

**WHU Center of Overseas Investment  
Law**

**Monthly Events**

**April 2021**

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## Domestic Events

1. On April 7, the first round of negotiations of the Agreement on Trade in Services and Investment between China and Belarus was held by way of video conference. The two sides reached a consensus on the Negotiating Duty Paper, exchanged in-depth views on rules in the fields of trade in services, investment and intellectual property, and drew up the next work plan. The negotiations aim to improve bilateral economic and trade rules in areas such as trade in services and investment, and create a favorable environment for further expansion of trade and investment cooperation between the two countries.

*(<http://www.mofcom.gov.cn/article/news/202104/20210403050832.shtml>)*

2. On April 7, Chinese President Xi Jinping spoke with German Chancellor Angela Merkel. It was stressed that China is ready to work together with the European side to negotiate a series of important political agendas for the next phase, deepen and expand pragmatic cooperation in various fields, and jointly practice multilateralism. President Xi Jinping mentioned that China's development is an opportunity for the EU and that China-EU relations are facing "various challenges". The EU is now facing "various challenges" and hopes that the EU will make a correct judgment independently and truly achieve "strategic autonomy". Merkel said that the European side insists on its autonomy in foreign relations. The world is facing many problems and challenges today, which require more cooperation between Germany, China and Europe to deal with.

[https://www.fmprc.gov.cn/web/wjdt\\_674879/gjldrhd\\_674881/t1867400.shtml](https://www.fmprc.gov.cn/web/wjdt_674879/gjldrhd_674881/t1867400.shtml)

3. On April 8, the National Development and Reform Commission (NDRC), the Ministry of Commerce and others jointly issued the Opinions on Several Special Measures to Ease Market Access in Support of the Construction of Hainan Free Trade Port. The Special Measures include 22 specific measures in five major areas, significantly relaxing access restrictions in the fields of healthcare, health, education, culture, aviation and aerospace, promoting the acceleration of the landing of various market players in Hainan, attracting the concentration of global high-quality factor resources, and will strongly improve the policy and institutional design of the free trade port.

[http://www.gov.cn/zhengce/zhengceku/2021-04/08/content\\_5598516.htm](http://www.gov.cn/zhengce/zhengceku/2021-04/08/content_5598516.htm)

4. On April 10, the General Administration of Market Regulation (GAMR) imposed an administrative penalty on Alibaba Group Holdings Limited for its "two-for-one" monopoly in the online retail platform service market in China, ordering Alibaba Group to stop the illegal conduct and imposing a fine of 4% of its 2019 sales in China of RMB 457.512 billion, or RMB 18.228 billion.

[http://www.samr.gov.cn/xw/zj/202104/t20210410\\_327702.html](http://www.samr.gov.cn/xw/zj/202104/t20210410_327702.html)

5. On April 15, China formally deposited its instrument of approval of the Regional

Comprehensive Economic Partnership Agreement (RCEP) with the Secretary-General of ASEAN. This marks the formal completion of China's RCEP approval process.

*(<http://www.mofcom.gov.cn/article/ae/ai/202104/20210403053096.shtml>)*

6. On April 15, the Ministry of Finance, the General Administration of Customs, and the General Administration of Taxation issued a circular to introduce the import tax policy to support scientific and technological innovation during the 14th Five-Year Plan period, from January 1, 2021 to December 31, 2025, eligible scientific research institutions, technology development institutions, schools, party schools (administrative colleges), libraries. The import of scientific research, scientific and technological development and teaching supplies that cannot be produced domestically or whose performance cannot meet demand, are exempt from import tariffs and import links VAT and consumption tax; the import of books and materials for scientific research, teaching, etc. by qualified publication importers for scientific research institutes, schools, party schools (administrative colleges) and libraries are exempt from import links VAT.

*([http://gss.mof.gov.cn/gzdt/zhengcefabu/202104/t20210420\\_3688785.htm](http://gss.mof.gov.cn/gzdt/zhengcefabu/202104/t20210420_3688785.htm))* On

7. On April 15, the Ministry of Commerce, the General Administration of Market Regulation jointly issued a "notice on the development of national service industry standardization pilot (trade circulation special)", the deployment of trade circulation standardization special pilot work, aimed at promoting regions, industries, all kinds of

market players in the development of standards, implementation, application of innovation, launch a number of standards, set a number of benchmarks, summarize and refine a number of replicable Successful experience.

