



China Regulatory Observation

May 2024

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Message from BESTAO

Dear Readers,

Like always, we're pleased to present you this China Regulatory and Compliance Observation for AEM in May 2024.

This edition will cover briefings on relevant policies, laws, regulations, certification and standards for agricultural machinery, construction and mining machinery, together with environmental protection etc. of China in May 2024.

The horizontal section elaborates on the State Council's legislation plan for 2024.

For the agricultural machinery section, the articles are mostly on policy documents, and one regards standards on assistant steering.

The construction machinery section mainly present you updates on relevant standards, whereas that for the mining machinery section puts forward the key points of a policy document in terms of intelligent transition.

Some other important topics are also covered in this report, such as: standardization, China RoHS, environmental protection, and data security.

The topic of policy briefing in this edition is on the CCC certification for agricultural machinery.

Enjoy the reading.

Best Regards,

AEM project team of BESTAO



Horizontal

1. Legislation Working Plan 2024 Issued by the State Council

On May 6, 2024, the State Council of China issued the **Legislation Working Plan 2024 of the State Council** (hereinafter referred to as “the Working Plan 2024”) and released the key contents to the public on May 9, 2024.

The Working Plan not only specifies the list of all the laws and regulations that will be drafted or revised (together with the corresponding organization to do so) in 2024 but also elaborates on the key subjects and working principles of forming the legislation list.

Key subjects

- Enhance high-quality development.
- Strengthening the governments’ self-construction.
- Improve the education and culture sectors.
- Enhance peoples’ well-being.
- Facilitate green development.
- Optimize national security governance.
- Improve the rule of law concerning foreign affairs.

Working principles

- *Focus on public well-being while being truth-seeking and pragmatic.*
Actively respond to peoples’ feedback and needs on legislative works; laws and regulations more relevant and applicable; explore a faster response system for items that are strongly advocated by the public and are urgently needed for economic and social development.
- *Uphold the unity, dignity, and authority of China's legal system.*
Legislative works should be coordinated in the same sector, and supportive regulations/rules should be drafted timely; improving filing working efficiency and quality, while intensifying efforts to review and correct errors.
- Strengthen the publicity and interpretation of the whole legislative process.
Legislative work should be supported by appropriate publicity and interpretation/training. Guide all relevant parties in the society to participate in the legislative work, while making timely responses on highly focused public topics.
- Consistently improve the legislative working level of regional governments.

The list of laws and regulations to be drafted or revised in 2024

The List contains two parts: i) 21 law drafts will be submitted for review/approval as prioritized ones by the Standing Committee of the National People’s Congress, and another 26 items are in preparation for submission; ii) 30 administrative regulation items under the management of national ministries are

already in the drafting or revising process. Besides, 19 regulations/provisions are prepared to be drafted, while the revision of another 18 existing regulations/provisions are prepared to be revised.

Among all the items, the following ones stand out on the potential connection with AEM and AEM members:

No.	Category	Document Name	Type	Status
1	Laws	The Bidding Law of China	Revision	Prioritized
2		Product Quality Law of China	Revision	In preparation
3		Trademark Law of China	Revision	In preparation
4	Regulations/ Provisions	Regulation on Work Safety in Coal Mines*	Newly drafted	Prioritized
5		Interim Regulation on the Administration of Carbon Emission Trading*	Newly drafted	Prioritized
6		Regulations on Network Data Security Management	Newly drafted	Prioritized
7		Regulations on Environmental Risk Management for Chemical Substances	Newly drafted	In preparation
8		Regulations on Safety Supervision of Special Equipment	Revision	In preparation

*Already issued

AEM and AEM members are advised to check the working list and identify if any of the items may impact their business in China. If any item is evaluated to have potentially big impact, it is also recommended to follow up on the future actions of the owner of the related laws/regulations for timely updates.



Agricultural and Forestry Machinery

2. Key Points on Agricultural Machinery Quality Supervision in 2024

In early May, the Ministry of Agriculture and Rural Affairs (MARA), the Supreme People's Court, the Supreme People's Procuratorate, the Ministry of Industry and Information Technology (MIIT), the Ministry of Public Security, the State Administration for Market Regulation (SAMR), and the All-China Federation of Supply and Marketing Cooperatives jointly issued the *Key Points for National Agricultural Production Materials Anti-counterfeiting and Supervision Work in 2024* (hereinafter referred to as the Key Points). It aims to strengthen the supervision of the production and distribution of agricultural production materials, rectify substandard products, combat counterfeit and inferior products, purify the agricultural production materials market, protect the rights and interests of farmers, and ensure national food security.

The Key Points propose that during critical agricultural periods such as spring plowing and preparation, and autumn and winter planting, local areas should organize net-style quality inspections of agricultural production materials, check the qualifications of agricultural production materials production enterprises and business units, their systems for checking incoming goods, sales and purchase ledger records, and product labelling. Any substandard products discovered should be immediately removed from the market.

In the field of agricultural machinery, the Key Points propose to include pumps, motorized threshers, corn combine harvesters, seeding machinery, and portable dryers in the national supervision and spot-check plan for 2024. It also proposes to: continuously strengthen the management of agricultural machinery products certification schemes, enhance the supervision of certification agencies and the public disclosure of agricultural machinery appraisal work; continuously carry out quality complaint

supervision for agricultural machinery, deepen the publicity of agricultural mechanization policies, and promote the supervision of agricultural machinery quality complaints.

