瑞士文斐律师事务所
WENFEI ATTORNEYS-AT-LAW LTD.

China Legal Briefing 314

August 2026

* CHINA LEGAL BRIEFING is a regularly issued collection of Chinese law related news gathered from various media and news services, edited by WENFEI ATTORNEYS-AT-LAW LTD. distributed to its clients and CHINA LEGAL BRIEFING subscribers.

I. Measures for Security Risk Assessment of Network Data

On June 18, 2026, the Cyberspace Administration of China, the Ministry of Industry and Information Technology, and the Ministry of Public Security jointly promulgated the Measures for Security Risk Assessment of Network Data (the “Measures”), which took effect on August 20, 2026.

- **Risk Assessment Obligations**

The Measures differentiate risk assessment obligations according to the type of data processed:

Important data processors shall conduct risk assessments annually. Where a material change in the security status of important data may adversely affect data security, a timely assessment shall also be conducted. (Article 5) General data processors are encouraged to conduct risk assessments at least once every three years. (Article 5) Risk assessments conducted by core data processors shall comply with relevant national requirements. (Article 23)

- **Reporting and Regulatory Coordination**

Important data processors shall prepare risk assessment reports and retain them for at least **three years**. Annual assessment reports shall be submitted to the competent authority within **20 working days** after completion. The competent authority shall notify the relevant cyberspace administration authority within **10 working days** after receiving the report. (Articles 15 and 16)

- **Conclusion**

Following the implementation of the Measures, enterprises processing important data should focus on identifying important data, conducting annual and timely risk assessments, retaining and submitting assessment reports, and implementing remediation measures.

II. State Council Issues the Provisions on Outbound Investment

On 5 May 2026, the State Council issued the Provisions on Outbound Investment (the "Provisions"), which took effect on 1 July 2026. The Provisions apply to outbound investments by enterprises, other organizations and resident individuals in China. The Provisions establish a framework for outbound investment supervision, covering approval and filing procedures, national security review and compliance.

Under the Provisions, outbound investment is subject to classified, tiered and whole-process supervision. Investors must complete applicable approval or filing, information reporting and cross-border fund registration procedures, submit accurate materials and cooperate with regulatory inspections. Outbound investments, as well as subsequent transfers or disposals of related assets or interests, may be subject to security review if they affect or may affect national security. The Provisions also reinforces compliance with export control and cross-border data rules. Items prohibited from export may not be transferred overseas, while restricted items require authorization. Breaches relating to prohibited investments, filing requirements or security review may result in orders to cease the investment or dispose of shares or assets, confiscation of illegal gains, fines and restrictions on further outbound investment for up to three years.

In conclusion, the Provisions establishes a differentiated framework for outbound investment, with the level of scrutiny depending on the specific investment and the regulatory regimes applicable to the investor. The Provisions formally include resident individuals in this framework, but detailed rules for individual outbound investment are still pending, and resident individuals remain subject to existing foreign exchange controls. Investors should therefore assess the requirements before implementing an outbound investment.

III. The Action Plan for Stabilizing Foreign Investment for Better Performance

On June 16, 2026, the Ministry of Commerce, the National Development and Reform Commission, and the Ministry of Finance jointly issued *the Action Plan for Stabilizing Foreign Investment for Better Performance* (the "**Action Plan**"), effective on the same day.

The Action Plan introduces targeted measures across five areas: (i) expanding market access in services, finance and pharmaceuticals, including new pilots, preferential treatment for Hong Kong and Macao investors, and broader participation by foreign financial institutions; (ii) enhancing investment facilitation through improvements to the M&A regime, cross-border data compliance, reinvestment incentives, and support for R&D and talent recruitment; (iii) strengthening investment promotion via the "Invest in China" brand, digital service platforms, and reinforced policy commitment compliance; (iv) reinforcing the service guarantee system by reaffirming national treatment, fair competition, and project support mechanisms; and (v) optimizing foreign investment management through regional coordination and improved information reporting and sharing systems.

The Action Plan reflects China's ongoing policy commitment to stabilizing and improving the environment for foreign investment. However, as a departmental working document, it does not by itself alter the existing legal framework. The practical effect of the measures will depend on subsequent implementing rules and the enforcement practices of relevant authorities.

*****

Check the China Legal Briefing archives on: http://www.wenfei.com/publications.html
Obtain your personal subscription from: china@wenfei.com