



Newsletter

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September 27, 2023

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Update

Six National Departments Jointly Issue New Measures for Electricity Demand-side Reform

On September 27, 2023, the National Development and Reform Commission, the Ministry of Industry and Information Technology, the Ministry of Finance, the Ministry of Housing and Urban-Rural Development, the State-owned Assets Supervision and Administration Commission of the State Council, and the National Energy Administration released the *Notice on Issuing the Measures for Electricity Demand-side Management (2023 Edition)* (the “Measures”).

The Measures have 54 articles in nine chapters, and propose to further strengthen technology research and development and promotion in the fields of demand response, electric energy substitution, energy conservation, green electricity use, intelligent electricity use, and orderly electricity use.

SHFE and INE Issue Guidelines on Disposal of Collateral Disposal Business

On September 25, 2023, the Shanghai Futures Exchange (“SHFE”) and the Shanghai International Energy Exchange (“INE”) released the *Guidelines of the Shanghai Futures Exchange on Disposal of Marketable Securities Posted as Margin Collaterals* (“SHFE Guidelines”) and the *Guidelines of the Shanghai International Energy Exchange on Disposal of Assets Posted as Margin Collaterals*.

There are 22 articles in the SHFE Guidelines, including General Provisions, Conditions and Methods for Disposal, Disposal Notice and Selection of Marketable Securities, Disposal of Government Bonds, Disposal of Standard Warrants, and Miscellaneous. It is stipulated that the SHFE may dispose of the marketable securities posted by a Member as margin collaterals if the Member: (1) fails to pay or cannot fully pay its trading margin and related debts; or (2) falls into other circumstances as specified by the Exchange.

SAMR to Issue Guidelines to Promote Well-regulated and Sound Development of Online Auction

On September 25, 2023, the State Administration for Market Regulation (“SAMR”) released the *Guidelines on Promoting the Well-regulated and Sound Development of Online Auction* (Exposure Draft) (the “Guidelines”). The draft is open for public comment until October 24, 2023.

Consisting of ten articles, the Guidelines intend to strengthen online auction market access management, institutional supply, industrial model innovation, platform technical innovation, corporate service enhancement, activity supervision and law enforcement, supervision collaboration, platform self-governance, industrial self-discipline, and pilot exploration.

Shanghai Releases Measures to Promote Alignment with High-standard International Rules and Institutional Opening-up in the SFTZ

On September 21, 2023, Shanghai Municipal People’s Government released a circular to issue the *Implementation Plan of Shanghai Municipality on Making Attempts in Aligning with High-standard International Rules and Promoting Institutional Opening-up in the Qualified Free Trade Zone and Free Trade Port* (the “Implementation Plan”).

The Implementation Plan consists of 31 measures in eight aspects, requiring the Shanghai Pilot Free Trade Zone (“SFTZ”) and the Lin-gang Special Area to put in place the pilot projects for the imports of goods for remanufacturing purposes, and clarifying that temporary entry of specific goods in the SFTZ and Lin-gang New Area is exempt from tariffs, import value-added tax and consumption tax. For overseas financial institutions in the SFTZ or Lin-gang Special Area that apply to open new financial businesses that have been conducted by domestic financial institutions, the Shanghai financial regulatory authorities shall provide national treatment and implement prudent supervision. Enterprises that conduct the import, distribution, sale or use of mass-market software and products with the software shall not require to demand for the transfer or acquisition of the source codes related to the software as owned by the enterprise or individual.

Beijing Unveils New Regulations on Foreign Investment for Public Comment

On September 20, 2023, the Beijing Municipal Commerce Bureau released the *Regulations of Beijing Municipality on Foreign Investment* (Exposure Draft). The draft is open for public comment until October 19, 2023.