National product supervision spot checks are currently one of China's main market supervision tools. They are conducted according to the "Implementation Rules" published by the State Administration for Market Regulation (SAMR) for corresponding products. Products and enterprises that fail the spot checks may face penalties such as cessation of production/sales, fines, closure, or even revocation of their business licenses.

The implementation rules for motorized threshers can be found at the following link (in Chinese):

https://www.samr.gov.cn/zljds/zlgg/bsgg/art/2023/art_a845c30b72ef4857a982b54458f0f1e2.html

On March 12, 2024, SAMR sought opinions on the updated implementation rules for pumps and corn combine harvesters, with the final texts expected to be released soon. Detailed drafts of these implementation rules can be downloaded at the following link (in Chinese):

https://www.samr.gov.cn/hd/zjdc/art/2024/art_8e8ac7abdabf4aeb92f0a7a200901c08.html

Currently, the implementation rules for seeding machinery and portable dryers are not available, but it is expected that SAMR will soon complete this area.

Since these implementation rules often reference mandatory national standards as well as voluntary national or sector standards, overseas related enterprises should pay attention to comply with the standards referenced in these rules.

3. New Policy Drives Development of Informatized Agricultural Machinery

On May 16, 2024, the Cyberspace Administration of China (CAC), the Ministry of Agriculture and Rural Affairs (MARA), the National Development and Reform Commission (NDRC), and the Ministry of Industry and Information Technology (MIIT) jointly released the *Key Points for Digital Rural Development Work in 2024*. The aim is to lead the modernization of agriculture and rural areas through informatization, promoting high-quality and efficient agriculture, liveable and workable rural areas, and the prosperity of farmers.

In the field of agricultural machinery, the document proposes vigorously promoting smart agriculture development. Specific measures in this regard include:

- Enhancing agricultural technology innovation and application promotion. Relying on National Key R&D Programs and major agricultural core technology projects, efforts will be made to accelerate the research and development of smart agricultural machinery equipment, agricultural sensors, dedicated chips, and core agricultural algorithms. Cooperation between agricultural machinery equipment enterprises and electronic information sector companies will be promoted, with the aim to develop and manufacture equipment, such as plant protection unmanned aerial vehicles, autonomous tractors, unmanned rice transplanters, and unmanned combine harvesters based on Beidou navigation. The purchase and use of high-end, intelligent, green agricultural machinery and Beidou-assisted driving systems and monitoring terminals will be encouraged through subsidies for the purchase and use of agricultural machinery.
- Improving the digitalization level of the entire agricultural industry chain. Continuously expand the scope of unmanned agricultural operation pilot projects, promote the coordinated development of smart agricultural machinery, intelligent agriculture, and cloud farms. Encourage localities to promote the digital and intelligent transformation of the agricultural product processing industry, considering the current state of the industry and centering on intelligent equipment such as automatic sorting and quality inspection.

This document reflects the future development priorities of China's agricultural machinery industry, while also highlighting the capabilities that the local industry currently lacks. Overseas enterprises can formulate their product and market strategies based on these policies.

4. CAMA to Formulate New Intelligent Agricultural Machinery Standards

On May 21, 2024, the China Agricultural Mechanization Association (CAMA), whose secretariat is hosted at the Agricultural Mechanization Central Station of the Ministry of Agriculture and Rural Affairs, publicly solicited companies for participating in the formulation of four sector standards:

- *Technical Specifications for Quality Evaluation of Agricultural Machinery Beidou Navigation Assisted Driving Systems*
- *Technical Requirements and Test Methods for Agricultural Machinery Beidou Positioning Monitoring Terminals*
- *Technical Requirements for Platforms of Agricultural Machinery Operation Remote Monitoring Management Systems*

• *Technical Specifications for Quality Evaluation of Automatic Feeders*

Participating units will have their names presented in the standard documents, can propose opinions and suggestions on the standard content and technical indicators, and can also participate in the revision and finalization of the draft for approval.

The informatization and smartification of agricultural machinery are the current key development trends in China's agricultural machinery industry. Participating in the formulation of these standards will allow companies to gain insights into China's technical progress in related fields and influence the development of corresponding technologies in China. This may result in stronger alignment of Chinese standards with the technology of the participating companies, thereby reducing potential future standard barriers. Overseas companies are encouraged to actively apply for participation.



Construction and Earth-moving Machinery

5. China Establishes Safety and Maintenance Standards for Continuous Handling Machinery

From May 6 to May 8, 2024, the National Standardization Technical Committee for Continuous Handling Machinery (SAC/TC331) convened to discuss the national standards *Continuous Mechanical Handling Equipment—Safety Specification—General Principle (draft)* and *Conveyor Machinery—Inspection and Maintenance Specifications—Part 1: Belt Conveyors (draft)*.

Continuous Mechanical Handling Equipment—Safety Specification—General Principle is a voluntary national standard project initiated in December 2023, aimed at addressing the absence of a fundamental, common safety standard for continuous handling machinery in China. This standard, which adopts ISO 1819:1977 with modification, sets forth basic safety requirements concerning the design, manufacture, installation, operation, and maintenance of continuous handling equipment. It is applicable to conveyor machinery, feeding machinery, and loading/unloading machinery within the realm of continuous handling equipment. Additionally, TC331 plans to propose this standard as an international standard, aiming to reactivate the currently inactive ISO/TC 101 and promote the update of relevant international standards.

