**WHU Center of Overseas Investment Law**

**Monthly Events**

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**Domestic Events**

1. To ensure the implementation of Work Measures for Complaints of Foreign-Funded Enterprises which entered into force on October,1, the Ministry of Commerce released a guideline of National Center for Complaints of Foreign-Invested Enterprises and a directory of relating organs. The guideline covered the scope, conditions and procedures of governing of the Center.

*(http://www.mofcom.gov.cn/article/news/202009/20200903005428.shtml)*

2. On October 7, 2020, China and Norway held an FTA Chief Negotiators’ meeting via video link. The two sides conducted in-depth consultations and reached multiple consensuses on trade in goods, trade in services, trade remedies, intellectual property and some other issues. The two sides believe that speeding up FTA negotiations is crucial for the two countries in jointly fighting COVID-19, supporting free trade and multilateralism, restoring economic growth and safeguarding the stability of the global industrial and supply chains. The two countries pledged to conclude the negotiations as soon as possible.

*(http://english.mofcom.gov.cn/article/newsrelease/significantnews/202010/20201003007756.shtml)*

3. On October 11, China has issued a plan on implementing pilot reforms in Shenzhen to build the city into a demonstration area of socialism with Chinese characteristics in the next five years. To further optimize business environment, the plan said that the special economic zone will draw up a list of special measures to relax restrictions on sectors including energy, telecommunication, public service, transport and education based on the nationwide negative list. Also, Foreign institutions will be encouraged to set up securities and fund management companies in the city.

*(http://english.www.gov.cn/policies/latestreleases/202010/11/content\_WS5f82f813c6d0f7257693d539.html)*

4. On October 12, Chinese Minister of Commerce Zhong Shan and Cambodia’s Commerce Minister Pan Sorasak signed the China-Cambodia Free Trade Agreement (CCFTA) virtually in Beijing and Phnom Penh on behalf of the governments of China and Cambodia. The agreement covers a wide range of areas, has a high tax exemption ratio, and has achieved many breakthroughs in the field of trade and investment.

*(http://english.mofcom.gov.cn/article/newsrelease/significantnews/202010/20201003008827.shtml)*

5. On October 13, General Administration of Customs of The People’s Republic of China notified the import and export statistics in the first three quarters of 2020. According to customs statistics, in the first three quarters, total import and export value of goods trade was RMB 23.12 trillion, an increase of 0.7% over the same period last year.

*(http://fangtan.customs.gov.cn/tabid/1087/default.aspx)*

6. On October 16, National Development and Reform Commission published a report regarding business environment assessment. It includes China's business environment assessment system and evaluation methods, the effectiveness and highlights of the country's optimization of the business environment in 2019, and the outlook for 2020.

*(http://www.gov.cn/xinwen/2020-10/17/content\_5551926.htm)*

7. On October 16, People’s Bank released the Law of the People's Republic of China on the People's Bank of China (draft for comments). The draft contained 11 chapters and 127 articles, of which four chapters were newly established or modified, covering essential issues like corporate governance, capital and risk management and customer rights protection.

*(*[*http://www.npc.gov.cn/npc/c30834/202010/7696a937c0974a0f919e66f63c498c00.shtml*](http://www.npc.gov.cn/npc/c30834/202010/7696a937c0974a0f919e66f63c498c00.shtml)*)*

8. On October 17, the Export Control Law of the People's Republic of China is adopted at the 22nd Session of the Standing Committee of the Thirteenth National People's Congress of the People's Republic of China. The law contained 5 chapters including the general provisions, control policies, control List and control measures, supervision and administration, legal liability and supplemental provisions and 49 articles. The law clarified the scope of export control, ensured full coverage of controlled items, controlled subjects and actions, established export control list and temporary control, and clarified reciprocal measures. The law will come into effect on December 1, 2020.

