

China Legal Briefing*271

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1. Administrative Provisions on Financial Information Service

Administrative Provisions on Financial Information Service (“Provisions”) came into force in February 2019 with following highlights:

According to the Provisions, financial information service refers to the services of providing financial market information and/or financial data to users undertaking financial analysis, financial transactions, financial decision-making or other financial activities. Thus, three kinds of entities involved in financial information service will be subject to the Provisions: a.) financial information providers, b.) internet financial information providers, to integrate the base information released by stock exchanges, future exchanges and so on, and c.) Web-Medias.

Whoever of such service providers copies, releases and/or disseminates forbidden information such as, false financial information which compromise financial stability and social stability of the State, distorting national fiscal currency policies and financial management policies, disrupting economic order and harming national interest; instigating others to commit commercial fraud or economic crime which has a social impact and so forth may face administrative penalty or even criminal liability when the case goes serious.

2. Name Pre-Approval for Enterprises was Cancelled

PRC State Council released a *Decision on Cancelling and Delegating to Lower Levels a Number of Administrative Licensing Items* (“Decision”) at the end of February 2019, one of which is to cancel the name pre-approval procedure.

Following the Decision, the State Administration for Market Regulation released the *Notice on Doing a Good Job on the Transition of Cancelling the Pre-Approval for Enterprise Name* effective as of April 1, 2019 that states, no pre-approval of enterprise name will be necessary in the future and name data will be open to public in a database. The registration authority will still check the name together with other registration items.

3. Amendments to Regulations of Patent Agency

The *Regulation on Patent Agency* was revised and became effective on March 1, 2019. This is the first revision made to such regulation since it was released and promulgated in 1991. The revision means to facilitate the implementation of the aforesaid regulation. Main changes are as follows:

- a.) The operation of a patent agency requires a practice permit issued by the National Intellectual Property Administration (hereinafter the "NIPA"). The patent agency can be established first, before practice permit application. NIPA will examine and approve the establishment of a representative office for foreign patent agency firms.
- b.) Chinese citizens who passed national wide patent agent qualification examination and finalized a one-year internship at a patent agent firm can become a patent agent. The practicing certificate for patent agents has been abolished.
- c.) Civil servants of the patent administrative authorities may not be engaged into patent agency work in a certain period regulated by laws after resignation. They can never act as patent agents for patents which have been previously reviewed, examined or handled by them.
- d.) Provincial authorities and above can issue warnings or fines towards illegal conducts by the patent agencies, as well as order them to stop patent agency business or revoke the practice permit.

4. Enterprises Guideline for Management Compliance in Overseas Operation

The Guidelines for Enterprises on the Compliance Management of Overseas Operations (hereinafter the "Guidelines") were made jointly by seven departments and organizations and released by the National Development and Reform Commission on December 26, 2019.

The Guidelines divide compliance into four kinds: foreign trade, foreign investment abroad, overseas construction projects as well as daily enterprise operation abroad. For each kind the Guidelines provides specific key points which should be noted. For example, overseas construction projects shall pay attention on compliance in regards of bidding, contracts management and performance of

the agreements, labor protections, environment protection, related risk control, debt control, donation and sponsor, anti-corruption, anti-bribery and so on.

5. Administrative Regulations of Blockchain Information Service

The Cyberspace Administration of China promulgated the *Administrative Regulation on Blockchain Information Services*(hereinafter the “Blockchain Regulation”) on January 10, 2019. The Blockchain Regulation is effective since February 15, 2019.

The Blockchain Regulation stipulates suppliers including subjects or nodes that provide blockchain information services, and the institutions and organizations which provide technology to support them. Service providers must build proper systems for information security management, user registration, information review and emergency response. Only users who have completed identity authentications are allowed to be provided with services by blockchain service suppliers. Users information has to be stored by the provider of the blockchain platform for a minimum of 6 months.

Blockchain service providers must complete filing procedure within 10 working days from the date of providing the services. Existed blockchain service providers shall complete filing procedure within 20 working days from February 15, 2019. According to the Blockchain Regulation, misconduct can lead up to fines or cessation of business.

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