Conveyor Machinery—Inspection and Maintenance Specifications—Part 1: Belt Conveyors is another voluntary national standard project initiated in March 2024. It seeks to address the lack of effective and widely recognized standards for the proper inspection and timely maintenance of belt conveyors in China. This standard will specifically focus on belt conveyors, scraper conveyors, and screw conveyors, setting forth procedures for their inspection and maintenance. It is an independently developed Chinese standard, formulated without reference to any international standards.

Although these two standards are not mandatory, they will be the sole standards in their respective fields in China and thus may be referenced by regulatory authorities and the market. They are worthy of attention and study by overseas manufacturing enterprises.

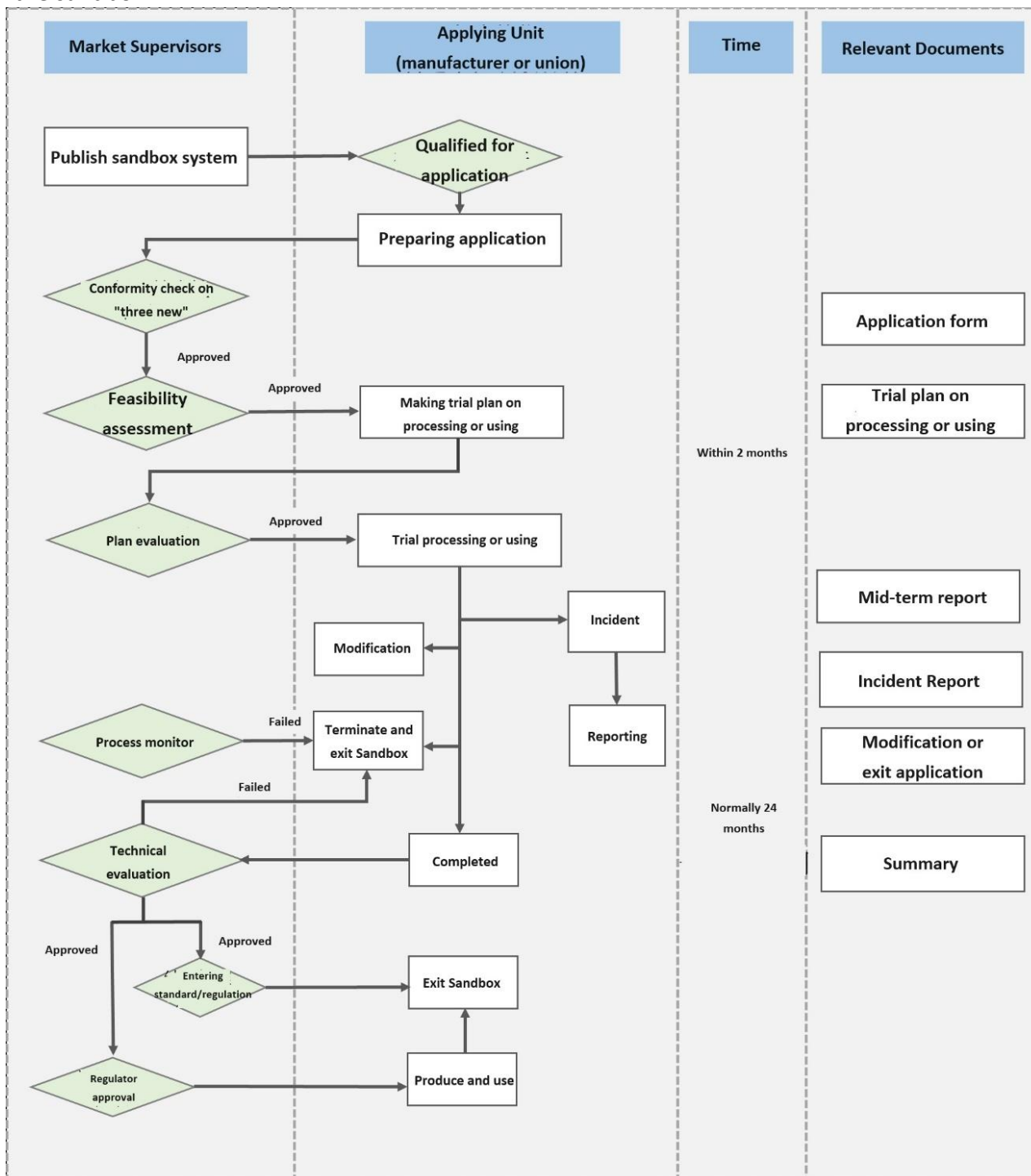
6. Call for Comments on Draft on Sandbox Supervision for Special Equipment

On May 31, 2024, the Special Equipment Bureau of the State Administration for Market Regulation issued two calls for comments on the *Notice on the Trial Sandbox Supervising System for Special Equipment Safety (draft for comment)* and on the *Implementation Plan on Sandbox Supervising System for Special Equipment (for trial implementation) (draft for comment)*.

‘Sandbox supervision’ refers to delineating the corresponding scope and taking inclusive and prudent regulatory measures for enterprises and other relevant actors in the special equipment sector (the ‘box’). It also encompasses implementing fault tolerance and correction measures as needed within the ‘box’, encouraging relevant enterprises to use new materials, new technologies and new processes (commonly called ‘three new’ in the sector), while preventing the spread of potential or unknown issues brought by new innovations.