*(*[*http://www.mofcom.gov.cn/article/b/fwzl/202010/20201003008907.shtml*](http://www.mofcom.gov.cn/article/b/fwzl/202010/20201003008907.shtml)*)*

9. From October 18 to 23, China and the EU held the 33rd round of investment agreement negotiations. In this round, the parties started negotiations on the test and remaining issues of the list and made positive progress.

*(http://www.mofcom.gov.cn/article/news/202010/20201003010445.shtml)*

10. On October 19, National Bureau of Statistics of China released the preliminary estimation of the gross domestic product (GDP) of China of the first three quarters. In general, economic growth of the first three quarters shifted from negative to positive. In the first three quarters, the GDP of China is 72,278.6 billion yuan, a year-on-year growth of 0.7 percent at comparable prices.

*(http://english.www.gov.cn/archive/statistics/202010/19/content\_WS5f8d070ec6d0f7257693de36.html)*

11. On October 21, the personal information protection law (draft for comments) was released on the website of the National People’s Congress of the People’s Republic of China to seek for opinions in public. The law contained eight chapters and 70 articles, covering the disposal and transboundary supply of personal information as well as the rights of individuals and other rules.

*(http://www.npc.gov.cn/flcaw/userIndex.html?lid=ff80808175265dd401754405c03f154c)*

12.On October 21, ISO Technical Management Board approved the China-sponsored “Guidelines for cloud kitchen service” ISO international standard. The standard number is ISO/IWA 40. This project is China's first international standard approved in the field of sharing economy.

*(*[*http://www.chinatradenews.com.cn/content/202010/27/c119783.html*](http://www.chinatradenews.com.cn/content/202010/27/c119783.html)*)*

13. On October 21, China started a three-year pilot program to enable law practitioners from Hong Kong and Macao to practice law in nine cities of Guangdong province on the mainland. A document containing the guidelines was released, which contains the procedures for applying for the test and certificate and the relevant regulations.

*(*[*http://english.www.gov.cn/policies/latestreleases/202010/22/content\_WS5f917bb7c6d0f7257693e46b.html*](http://english.www.gov.cn/policies/latestreleases/202010/22/content_WS5f917bb7c6d0f7257693e46b.html)*)*

14.On October 27, China Council for the Promotion of International Trade issued the third batch of "Guidelines for the Business Environment in Countries (Regions) for Enterprises' Overseas Investment", which contained 12 countries including Russia and Belgium. This batch of guidelines gave a detailed introduction to the overview, the environment and policies for foreign investment, compliance operations, and dispute settlement methods of 12 countries.

*(*[*http://www.ccpit.org/yingshanghuanjing/*](http://www.ccpit.org/yingshanghuanjing/)*)*

15. The fifth plenary session of the 19th Central Committee of the Communist Party of China concluded on Oct 29 proposed major social and economic development targets for the 14th Five-Year Plan period (2021-25). The country aims to realize sustained and healthy economic development on the basis of a marked improvement in quality and efficiency, with growth potentials to be fully tapped. With new steps to be taken in reform and opening-up, China will further improve its socialist market economy and basically complete the building of a high-standard market system.

*(*[*http://english.www.gov.cn/news/topnews/202010/29/content\_WS5f9abb2dc6d0f7257693e9e5.html*](http://english.www.gov.cn/news/topnews/202010/29/content_WS5f9abb2dc6d0f7257693e9e5.html)*)*

**International Events**

1. From October 5 to 23, the 39th session of UNCITRAL Working Group III was held in Vienna. The session mainly focused on issues like shareholder claims and reflective loss, dispute prevention and mitigation, multiple proceedings and counterclaims and Multilateral instrument on ISDS reform. CIETAC appointed delegate to the session at the invitation of the Secretary-General of UNCITRAL.

*(https://uncitral.un.org/en/working\_groups/3/investor-state)*

2.On October 5, the Commerce Department's Bureau of Industry and Security issued a Final Rule implementing multilateral controls on emerging technologies. Effective immediately, the Final Rule revises the Commerce Control List to add six emerging technologies that are deemed essential to US national security. Moreover, non-US investments in companies that produce, design, test, manufacture, fabricate, or develop these technologies now may be subject to mandatory filings under the United States' foreign direct investment regime: the Committee on Foreign Investment in the United States.