There are 44 articles in nine chapters, including general provisions, investment access, investment promotion, investment protection, investment management, investment facilitation, investment services, legal responsibilities, and supplementary provisions. The Regulations stress that foreign-funded enterprises are equally eligible for the application of various policies unveiled by the State or Beijing for supporting corporate development according to law, with the areas and types of enterprises encouraged for foreign investment clarified.

NIA to Issue New Version of Permanent Resident ID Card for Foreigners

On September 15, 2023, the National Immigration Administration (“NIA”) announced that the new version of the Permanent Resident ID Card for Foreigners and its new style will be officially issued on December 1 this year. After the new card is launched, the current version of the document within the validity period can also be used simultaneously, and holders of the current version of foreign permanent resident ID cards can apply for the replacement of the new version of the documents as needed.

While maintaining the basic design of the current version, the new card adds five-star elements that symbolize the country, improved layout, more advanced anti-forgery technologies, and improved ID information storage and application management services. New card holders can handle personal matters such as travel, daily consumption, and financial affairs through online platforms, enjoying more convenience as they settle in China for work and study.

NMPA to Issue Quality Management Specifications for Online Sale of Medical Devices

On September 18, 2023, the National Medical Products Administration (“NMPA”) released the *Quality Management Specifications for Online Sale of Medical Devices* (Exposure Draft) to solicit public comments until October 14, 2023.

Consisting of 74 articles in four chapters, the document standardizes the quality management of online sales operators and platform operators, and clarifies that online sales operators shall establish and improve their quality management systems and information management capabilities that are commensurate with their business scope and scale. The document also clarifies the requirements for platform operators in relation to the management system, information disclosure, quality control, after-sales, recall and self-operation.

NISSTC to Issue the National Standard on Cybersecurity Insurance Application

On September 13, 2023, the National Information Security Standardization Technical Committee (“NISSTC”) released the *Information Security Technology – Guideline for Cybersecurity Insurance Application* (Exposure Draft) (the “Guideline”). The draft is open for public comment until November 12, 2023.

The Guideline includes definitions, functions and major application stages of cybersecurity insurance, and proposes the process and methods for the application of cybersecurity insurance in different stages. It applies to those organizations that seek to transfer risks with cybersecurity insurance, and can also be taken as a reference for insurers and service providers.

Article(s)

Procedure of the Liquidation and De-registration Filing of the PFM WFOE Fund

by *Esther Lin*

I. AMAC's Liquidation Requirements

According to the Liquidation Guidelines on the website of Asset Management Association of China (AMAC), there are three stages of the entire liquidation process: (i) Start of liquidation; (ii) Completion of liquidation; and (iii) Dissolution of investment advisory relationship.

(i) Start of Liquidation

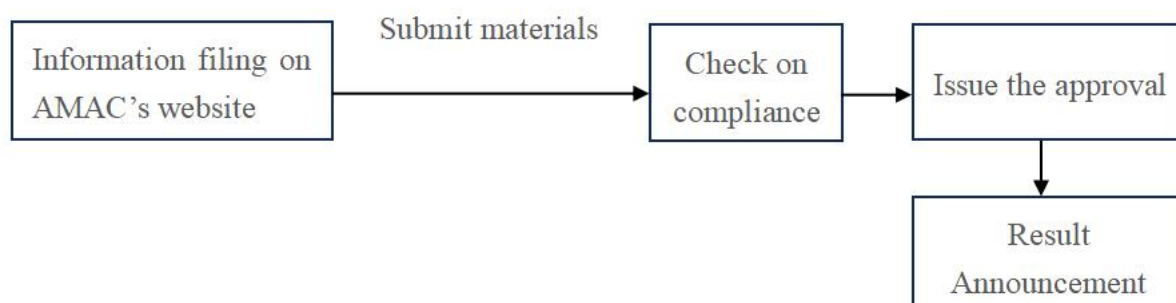
In this stage, the applicant only needs to apply for the start of liquidation of fund on the AMBERS system of AMAC's website, the system will automatically approve the application after the verification, which is expected to be completed within 7 working days.