The contents of the **Notice on the Trial Sandbox Supervising System for Special Equipment Safety (draft for comment)** are basically a summary of the **Implementation Plan on Sandbox Supervising System for Special Equipment (for trial implementation) (draft for comment)**. According to these two drafts, the key points of China’s sandbox supervision of special equipment include:

- **Scope:** the “three new” used in special equipment that are inconsistent with the existing requirements of the safety technical specifications; as well as the safety technical specifications that are not required but may have a significant impact on the safety performance, as existing scientific knowledge makes it difficult to foresee potential risks.
- **Working process:** application->assessment->testing->reporting->technical assessment->exit from the sandbox.



- **Stakeholders and roles:** manufacturers shall bear the safety responsibility. Technical bodies shall provide technical evaluation and support. Regulators shall specify implementation rules and improve information sharing besides their supervision role. Whereas the general public has the right to participate and monitor such products and regulatory system.

A template titled the **Application Form of Trial Spot of Sandbox Supervision on Special Equipment Safety** is provided in the draft for comment for public feedback.

For AEM and AEM members, the first point worths notice is that the ‘sandbox supervision’ has been applied to the road vehicle management in China since 2022, and it is considered by the regulators as a balanced approach between innovation and supervision. The call for comment period will end on June 30, 2024; relevant foreign manufacturers are advised to provide feedback. In addition, it is expected that the system, once implemented, will favour those stakeholders with advanced materials, technologies and processes to promote their products in the China market.

7. Mandatory Standard Project on Accident Judgement for Special Equipment Soliciting Comment

On May 6, the Standardization Administration of China (SAC) had nine standard projects for public comment, including one related to special equipment named **Guidelines for major accident potential of special equipment judgment** (hereinafter referred to as “the Standard Project”).

It is a project proposed by the State Administration for Market Regulation (SAMR) in consideration of recent major safety accidents involving special equipment and in response to the requirements of the State Council. The main purpose is to change the status quo that the special equipment sector lacks a unified national standard for determining the potential dangers of major accidents. It also aims to guide relevant regulatory authorities and users to identify such risks, as well as timely discovery and managing them to ensure the safety of special equipment use.

This Standard Project will specify the determination principles and procedures,

methods, and elements of major accidents for special equipment, especially determining the potential risks of such accidents during equipment use.

The Standard Project is planned to finish within 12 months once approved. The main draft is currently being planned by the China Promotion Association for Special Equipment Safety and Energy-saving, the Shanghai Municipal Administration for Market Regulation, and the Shanghai Special Equipment Supervision and Inspection Institute. The opinion soliciting period has ended on June 5, 2024.

For AEM and AEM members, future development of this standard project may initiate limited impact on manufacturers, but some of the technical specifications stated may have a direct connection with the product itself. It is advised to look out for future updates on this standard.

8. Working Meeting Reviewed Drafts of Three Standards for Industrial Trucks

On May 8 to 10, 2024, SAC/TC332 (Industrial Trucks) held a working meeting in Anhui Province, and reviewed the drafts of three national standards:

Project No.	Standard Name	Standard to be replaced	Relation with International Standard
20230561-T-604	Industrial trucks — Sustainability — Part 1: Vocabulary	Newly-drafted	IDT ISO 23434-1:2021
20230562-T-604	Industrial trucks — Sustainability — Part 2: Factors and reporting	Newly-drafted	IDT ISO 23434-2:2021
20230566-T-604	Industrial trucks — Verification of stability — Part 5: Single-side-loading trucks	GB/T 26949.5-2018	IDT ISO 22915-5:2020

The meeting completed the following tasks:

- Briefing the contents and the formulating process on drafts of **Industrial trucks — Sustainability — Part 1: Vocabulary** and **Industrial trucks — Sustainability — Part 2: Factors and reporting**, and introducing the public comments collected in January 2024¹.
- Elaborating to the attending experts on the revised contents and the collected comments of standard draft **Industrial trucks — Verification of stability — Part 5: Single-side-loading trucks**.
- After the briefings, attending experts reviewed the latest drafts of these three standards and engaged in technical discussion for further optimization, resulting in the drafts for approval to be submitted to the SAC.

For AEM and AEM members, the fact that all these standards are identical adaptations from international standards will facilitate foreign manufacturers. It is also worth noting that the TC has defined the adoption of the two sustainability standards with high importance: they fill in the blanks of the current Chinese standard system. All three standards are believed by the TC experts to improve product safety and technical level, while also helping to align with the international market.

9. Updates on Multiple National Standard of Lifting Appliance

Two standard projects under approval of SAC

On May 21, 2024, the secretariat of SAC/TC227/SC1 (Tower Cranes), the China Machinery Industry Federation (CMIF), submitted the drafts for approval of two national standards to the Standardization Administration of China (SAC).

Details of the standard projects are summarized as below:

Standard No.	Standard Name	Key Contents	Standard to be replaced	Relation with International Standard
GB/T 23725.3	Cranes — Information labels —Part 3: Tower cranes	This document specifies the minimum requirements for labels for the identification (marking) and the operation of tower cranes.	GB/T 23725.3-2010	ISO 9942-3:2020,MOD

¹ Further detail of the call-for-comment for these two standards has been covered in article #6 in **20240215 BESTAO-AEM China Compliance - January 2024**.