*(https://www.cliffordchance.com/briefings/2020/10/Six-New-Critical-Technologies-for-CFIUS-Commerce-Department-Implements-Multilateral-Controls-on-Emerging-Technologies.html)*

3. On October 6, The Commission recently published a Inception Impact Assessment document detailing different legal approaches and focusing on acquisitions of EU businesses and public procurement procedures. The Commission is seeking to identify new tools to address the potentially negative effects on the single market of subsidies provided by governments outside the EU.

*(https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12621-Addressing-distortions-caused-by-foreign-subsidies)*

4. On October 17, German government released the 16th amendment to foreign economic regulations that day, completing the preparations for introducing EU cooperation mechanisms in the field of foreign investment examination. The amendment is mainly responsible for the implementation of the EU cooperation mechanism.

*(*[*http://de.mofcom.gov.cn/article/jmxw/202010/20201003007257.shtml*](http://de.mofcom.gov.cn/article/jmxw/202010/20201003007257.shtml)*)*

5. On October 14, in the Eleventh Regional Comprehensive Economic Partnership (RCEP) 8Intersessional Ministerial Meeting, substantial progress concerning the review of legal texts was made. Also, the parties decided to fully prepare for the signature of the agreement within this year.

*(*[*http://www.chinanews.com/cj/2020/10-14/9312972.shtml*](http://www.chinanews.com/cj/2020/10-14/9312972.shtml)*)*

6. On October 15, President Trump signed the 2020 National Strategy for Critical and Emerging Technologies, which outlines how the United States will maintain its global leadership in wide-ranging technologies, including in the fields of conventional weapons, artificial intelligence, semiconductors, and space. This first whole-of-government strategy aimed at maintaining American leadership in these fields.

*(https://www.state.gov/united-states-releases-national-strategy-for-critical-and-emerging-technologies/)*

7. On October 15, ICSID released its 2020 Annual Report, featuring an in-depth look at the Centre's activities over the past fiscal year (July 1, 2019 - June 30, 2020), which includes information such as message from ICSID’s Secretary-General and the Chair of the Administrative Council, a detailed report on ICSID’s caseload trends and statements on the Centre's revenue and expenses. The Report also highlights some events like the publication of two working papers with proposals for amendment of the ICSID rules during the fiscal year.

*(https://icsid.worldbank.org/news-and-events/comunicados/icsid-publishes-2020-annual-report)*

8. On October 15, the International Commercial Dispute Prevention and Settlement Organization has been officially established. It was set up by the China Council for the Promotion of International Trade and the China Chamber of International Commerce, along with 45 commercial associations, legal service agencies, and university think tanks from over twenty countries. The organization aims at providing international commercial subjects with legal services in the entire process from dispute prevention to dispute resolution.

*(http://www.ccpit.org/contents/channel\_4131/2020/1021/1300612/content\_1300612.htm)*

9. On October 20, U.S. Customs and Border Protection (CBP) issued a finding determining that stevia extracts and derivatives, mined, produced, or manufactured in the People’s Republic of China by the Inner Mongolia Hengzheng Group Baoanzhao Agriculture, Industry, and Trade Co., Ltd. (Baoanzhao) with the use of convict, forced or indentured labor, are being, or are likely to be, imported into the United States. Based upon this determination, U.S. port directors may seize the covered merchandise for violation of 19 U.S.C. 1307 (which prohibits the importation of such goods) and commence forfeiture proceedings. This finding applies to any such merchandise that is imported on or after October 20, 2020; or which has already been imported and has not been released from CBP custody before October 20, 2020.

*(https://www.thompsonhinesmartrade.com/2020/10/cbp-issues-finding-of-forced-labor-on-imports-of-stevia-from-china/)*

10. On October 20, the UNCTAD released Global Trade Update. This report shows that global trade continued to decline in the third quarter of 2020. It is notable that Chinese exports rebound strongly in the third quarter.