The filing documents required in this stage are as follows:

- a. Fund Liquidation Commitment Letter (the official seal of the Fund Manager is required); and
- b. Fund Liquidation Announcement.

(ii) Completion of Liquidation

In this stage, the process of application is as follows:



The applicant shall first file the liquidation application information on the AMBERS system of AMAC's website, and then submit all required documents to AMAC online. If the documents submitted do not comply with requirements after review by AMAC, the AMAC will reject the application and require the applicant to rectify it or submit supplemental documents. When AMAC confirms all documents are in order, it will issue the liquidation approval and announce the result on its website to update the "operation

status” information to “liquidated”.

This stage will take around 20 working days, provided the above required documents submitted by the applicant are all qualified.

The filing documents required in this stage is the Fund Liquidation Report, which shall include the distribution result of the fund assets and signed/chopped by the fund manager and/or fund investors.

(iii) Dissolution of Investment Advisory Relationship

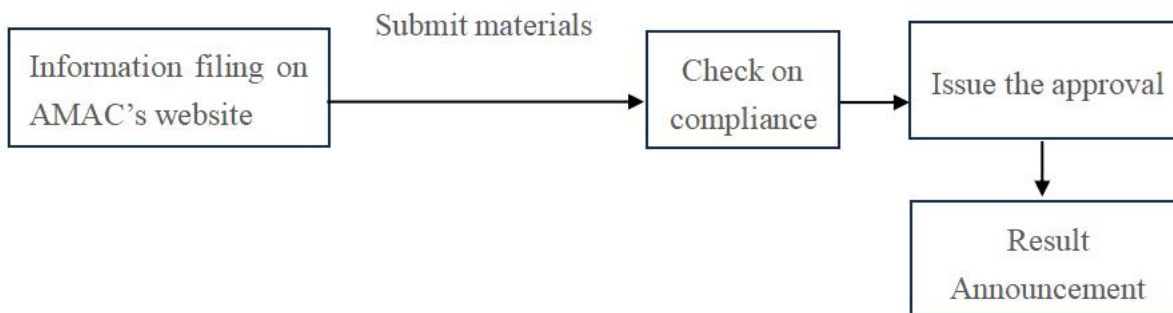
For this stage, the applicant shall submit all dissolution documents regarding the termination of investment advisory relationship such as dissolution agreements, which shall be signed/chopped by all parties involved in the documents.

As for the first PFM fund is launched on 15 November 2021, Robeco needs to file the liquidation application of this fund. Regarding the second PFM fund which is filed on 24 April 2023 and awaiting the approval of AMAC, Robeco only needs to withdraw the fund application.

The time required for the entire process of liquidation is around 45 days.

II. AMAC’s De-registration Requirements

According to the de-registration Guidelines on the website of AMAC, the process of the de-registration of PFM fund manager is as follows:



The applicant shall first file the de-registration application information on the AMAC’s website and then submit all required documents to AMAC. If the documents submitted do not comply with requirements after review by AMAC, the AMAC will reject the application and requires the applicant to rectify it or submit supplemental documents. When AMAC confirms all documents are in order, it will issue the de-registration approval and announce the result.

The applicant shall submit the following documents to AMAC for the de-registration:

- (i) Business License of the applicant;
- (ii) Organization Code Certificate of the applicant;
- (iii) Tax Registration Certificate of the applicant;
- (iv) Application Form for Information Change (the change application form should clearly state that

the institution no longer engages in private equity business and shall file de-registration with AMAC);

- (v) Responsibility Statement (the applicant shall solemnly declare that all materials and information provided are true and reliable, and there is no fraud. All consequences arising from this data revision application shall be borne by the applicant itself);
- (vi) Undertaking Letter (the fund manager shall undertake it will not use the same entity to engage in domestic private investment fund businesses)

The time required for AMAC to issue the de-registration approval is 20 working days, provided the applicant submits all the above required documents.

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