GB/T 6974.3	Cranes— Vocabulary— Part 3: Tower cranes	<p>It establishes general definition of a tower crane and illustrates the terminology used with each type of tower crane by the use of figures with referenced term numbers.</p> <p>It is applicable to</p> <ul style="list-style-type: none"> - tower cranes that can be assembled and dismantled (by element or self-erecting cranes), - permanently erected tower cranes, and - mobile self-erecting tower cranes. <p>It is not applicable to</p> <ul style="list-style-type: none"> - mobile cranes, or - erection masts, with or without jibs. 	GB/T 6974.3- 2008	ISO 4306- 3:2016, IDT
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For foreign stakeholders, the revision of these two standards are in the purpose of aligning with the content change of adopting international standards, as the adopted standard version of currently effective Chinese standards are:

- GB/T 23725.3-2010: modified adoption from ISO 9942-3:1999.
- GB/T 6974.3-2008: identical adoption from ISO 4306-3:2003.

Four standard drafts calling for comments

On May 29, 2024, SAC/TC227 called for public comments on four national standards of lifting appliance. The comment collecting period will end on July 23, 2024, and feedback are required to submitted via email in the template provided by the TC secretariat.

The key information of the four standards include:

Project No.	Standard Name	Key Contents	Standard to be replaced	Relation with International Standard
20230607-T-604	Cranes—Wind load assessment	<p>It establishes general methods for calculating wind loads (for in-service and out-of-service conditions), which are included in the load combinations stated in GB/T 22437.1 (IDT of ISO 8686-1:2021) and used for proofs of competence such as those given in GB/T 30024(IDT of ISO 20332:2016) for the structural components of cranes.</p> <p>It provides a simplified method of calculation and assumes that</p> <ul style="list-style-type: none"> - the wind may blow horizontally from any direction. - the wind blows at a constant speed. - there is a static reaction to the wind load applied to the crane structure. <p>It includes built-in allowances for the effects of gusting (fluctuation in wind speed) and for dynamic response.</p> <p>It gives guidance on when to secure the crane for out-of-service conditions.</p>	Newly-drafted	ISO 4302:2016, MOD

Project No.	Standard Name	Key Contents	Standard to be replaced	Relation with International Standard
20230611-T-604	Lifting hook—Vocabulary	It establishes the vocabulary for various types of hooks used on lifting equipment and therefore applies for such hooks. The main change in this revision include: - Added scope; - Five commonly used hook types have been added; - Added the definition for the types of hook; - Changed the classification of lifting hooks.	GB/T 4307—2005 (IDT ISO 1837:2003)	Non-equivalent adoption of ISO 1837:2003
20230610-T-604	Lifting appliances—Thimbles for use with steel wire ropes	It establishes the type and basic parameters, technical requirements, test methods, inspection rules, marking, packaging, transportation and storage of steel wire rope for lifting appliance. It is applicable to round strand steel rope wires specified in GB/T 8918 (MOD ISO 3154:1988) and GB/T 20118 (non-equivalent adoption of ISO 2408:2017). Other standards or specifications can be carried out with reference to the wire ropes.	GB/T 5974.1—2006, GB/T 5974.2—2006	N/A
20233674-T-604	Cranes-Anchoring devices for in-service and out-of-service conditions	This document provides specific requirements for anchoring devices for in-service and out-of-service conditions for cranes and crane parts as defined in ISO 4306-1.	GB/T 31051.1-2014 (MOD, ISO 12210-1:1998), GB/T 31051.4-2016 (IDT, ISO 12210-4:1998)	ISO 12210:2021, IDT

For AEM and AEM members, besides the one newly-drafted standard, the reason for the standard revision on the rest three projects are respectively:

- **Lifting hook—Vocabulary:** the revised and the existing version of GB/T 4307 are based on the same international standard ISO 4302:2016. This latest revision is taking place to solve the issue where many practical scenarios need a unified definition and vocabulary system.
- **Lifting appliances—Thimbles for use with steel wire ropes:** existing standards has been implemented for 16 years, whereas international counterparts has made some up-to-date changes (e.g.: EU’s standard is revised in 2021). Besides, technical and product specification change has left the existing ones out-of-date.
- **Cranes-Anchoring devices for in-service and out-of-service conditions:** the adopted international standards for currently effective standards have been replaced by a new standard. Therefore the Chinese ones needed to be replaced by the one adopting the latest international standard ISO 12210:2021.



Mining Machinery

10. Policy Issued to Accelerate Intelligent Construction in Coal Mines

On May 21, 2024, the National Energy Administration (NEA) issued the **Notice on Further Accelerating the Intelligent Construction of Coal Mines to Promote High-Quality Development** (hereinafter referred to as “the Notice”). It is a sequel document supporting the **Guiding Opinions on Accelerating the Intelligent Development of Coal Mines**, which were issued in 2020 by NEA and other ministries. The main purpose of the Notice is to promote the deep integration of digital/intelligent technologies and the coal industry, and further improve the level of intelligent construction in coal mines.

The Notice content further extends the guiding opinions in 12 aspects:

- Further integrate sectoral consensus, among regional government and coal enterprises, on the importance of pursuing intelligent development.
- New and to-be-built coal mines should prioritize intelligent design.
- Intelligent renovation should take place for existing coal mines.
- Encourage coal enterprises to innovate in different aspects to achieve comprehensively intelligent transition.
- Consistently promote the transformation of coal systems to intelligent ones, by combining digital and emerging technologies.
- Strengthen support for technology application.
- Improve actual operational efficiency for coal systems (e.g., unmanned drive and automation systems)
- Accelerate the R&D and application of equipment utilizing key technologies.
- Intensify the role of the standard system in technical guidance and leadership.
- Strengthen the policy-driven support.

- Improve talent training and enhance personnel capabilities.
- Set up plans and provide coordination and guidance for regional regulators on specific coal mine projects within their jurisdiction, to ensure effective implementation.

