safety testing and verification. For the consortium that has entered the pilot program, the manufacturer needs to further develop and improve product access testing and safety assessment plans in detail, and carry out testing and safety assessment as required under the supervision of multiple parties.

What is the difference between the product access test and the safety assessment plan and the application plan?

The application plan is where the consortium explain the fulfillment of the conditions listed the Guidelines (such as the manufacturers and products, the use of the main body, the city where the vehicle is running, and provide certification materials, the pilot declaration stage) in accordance with the requirements of the Notice. It is mainly from the perspective of research and development, and it is the basis for the pilot program application and selection.

In the pilot of product access, automotive manufacturers need to further combine the requirements of the Guidelines and expert review opinions to formulate and improve the testing and safety assessment plan in detail. After being confirmed by MIIT and MPS, product access testing and safety assessment will be carried out under the supervision of provincial competent departments and municipal government departments. MIIT has entrusted technical service agencies to carry out tracking and technical assessment of product access testing and safety assessment, and has introduced safety monitoring and reporting systems. Product access test and safety assessment plan and implementation results will be used as product access application materials.

What is the difference between the access and on road traffic pilot program and the " Vehicle-Road-Cloud Integration" pilot?

The access and on road traffic pilot shall be voluntarily declared by a consortium of automotive manufacturer and main using entity. The selection of qualified ICV products is a way to carry out access and on road traffic pilot program. The goal of the pilot program is to guide the ICV manufacturers and using entities to strengthen capacity building, and to promote the function and performance improvement of products. It also aims at accumulating management experience based on pilot demonstration, support the revision of relevant laws and regulations and technical standards, and accelerate the improvement of ICV production access and road traffic safety management system.

In the meantime, the pilot program shall also coordinate overall development and safety, and will enabling the effectively respond to the risks that may be brought about by the application of

autonomous driving technology, as well as promoting the high-quality development of the intelligent networked new energy vehicle industry.

The pilot of "Vehicle-road-cloud integration" are mainly for city applicants. It aims to carry out the construction of intelligent roadside infrastructure and cloud control infrastructure platform, form a unified technical standard and test and evaluation system for vehicle-road collaboration, improve road traffic safety assurance capabilities, and promote large-scale demonstration applications and exploration of new business models.

10. Working Meetings Held on Standards of ICV and Vehicle Information Security

From May 13 to May 17, 2024, SAC/TC114/SC34 (Intelligent and Connected Vehicle) held working meetings in Suzhou city to discuss several standard projects that are currently in-progress.

The meetings are divided into two main sections, the first two days were focused on the Intelligent and Connected Vehicle (ICV) and the other two for Information security. Several standards are discussed in terms of applied scope, standard structure, technical and testing requirements. Three of the discussed standards have been registered with official English names disclosed:

Standard/Project No.	Standard Name	Standard to be Replaced
20231022-T-339	Intelligent and connected vehicles - Simulation testing methods and requirements for automated driving functions	N/A
Possible revision	Performance requirement and testing method for lane keeping assist (LKA) system of passenger cars	GB/T 39323-2020
20214422-Q-339	Technical requirements for vehicle cybersecurity	N/A

The status of four other ICV standard projects have been updated in the meetings:

- *Biosafety technical specification for intelligent cockpit of motor vehicles*
- *Automobile intelligent cockpit function evaluation specification*
- *Intelligent and connected vehicles - Technical requirements and test methods of face recognition system*
- *Performance requirements and test methods of emergency steering assistance systems for passenger vehicles*

The meeting on May 17 was under the topic of vehicle information security, mainly covering projects as below：

- *Software identification number for motor vehicles*
- *Network security intrusion detection technology requirements and test methods of motor vehicles*
- *Safety vulnerability classification and grading evaluation of motor vehicles*
- *Road vehicle - software upgrade project*
- *Road vehicle - cybersecurity verification and validation*

Two new potential standard projects were briefed and discussed:

- *Road vehicles - level of network security and feasibility of target attack*
- *Intelligent and connected vehicles - supply chain network security requirements*

Engagement was also carried out on some research and guidelines for the two topics, specifically on:

- *Road vehicle - information security engineering audit guide*
- *Research on demand for standardization of data desensitization for motor vehicles*
- *Research on standard navigation of information security simulation test of motor vehicles*

Foreign stakeholders, especially relevant manufacturers, ICV and information security is one of the most active fields in the country's standardization system due to the fast-growing need and the technical developments, which may potentially call for some observation on corresponding standard systems, even participation if it's possible. Another trivia for foreign stakeholders is that quite a few aforementioned projects are presently without an official English name, so further changes on standard name may take place.