*(<http://www.mofcom.gov.cn/article/zwgk/zcfb/202104/20210403054546.shtml>)*

8. On April 21, as the China-EU Investment Agreement stalled, Chinese Foreign Minister Wang Yi and German Foreign Minister Heiko Maas issued a joint statement calling on the EU to abandon its promotion of a "new Cold War" policy of isolation, to revive ties with China and to ensure that the EU industrial supply chain is not decoupled.

*([https://www.fmprc.gov.cn/web/gjhdq\\_676201/gj\\_676203/oz\\_678770/1206\\_679086/1207\\_679098/t1872426.shtml](https://www.fmprc.gov.cn/web/gjhdq_676201/gj_676203/oz_678770/1206_679086/1207_679098/t1872426.shtml))*

9. On April 22, at the invitation of U.S. President Joe Biden, President Xi Jinping attended the Leaders' Climate Summit by video in Beijing and delivered an important speech entitled "Building a Community of Life for People and Nature Together", emphasizing the need to adhere to green development, multilateralism and the principle of common but differentiated responsibilities to build a community of life for people and nature together.

*([http://www.gov.cn/xinwen/2021-04/22/content\\_5601535.htm](http://www.gov.cn/xinwen/2021-04/22/content_5601535.htm))*

10. On April 25, RCEP High Level Forum on Economic and Trade Cooperation opened in Qingdao, Shandong Province. At the meeting, Zhang Shaogang, Vice President of

CCPIT and Vice President of China Chamber of International Commerce, released the "Qingdao Initiative on Jointly Promoting RCEP Regional Economic and Trade Cooperation" on behalf of trade promotion agencies and business associations of RCEP member countries. The initiative aims to implement the RCEP Leaders' Joint Statement, promote the early entry into force of the RCEP agreement, and support the construction of a transparent, open, inclusive, non-discriminatory and rules-based multilateral trading system.

*([http://www.gov.cn/xinwen/2021-04/26/content\\_5602191.htm](http://www.gov.cn/xinwen/2021-04/26/content_5602191.htm))*

11. On April 25, the State Intellectual Property Office of China (SIPO) released a white paper entitled "The State of Intellectual Property Protection in China in 2020". It summarizes the practice and progress of IPR protection in China in 2020 from various aspects such as protection effectiveness, system construction, approval and registration, cultural construction and international cooperation, and introduces the effectiveness of IPR protection in the past year, with a full text of about 20,000 words.

*([http://www.gov.cn/xinwen/2021-04/25/content\\_5602104.htm](http://www.gov.cn/xinwen/2021-04/25/content_5602104.htm))*

12. On April 25, the Ministry of Commerce data announced that in the first quarter of 2021, China's outward foreign direct investment was 206.14 billion yuan, an increase of 4.6% year-on-year. Among them, foreign non-financial direct investment of 160.81 billion yuan, down 4.9% year-on-year. Foreign contracted projects completed turnover of 195.31 billion yuan, basically unchanged from the same period last year; newly

signed contracts of 347.24 billion yuan, down 10.2% year-on-year. Foreign labor cooperation sent out 74,000 people of various types of labor, the end of March, 590,000 people of various types of labor outside.

*(<http://www.mofcom.gov.cn/article/news/202104/20210403054964.shtml>)*

13. On April 26, the twenty-eighth meeting of the Standing Committee of the Thirteenth National People's Congress (NPC) held in Beijing considered the "Data Security Law of the People's Republic of China (Draft)". The twentieth meeting of the Standing Committee of the Thirteenth National People's Congress conducted the initial review of the draft data security law, this is the second review.