For AEM and AEM members, the most relevant points of the Notice are:

- Focus on promoting intelligent decision-making and autonomous operation of the mining system, as well as efficient collaboration of process equipment in the drilling system.
- Encourage and guide coal mining enterprises to jointly set up technological innovation teams with scientific research institutions and equipment manufacturing enterprises, develop convenient and reliable intelligent operation and maintenance equipment, and timely solve the problems existing in the operation process.
- Make key breakthroughs in high-precision geological detection, coal and rock identification, collaborative control of working face equipment groups, intelligent complete sets of (semi-) continuous mining equipment, intelligent soldier equipment, auxiliary operation robots and other technical issues.
- In accordance with the **Guidelines for the Construction of the Standardization System for Intelligent Coal Mines**² (issued by the NEA on March 13, 2024), establish and improve the standard system of general intelligent foundation, production system, technical equipment, information foundation, operation and maintenance guarantee, and management of coal mine.

² Further information on this Guidelines please refer to article #11

of “20240415 BESTAO-AEM China Compliance - March 2024”.



Green and Environmental Protection

11. Latest Catalogue Issued on Recommended Green Equipment in Industrial and Information Technology Sectors

On May 17, 2024, the Ministry of Industry and Information Technology (MIIT) issued the National Catalogue on Recommended Technical Equipment for Energy Conservation and Carbon Reduction in Industrial and Information Technology Sectors (2024 version) (hereinafter referred to as “the Catalogue”).

This consists of the latest update of the Catalogue, which has been going on annually since 2017, although prior to 2019 the Catalogue was named differently, i.e., National Catalogue on Recommended Technical Equipment for Energy Conservation in Industrial Sectors.

The latest 2024 version of the Catalogue does not feature any content change compared to the previous draft version released on April 30. The Catalogue consists of three parts: energy conservation and carbon reduction technologies in industrial sectors, those in informatization sectors, and a list of highly efficient energy conservation equipment. The first two parts are basically lists of technologies identified with their names, technical principles, descriptions and the application scope. By contrast, the third part of the Catalogue is more specific as it lists out specific product names, models, energy efficiency grades and the corresponding manufacturers. The list of highly efficient energy conservation equipment was categorized by products, including (but not limited to) motors, industrial boilers, converters, compressors, pumps, etc.

The list of highly efficient energy conservation equipment is commonly used by relevant manufacturers as a key promotion feature, signaling official national endorsement. The majority of the products included in the 2024 list are domestic products; only a few foreign manufacturers have products in the list, in the field of compressors and industrial refrigeration. Therefore, it may be necessary for foreign stakeholders, especially manufacturers, to evaluate the significance of this Catalogue for each category of products, and determine the usefulness – and possibility – of applying for the inclusion of their products onto the list. The technologies that can be listed in the industrial sector relate to: iron and steel, non-ferrous metals, petrochemical, chemical, building materials, machinery, light industry, textile, electronics, and other industries. At the same time, there are no limits on additional sectors, therefore any technology and equipment can be included as long as it aligns with energy conservation and carbon reduction under given criteria (such as but not limited to national standards, certification schemes etc.).

AEM and AEM members should also note that the criteria for qualifications of the technologies are quite wide and vague in some extents. However, to qualify for inclusion onto the list of highly efficient energy conservation equipment, it needs to comply with the grade 1 specification stipulated in the national standards.

12. New Working Plan on Energy Conservation and Carbon Reduction Issued for 2024-2025

On May 29, 2024, the State Council published the **Working Plan for Energy Conservation and Carbon Reduction for 2024-2025** (hereinafter referred to as “the Work Plan 2024-2025”). The Working Plan supports the implementation, during the last two remaining years of the 14th Five-year plan period, of the **Working Plan for Energy Conservation and Carbon Reduction during the 14th Five-Year Plan Period** (issued on December 28, 2021 by the State Council). The main purpose is to intensify efforts to promote energy conservation and carbon reduction, take practical and effective measures, and make every effort possible to complete the binding targets for energy conservation and carbon reduction as planned.

The Working Plan 2024-2025 outlines in detail the general goals to be achieved through 27 key tasks categorized in 10 perspectives, as well as measures for managing systems, and supportive actions.

General goals:

- By 2024, energy consumption and carbon dioxide emissions per unit of GDP should decrease, respectively, by about 2.5% and 3.9%. Energy consumption per unit of added value of industries above designated size should be cut by about 3.5%, with the non-fossil energy consumption accounting for about 18.9%. Energy conservation and carbon reduction in key areas and industries will save about 50 million tons of standard coal, while reducing about 130 million tons of carbon dioxide.
- By 2025, the non-fossil energy consumption will account for about 20%, while energy conservation and carbon reduction in key areas and industries will save about 50 million tons of standard coal and 130 million tons of carbon dioxide.