*(https://unctad.org/system/files/official-document/ditcinf2020d4\_en.pdf)*

11. On October 23, The Office of the U.S. Trade Representative (USTR) and the U.S. Department of Agriculture (USDA) issued a report highlighting the progress made to date in implementing the agricultural provisions in the U.S.-China Phase One Economic and Trade Agreement.

*(https://ustr.gov/about-us/policy-offices/press-office/press-releases/2020/october/ustr-and-usda-release-report-agricultural-trade-between-united-states-and-china)*

12. On October 23, Britain and Japan have formally signed an Economic Partnership Agreement, marking the UK's first important post-Brexit trade agreement. The agreement, unveiled last month, means nearly all its exports to Japan will be tariff free while removing British tariffs on Japanese cars by 2026.

*(https://www.mofa.go.jp/ecm/ie/page24e\_000270.html)*

13. On October 23, the secretariat of the Asia-Pacific Trade Agreement (APTA) notified all member parties that Mongolia had deposited the letter of acceptance with ESCAP, had completed APTA accession procedures and planned to implement the tariff reduction arrangement from January 1, 2021. According to the tariff reduction arrangement, Mongolia will cut tariffs on 366 tax items, with an average tariff reduction of 24.2%. At the same time, Mongolia can enjoy the existing tariff reduction arrangements of China and other members.

*(*[*http://www.mofcom.gov.cn/article/ae/ai/202010/20201003010771.shtml*](http://www.mofcom.gov.cn/article/ae/ai/202010/20201003010771.shtml)*)*

14. On October 26,2020, United States Senate voted 52 to 48 to confirm Amy Coney Barrett to the United States Supreme Court.

*(https://www.whitehouse.gov/articles/senate-confirms-amy-coney-barrett-supreme-court/)*

15. On October 26, the Ninth Circuit Court of Appeals dismissed the U.S. Department of Justice’s request to block WeChat. The Court stated that the government had not demonstrated it would “suffer an imminent, irreparable injury during the pendency of this appeal, which is being expedited” in the brief order.

*(https://www.courthousenews.com/wp-content/uploads/2020/10/wechat-stay-ruling.pdf)*

16. On October 27, the UNCTAD released the Investment Trends Monitor. It reports that global foreign investment flows in the first half of 2020 were down 49% compared to 2019.The biggest declines in Europe and the United States.

*(https://unctad.org/system/files/official-document/diaeiainf2020d4\_en.pdf)*

17. On October 28, the European Commission, the European Parliament and the Council reached a political agreement on reinforcing the EU's Enforcement Regulation. As part of the agreement, the Commission committed to developing the EU's anti-coercion mechanism swiftly. The changes agreed will empower the European Union to protect its trade interests despite the paralysis of the multilateral dispute settlement system in the World Trade Organization (WTO). The Commission will also be able to act if similar problems arise in bilateral agreements. Commission Executive Vice President and Commissioner for Trade, Valdis Dombrovskis stated that the agreement expanded the EU's ability to defend its interests when a trade dispute is blocked under the WTO or one of our bilateral trade agreements. In addition, it permitted countermeasures not just on goods but also on services and certain aspects of Intellectual Property Rights. Also, EU’s overarching priority to tackle these issues remains a reformed and well-functioning multilateral rulebook with a two stage Dispute Settlement System at its core.

*(*[*https://ec.europa.eu/commission/presscorner/detail/en/ip\_20\_1994*](https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1994)*)*

18. On October 29, the 21th session of UN Committee of Experts on International Cooperation in Tax Matters concluded. The session discussed the amendment and update of the UN Model Tax Convention, UN Transfer Pricing Manual, the handbook on taxing the extractives industry, as well as developing new handbooks on tax dispute avoidance and resolution and on environmental taxation.

*(https://www.internationaltaxreview.com/article/b1p13fcv0jj8bx/this-week-in-tax-un-votes-on-article-12b-and-banks-respond-to-tax-allegations)*