*(<http://www.npc.gov.cn/npc/c36748/202104/3250454b16324a4aa8da6de0dd85a110.shtml>)*

14. On April 28, China's Ministry of Commerce (MOFCOM) announced No. 10 of 2021, "MOFCOM's Guidance on the Establishment of Internal Compliance Mechanisms for Export Control of Dual-Use Items by Export Operators".

*(<http://www.mofcom.gov.cn/article/zwgk/zcfb/202104/20210403056267.shtml>)*

## **International Events**

1. On April 1, Japan's Ministry of Economy, Trade and Industry designated three U.S.-based companies, Amazon Japan, Google and Apple, as well as two Japanese companies, Rakuten Group and Yahoo, as IT giants to be regulated by the Law Concerning the Improvement of Transparency and Fairness of Certain Digital Platforms. The law, which will come into effect in February 2020, obliges the above-mentioned companies to disclose contract terms and conditions, etc., in an effort to make transactions with customer companies transparent.

*(<https://www.japantimes.co.jp/news/2021/04/27/business/tech/japan-regulate-digital-ads-law-giants/>)*

2. On April 1, a decree on mandatory pre-installation of Russian-made software on imported smartphones and other electronic products came into force. According to the decree, the following software must be pre-installed on cell phones, tablets and other electronic devices, including browsers, search systems, social networks, communication software, e-mail services, location and navigation services, voice assistants, news software, antivirus software, office software, audiovisual services, services for Mir payments, cloud storage, state government software and socially significant network services. At the same time, browsers, search engines, social networks and audio-visual services must be pre-installed on smart TVs; Russian-language browsers, office software and anti-virus software must be pre-installed on



computers. The list of applications that must be pre-installed is prepared by the Russian Ministry of Digital Development, Communications and Mass Media and approved by government decree. A penalty of 30,000-50,000 rubles (about \$400-667) will be imposed on those who sell equipment that is not pre-installed with Russian-made software, and a penalty of 50,000-200,000 rubles (about \$667-2667) will be imposed on the organization concerned.

*([http://www.ccpit.org/Contents/Channel\\_3974/2021/0407/1335794/content\\_1335794.htm](http://www.ccpit.org/Contents/Channel_3974/2021/0407/1335794/content_1335794.htm))*

3. On April 5, U.S. Treasury Secretary Yellen called for a global minimum tax rate for multinational corporate profits to raise corporate income tax revenues in all countries and to prevent multinational corporations from shifting profits to low-tax jurisdictions or avoiding tax obligations. Yellen said setting a global minimum corporate tax rate would help end the race to lower corporate tax rates and erode the corporate tax base, ensure that governments have a stable tax system so they can get enough tax revenue to invest in essential public goods and respond to crises, and ensure that all citizens share fairly in the fiscal burden of government.

*(<https://baijiahao.baidu.com/s?id=1696271763737949709&wfr=spider&for=pc>)*

4. On April 5, the Council of the Eurasian Economic Commission held a meeting to consider the adoption of the Implementation Plan “Strategic directions for the development of Eurasian economic integration until 2025”. The implementation of the

document “Strategic directions for the development of Eurasian economic integration until 2025”, which contains 330 measures and working mechanisms, requires the development and signing of 13 international treaties, more than 60 legal documents of the Union, 25 amendments and additions to the Treaty on the Eurasian Economic Union, as well as amendments to the laws of the member states of the Union. The implementation of the Strategic Directions will help to accelerate the development of the economies of the member states of the Union by increasing the incentives for investment and innovation, creating a flexible mechanism for promoting economic growth and employment.

*(<http://kz.mofcom.gov.cn/article/jmxw/202104/20210403050101.shtml>)*

5. On April 7, the U.S. Treasury Department released a report on its tax reform plan to accompany the Biden Pittsburgh Infrastructure Declaration, focusing on eliminating offshore investment incentives, reducing profit shifting, countering competition in the corporate tax arena, and providing tax incentives for clean energy production. The U.S. Treasury Department revealed that the tax plan would bring back about \$2 trillion in corporate profits to the U.S., with about \$700 billion in federal revenue coming from the discontinuation of incentives to shift profits overseas. About \$2.5 trillion in additional tax revenue over 15 years (after tax reform is implemented) would be used to cover spending on Biden's "eight-year plan" to provide more jobs in infrastructure development, green investments and a range of social programs.