Quantitative tasks for some key sectors or fields include:

- **Construction:** from 2024 to 2025, the energy conservation and carbon reduction transformation of the sector of construction materials will save about 10 million tons of standard coal, and reduce about 26 million tons of carbon dioxide.
- **Transportation:** by the end of 2025, the CO₂ emission intensity of the transportation sector will be reduced by 5% compared with that in 2020.
- **Industrial and consumer products:** compared with the 2021 levels, the average operating thermal efficiency of industrial boilers and power station boilers in 2025 will be increased by more than 5 percentage points and more than 0.5 percentage points, respectively. The proportion of high-efficiency energy-saving motors and high-efficiency energy-saving transformers in operation will be increased by more than 5 percentage points and more than 10 percentage points, respectively. While the proportion of energy-saving products in industrial and commercial refrigeration equipment, household refrigeration equipment, and general lighting equipment, will reach 40%, 60% and 50% respectively.
- **Non-fossil energy:** by the end of 2025, the country's non-fossil energy generation will account for about 39%.
- **New energy:** while ensuring economic development, the utilization rate of new energy in areas with good resource conditions can be reduced to 90%

Foreign stakeholders are advised to carefully assess the following management and regulatory measures that will be adopted:

- Intensify existing managing system on energy conservation and carbon reduction, including – but not limited to – performance assessment, review and approval on environmental assessment for projects, carbon reduction management for enterprises in key sectors, energy conservation monitoring, and the system for energy consumption and carbon emission calculation.
- Improve systems for examining energy conservation in fixed asset investment projects; administer

energy conservation in key energy-using units, and supervise energy conservation.

- Improve the national carbon market regulation system.
- Benchmark domestic and international advanced standards, accelerate the formulation and revision of mandatory energy conservation standards, and expand the coverage scope of standards.
- Set tailored energy-saving targets for enterprises with different energy conservation levels. Enterprises with energy conservation levels in the top 5% of the sector, should reach grade 1 energy efficiency as stipulated in the corresponding national standard(s); those in the top 20% and top 80% should reach grade 2 and grade 3 (or 5), respectively.





China RoHS

13. Latest Update on the China RoHS Draft Mandatory Standard

On May 28, 2024, SAC/TC297/SC3 held a working meeting in Shenyang, Liaoning province, focusing on the draft of the national mandatory standard project of China RoHS, namely **Requirements for certain restricted substances in electrical and electronic products** (hereinafter referred to as “the Standard Draft”).

About 60 experts participated in the meeting. The leader of the China Electronics Standardization Institute (which hosts the secretariat of SAC/TC297/SC3) emphasized the significance of the standard draft and its positioning set by the Ministry of Industry and Information Technology (MIIT), namely: (i) improving the applicability and effectiveness of the standard; (ii) closing the gap with relevant international standards; and (iii) fully supporting the promotion of the supply and quality of green products.

The current Standard Draft contains 7 chapters and 4 annexes. For the main contents and additional supportive information, please refer to the **20240415 BESTAO Policy Briefing - Significant Updates on China RoHS - On-going Mandatory Standard** in the March monthly report.

The main objectives of this working meeting are to:

- Review and discuss the comments collected during an internal round of comments.
- Fully review the latest draft of the mandatory standard and collected additional comments.

The Standard Draft integrates about 60 pieces of feedback collected. These are mostly reflected in the optimization of the wording used to avoid blurred expressions or misunderstandings. Moreover, Annex C Requirements for the Informatization System of Certain Restricted Substances in Electrical and Electronic Products has been changed, from informative to normative.

The Standard Draft, once finalized, will replace two existing core standards in the China RoHS system, which are *GB/T 26572 on concentration limits for certain restricted substances*, and *SJ/T 11364 on marking and labelling*. Given its importance, therefore, the attendees of the meeting carried in-depth engagement on the following topics:

- Structure and key items covered, especially on the level of detail needed for some of the requirements, considering it a mandatory standard.
- Quantitative requirements set on conformity assessment for electrical and electronic products.
- Annex B: report format and requirements for the testing of certain restricted substances in electrical and electronic products.
- Annex C: requirements for the informatization managing system of certain restricted substances in electrical and electronic products.

The working group will continue to collect feedback from working group experts and finalize a draft for public comment before June 28, 2024. The next working meeting on Standard Draft is scheduled at the end of September.



ICT and Data Security

14. Industrial Internet Task Force Develops 2024 Work Plan

On May 13, 2024, the Ministry of Industry and Information Technology (MIIT) released the *2024 Work Plan for the Industrial Internet Task Force*.

The Industrial Internet Task Force is a cross-ministerial coordination organization established to promote the development of the industrial internet in China. Its members include ministers and deputy ministers from various ministries, such as MIIT, the Ministry of Science and Technology, and the National Development and Reform Commission. The main tasks of the task force include reviewing major plans, policies, special projects, and important work arrangements to promote the development of

the industrial internet across the country. The task force also guides local regions and departments in their work, coordinates important cross-regional and cross-departmental matters, and strengthens the supervision and inspection of the implementation of significant issues.

The 2024 work plan of the task force identifies 49 key tasks and proposes, accordingly, specific implementation measures, the annual outcomes to be achieved, and the corresponding government departments responsible for implementation. The following key tasks and measures outlined in the document may have a significant impact on the machinery industry:

Key Task	Specific Measures	Annual Targets	Implications for Overseas Mobile Machinery Manufacturers
Continuously deepen the large-scale application of identifiers in various sectors, industries, and fields.	Leverage the leading role of key enterprises in industries such as petrochemicals, steel, non-ferrous metals, building materials, ships, and automobiles, to promote data interoperability and information sharing along the supply chain.	Publish a set of identifier industry application guidelines and develop a batch of typical application models.	Machinery products connected to the industrial internet need to meet the industrial internet identifier standards to achieve data interoperability.
Explore new development models for the industrial internet in key areas.	Promote the construction of intelligent manufacturing pilot projects.	Accelerate the construction of intelligent factories, promote digital production and smart production line upgrades, and hold on-site promotion meetings for intelligent factory construction.	Enterprises participating in intelligent manufacturing pilots may benefit from relevant preferential policies.
Strengthen the integration of the industrial internet with key industrial chains, implementing the "chain-network synergy" action.	Publicize the already released guidelines and carry out pilot education and divulgation activities on these guidelines.	Publicize and promote the guidelines for industries such as construction machinery and electronic manufacturing, facilitate exchanges among key regions and enterprises,	The <i>Guidelines for the Integration of the Industrial Internet and the Construction Machinery Industry</i> , released in 2023, provide a reference for companies to deploy the industrial internet.