Standardization

11. China Revised its Measures for International Standard Adoption

On On May 9, 2024, the State Administration for Market Regulation (SAMR) issued the draft named ***Administrative Measures for Adopting International Standards*** (hereinafter referred to as "the Administrative Measures") to call for public comments. The call-for-comment period has ended on June 8, 2024.

The Administrative Measures was firstly issued in the 1980s in China for the purpose of strengthen the management of the adoption of international standards, improve the consistency of China's standards with international standards. It has been revised in 2001, the same year when China entered WTO as a formal member, and this version has been effective ever since.

The reason for this round of revision was stated as:

· New requirements on the country's standardization system mentioned in the important national policies and documents since 2012. For example, the *Outline for National Standardization Development* proposes that "the adoption rate of international standards shall reach more than 85% by 2025"

· Being consistent with the relevant laws and regulations after their revision (e.g.: *Standardization Law of the People's Republic of China*).

· Meeting the requirements of international intellectual property policies, as well as the requirements of socio-economic development, reform and innovation in China in recent years.

The draft of the Administrative Measures comprises 26 articles that focus on various aspects, including the purpose, principles, adoption methods (identical or modified) of international standards, and requirements/principles related to the application, assessment, developing period, drafting, approval, and reviewing of national standard projects for adoption.

It is clear that international standards are standards from ISO , IEC and ITU.

Article 2 [Connotation and Definition] The "adoption of international standards" mentioned in these Measures refers to the formulation of national standards based on the standards drafted and published by the International organization for Standardization (ISO), the International Electrotechnical Commission (IEC), and the International Telecommunication Union (ITU) (hereinafter referred to as the " international standard organizations"), after analytical research and the necessary experimental verification.

Notably, the draft highlights the importance of adhering to intellectual property policies of international standards organizations, as outlined in Articles 4, 11, 16, and 18 of the Administrative Measures. These sections address principles, initiation, approval, and publication of national standard projects while also proposing measures for assessing and providing feedback on adopted international standards.

This initiative underscores China's commitment to revising and improving mechanisms and management models for adopting international standards to align with

current conditions and future objectives of the standardization management system. It demonstrates the aspiration to expand and expedite the integration of international standards. Furthermore, potential future revisions could enhance measures to promote the implementation of international standards, offering even greater benefits.

It is important to note that the draft exclusively focuses on national standards and does not include other types of standards, signaling China's position against endorsing the adoption of international standards by local, association, or enterprise standards.

BESTAO Webinars and Translations

12. English version - Description and Definition Table of the CCC Catalog 2023

Price: USD 198.00

To facilitate accurate delineation of the scope of the Mandatory Product Certification Catalog, the State Administration for Market Regulation has revised and issued the "Description and Definition Table of the Mandatory Product Certification Catalog (Revised in 2023)" based on adjustments to the Mandatory Product Certification Catalog and relevant standards for certification. This document encompasses 96 types of products under 16 major categories and is hereby announced. The "Description and Definition Table of the Mandatory Product Certification Catalog (Revised in 2020)" published in Notice No. 18 of 2020 by the State Administration for Market Regulation is hereby repealed.

For preview or purchase of this document, please visit:
https://www.bestao-consulting.com/detail?id=1580&status=bestao_library

13. [BESTAO Webinar] SEP 24, 2024, How to Make China Energy Label

Energy label is also known as energy efficiency label. It refers to the information label affixed on the product or its minimum packing which contains the energy efficiency level of the product. The purpose of the labelling is to provide necessary information to users and consumers and help them choosing the high-efficient products.

For free registration, please visit:
https://www.bestao-consulting.com/detail?id=1638&status=events

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 environmentto 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 Techncial 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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