*(<https://home.treasury.gov/news/featured-stories/made-in-america-tax-plan-report>)*

6. On April 7, the UK government officially announced the creation of a Digital Market Unit to prevent digital technology giants from using their dominant market position to stifle competition and innovation. The new unit is set up within the UK's Competition and Markets Authority (CMA) and is headed on an interim basis by Will Hayter, who was previously responsible for supporting the UK's transition from the EU in the Cabinet Office. The department's job responsibility is to balance the relationship between large digital market technology companies and content providers, advertisers, and develop a new code of conduct to promote the development of the digital information industry.

*(<https://www.chinanews.com/gj/2021/04-08/9450158.shtml>)*

7. On April 8, European Commission spokesman Dan Ferrie said by email that the EU supports the U.S. proposal calling for a "global minimum corporate tax," but that all companies must pay a fair tax, and digital companies are no exception.

*(<https://www.reuters.com/article/us-usa-treasury-yellen-eu-idUSKBN2BT1YG>)*

8. On April 9, Singapore's Ministry of Trade and Industry issued a public announcement announcing that Singapore had completed the ratification process for the Regional Comprehensive Economic Partnership Agreement (RCEP) and deposited the instrument of ratification with the Secretary-General of ASEAN on the same day.

*([http://www.xinhuanet.com/fortune/2021-04/09/c\\_1127313160.htm](http://www.xinhuanet.com/fortune/2021-04/09/c_1127313160.htm))*

9. According to German media reports on April 9, Valdis Dombrovskis, the commissioner in charge of EU trade affairs, said that the EU has proposed to the United States to exempt some goods from tariffs for six months. As the Biden administration has not shown willingness to reduce the steel tariffs imposed on the EU by its predecessor, and continued to threaten Russia and Germany to promote the “Nord Stream-2” gas pipeline project, highlighting the divergence of interests between the United States and Europe. In response, Dombrovskis said the EU, for its part, “created the necessary breathing space for industries and workers on both sides of the Atlantic” by proposing to the U.S. “to suspend all retaliatory tariffs on both sides for six months in order to reach a negotiated solution.”

*(<http://www.chinatradenews.com.cn/content/202104/12/c130674.html>)*

10. On April 9, Vietnam announced for the first time the Catalogue of Restricted Industries for Foreign Investment. According to the catalog, there are 25 industries in which foreign investment is prohibited and 59 industries in which foreign investment is restricted. The prohibited industries for foreign investment are trade areas operated by the state monopoly; various forms of media and information collection; aquatic fishing or development; various types of judicial services such as security investigation services, judicial appraisal, property appraisal, notary, etc.; and temporary import and export of goods. This is part of the Annex to Decree No. 31/2021/NĐ-CP - "List of Industries with Restricted Foreign Investment" just issued by the Vietnamese

government.

*(<https://zh.vietnamplus.vn/%E8%B6%8A%E5%8D%97%E5%85%AC%E5%B8%83%E9%99%90%E5%88%B6%E5%A4%96%E5%95%86%E6%8A%95%E8%B5%84%E7%9A%8484%E4%B8%AA%E4%BA%A7%E4%B8%9A/137781.vnp>)*

11. On April 12, the EU, following the VAT exemption for anti-epidemic supplies such as masks, respirators and New Crown vaccines, decided to further extend the tax benefits by proposing a VAT exemption for essential goods and services distributed in the EU during the epidemic. Once the tax exemption is implemented, EU institutions and entities will be able to procure the above-mentioned goods and services from within and outside the EU without paying VAT and then distribute them to EU member states or third parties (hospitals, health departments, relief agencies, etc.), thus reducing procurement costs and easing the financial pressure on the EU.

*(<https://www.chinanews.com/gj/2021/04-13/9453296.shtml>)*

12. On April 12, the German Federal Ministry of Education and Research said it is launching a research program for 6G communication networks, for which it plans to provide about 700 million euros in funding by 2025. The German government wants to be at the forefront of digital development, with the first goal of developing an "innovation ecosystem," and this program is just one of many 6G initiatives underway.

*(<https://www.bmbf.de/de/karliczek-6g-wird-unsere-kommunikation-revolutionieren-rund-700-millionen-euro-fuer-die-14195.html>)*

13. On April 13, the Japanese government decided to dispose of nuclear wastewater from the Fukushima nuclear power plant accident by ocean discharge.

*(<https://www.bbc.com/news/world-asia-56728068>)*

14. On April 13, the People's Daily reported that the United Nations Environment Programme recently called on economies to continue to expand green investments for sustainable development. The agency recently released a report that provides a comprehensive analysis of the financial relief and recovery plans developed by 50 major economies around the world in the context of the epidemic. According to the report, only \$368 billion of the \$14.6 trillion announced in 2020 for recovery plans meets the "green criteria," and most green spending is concentrated in a few high-income countries, which is likely to exacerbate the imbalance in green economic development that existed before the epidemic. This is likely to exacerbate the imbalance in green economy development that existed before the epidemic.

*(<http://env.people.com.cn/n1/2021/0413/c1010-32076559.html>)*

15. On April 14, the Federal Reserve Board released its National Survey of Economic Conditions, which showed that U.S. economic activity accelerated to moderate growth and consumer spending strengthened from late February to early April 2021. The report, known as the Fed's Brown Book, showed that all 12 Fed jurisdictions reported economic growth, with most of them showing moderate growth and the New York

jurisdiction showing strong growth, with significant increases in consumer spending and tourism in that jurisdiction.

*(<https://www.chinanews.com/gj/2021/04-15/9455324.shtml>)*

16. On April 15, the U.S. Senate Foreign Affairs Committee passed the draft Strategic Competition Act, which would authorize diplomatic and strategic actions, increased investment in global supply chains, and technology to strengthen the fight against China, reflecting the hard-line stance of Democrats and Republicans in Congress on China affairs. The 283-page Strategic Competition Act was introduced on April 8 by Senator Robert Menendez (D-NY), Chairman of the U.S. Senate Foreign Affairs Committee, and Senator James Risch (R-CA), Ranking Republican on the Foreign Affairs Committee, among others.

*(<https://www.foreign.senate.gov/press/chair/release/menendez-risch-statement-on-committee-passage-of-comprehensive-bipartisan-china-bill>)*

17. On April 15, foreign media reported that Philippine President Rodrigo Duterte has lifted a ban on new mineral deals imposed in 2012, reopening the door to investment in a move that will increase revenue to the treasury but frustrate environmentalists. The Philippines, China's largest supplier of nickel and a major producer of copper and gold, imposed the ban while the government enacted legislation to boost the state's share of mining revenue. Excise taxes on minerals have doubled to 4 percent since 2018. Duterte's new executive order allows for new mining deals and a review of existing

contracts for possible renegotiation. The new executive order also directs the Department of Environment to establish terms and requirements and strictly enforce regulations on mine safety and environmental policies.

*(<https://www.reuters.com/business/energy/philippines-lifts-nine-year-old-ban-new-mines-boost-revenues-2021-04-15/>)*

18. On April 16, the U.S. Treasury Department released its semi-annual exchange rate policy report, eliminating the previous identification of Vietnam and Switzerland as "exchange rate manipulators". But the United States will be China, Japan, South Korea, Germany, Ireland, Italy, India, Malaysia, Singapore, Thailand and Mexico and other 11 economies included in the exchange rate policy monitoring list.

*([http://www.xinhuanet.com/world/2021-04/17/c\\_1127341448.htm](http://www.xinhuanet.com/world/2021-04/17/c_1127341448.htm))*

19. On April 18, U.S. President Joe Biden and Japanese Prime Minister Yoshihide Suga agreed to jointly invest \$4.5 billion in the development of next-generation communications technology known as 6G or "beyond 5G." A statement released after the April 16 meeting in Washington showed that the two countries will invest in research, development, testing and deployment of secure networks and advanced information and communications technologies. deployment. The U.S. has pledged \$2.5 billion and Japan has pledged \$2 billion for this purpose.

*(<https://www.nippon.com/en/news/yjj2021041700368/>)*



20. On April 19, Chancellor of the Exchequer John Sunnucks officially announced the establishment of a task force with the Bank of England to collaborate on the launch of a UK version of the official digital currency. Jon Cunliffe, Deputy Governor of the Bank of England, and Katharine Braddick, Director of Financial Services at the Treasury, will co-chair the task force. The main objectives of the task force are to collaboratively explore the objectives, usage scenarios, opportunities and risks of a UK digital currency; to provide clear guidance on the objectives of establishing a digital currency and to conduct a comprehensive and rigorous assessment of the overall objectives; and to monitor the development of digital currencies at international central banks.

*(<https://www.bankofengland.co.uk/news/2021/april/bank-of-england-statement-on-central-bank-digital-currency>)*

21. On April 21, the Australian government, invoking the Foreign Arrangements Scheme for the first time, announced the cancellation of two agreements signed between Victoria and China under the Belt and Road Initiative. In response, the Chinese Embassy in Australia expressed its strong dissatisfaction and firm opposition to Australia's tearing up of the Belt and Road Memorandum.

*(<https://www.msn.com/en-us/news/world/australia-says-it-cancelled-state-deals-on-chinas-belt-and-road-over-national-interest/ar-BB1fUIZQ>)*

22. On April 22, the European Commission announced that EU member states have agreed on the technical specifications of the "Digital Green Certificate" to be launched

this summer. The Commission believes that this is a key step in building this digital infrastructure at the EU level. The Commission also said it will establish a unified technical channel at the EU level, and start trial operation in May, and open access to member states in June to connect the "digital green certificate" system of each country.

*([https://ec.europa.eu/commission/presscorner/detail/en/ip\\_21\\_1883](https://ec.europa.eu/commission/presscorner/detail/en/ip_21_1883))*

23. On April 27, the Japanese government held a conference on digital market competition to discuss how to regulate Internet advertising, and the final report proposed decided to include Internet advertising in the "New Law on Regulation of IT Giants" to be implemented in February 2021. The decision aims to further improve the mechanism for evaluating the effectiveness of advertisements and to promote the disclosure of information on unfair practices in order to enhance the transparency and fairness of the industry. The Japanese government plans to formally implement the law after 2022, which may become the world's first legislation in the field of digital advertising.

*(<https://www.nippon.com/en/news/kd759655447310139392/>)*

24. On April 28, the Senate of the Diet of Japan approved the Regional Comprehensive Economic Partnership Agreement (RCEP). Since the House of Representatives had previously approved the agreement, this move means that Japan has completed the RCEP ratification process.

*(<http://global.chinadaily.com.cn/a/202104/28/WS6088c3ffa31024ad0babae2.html>)*

25. On April 28, President Biden announced that he will promote the \$1.8 trillion Families USA program, which will provide funding for American children, students and families, as well as tax credits for low- and middle-income families. At the same time, he also announced a new tax reform proposal to raise the effective maximum tax rate for both payroll and capital gains taxes to 43.4% for the wealthy Americans.

*([http://www.xinhuanet.com/english/2021-04/29/c\\_139913255.htm](http://www.xinhuanet.com/english/2021-04/29/c_139913255.htm))*

26. On April 28, the plenary session of the European Parliament voted 660 in favor, 5 against and 32 abstentions to approve the agreement reached between the EU and the UK on the future relationship. In accordance with established procedures, the agreement will then be procedurally approved by the EU Council, thus completing all statutory procedures on the EU side regarding the UK's exit from the EU. The agreement was previously fast-tracked through the British Parliament late last year and ratified into law by Queen Elizabeth II. The EU and the UK agreed on a series of cooperation details, including trade, on December 24, 2020, after nine months of negotiations. According to legal procedures, the agreement on future trade and cooperation between the two sides needs to be approved by both parliaments before it can come into force.

*(<https://www.europarl.europa.eu/news/en/press-room/20210423IPR02772/parliament-formally-approves-eu-uk-trade-and-cooperation-agreement>)*