Key Task	Specific Measures	Annual Targets	Implications for Overseas Mobile Machinery Manufacturers
		and guide relevant associations to conduct pilot awareness-raising activities on these guidelines.	
Promote carbon management applications in the industrial field.	Organize digital carbon management pilot projects in the industrial sector, and encourage the construction of digital carbon management platforms at local and industry levels.	Cultivate a set of digital carbon management pilot projects, and select digital carbon management apps and business models with good application effects and high promotion potential for broader application.	Future mobile machinery products may need to connect with these carbon management platforms.
Improve the data security management system.	Dynamically update the catalogue of key industrial data, and guide enterprises to strengthen the protection of key data.	Compile the catalogue of key industrial data.	Data collected by mobile machinery that meets certain conditions may become “key data,” requiring mandatory security assessment and data export assessment.

15. MIIT Announces New Regulation to Guide Risk Assessment of Key Data

On May 10, 2024, the Ministry of Industry and Information Technology (MIIT) released the *Implementation Rules for Data Security Risk Assessment in the Field of Industry and Information Technology (Trial)* (hereinafter referred to as the ‘Rules’), which will come into effect on June 1, 2024. These Rules are intended to regulate mandatory data security risk assessment activities for key and core data within the industry and information technology sectors. The key elements of the regulation are:

- MIIT will manage, supervise, and guide data security risk assessment work within the industry and information technology fields, and organize the formulation and promotion of relevant assessment standards.
- Processors of key and core data should conduct data security risk assessments on the purpose and method of data processing activities, business scenarios, security measures, risk impacts, and other elements, in accordance with national laws and regulations, industry regulatory department requirements, and assessment standards.
- Processors of key and core data should conduct a data security risk assessment at least once a year; the validity of the assessment results will be one year.
- Processors of key and core data can conduct the assessment themselves, or entrust third-party assessment agencies with solid industrial and information data security capabilities.
- Processors of key and core data should take appropriate measures to eliminate or reduce risk hazards that emerge during the assessment.
- Processors of key and core data must submit the assessment report to their local industry regulatory department within 10 working days after the completion of the assessment.

Currently, the identification of key data is mainly executed through “enterprise reporting + government evaluation”. Although China has issued relevant standards, there is a lack of quantitative indicators, making the identification of important data largely subjective. Data collected, stored, and transmitted by mobile machinery products may constitute “key data”. Therefore, companies that produce and use mobile machinery need to prepare for their data to be classified as “key data”, and thereby be subject to mandatory risk assessments and cross-border security evaluations.





Standardization

16. Administrative Measures Revised for Adopting International Standards

On May 9, 2024, the State Administration for Market Regulation (SAMR) issued the draft **Administrative Measures for Adopting International Standards** (hereinafter referred to as “the Administrative Measures”) to call for public comments. The call-for-comment period has ended on June 8, 2024.

The Administrative Measures was firstly issued in the 1980s in China for the purpose of strengthen the management of the adoption of international standards, improve the consistency of China's standards with international standards. It has been revised in 2001, the same year when China entered WTO as a formal member, and this version has been effective ever since.

The reason for this round of revision was stated as:

- New requirements on the country’s standardization system mentioned in the important national policies and documents since 2012. For example, the *Outline for National Standardization Development* proposes that "the adoption rate of international standards shall reach more than 85% by 2025"
- Being consistent with the relevant laws and regulations after their revision (e.g.: *Standardization Law of the People's Republic of China*).
- Meeting the requirements of international intellectual property policies, as well as the requirements of socio-economic development, reform and innovation in China in recent years.

The draft of the Administrative Measures contains 26 articles, mainly covering purpose, principles, adopting method (identical or modified) of adopting international standard, and requirements/principles on application, assessment, developing period, drafting, approval and reviewing of national standard project for adoption.

Additionally, the draft of the Administrative Measures emphasizes compliance with the intellectual property policies of international standards organizations (stipulated in Articles 4, 11, 16, and 18 of the Administrative Measures, respectively contents on the principles, initiation, approval, and publication of national standard projects) proposes measures for the assessment and feedback of the adopted international standards.

In all, it reflects China’s efforts to revise and refine the mechanisms and management models for adopting international standards to adapt to the current state of affairs and future goals of the standardization management system. It shows the ambition to further expand and accelerate the adoption of international standards. If, in the future, additional revisions can be made to strengthen measures to promote the implementation of international standards, this initiative would benefit even further. Moreover, the draft does not include other types of standards, reflecting China’s stance against encouraging the adoption of international standards by local, association, or enterprise standards.

BESTAO policy review to this Issue:

- Policy Briefing - Introduction to the China Compulsory Certification (CCC) System for Agricultural Machinery Products

What can be expected in the following editions:

In the following editions, China Regulatory and Compliance Observation for AEM will still cover policies, laws, regulations, certification and standards for agriculture and forestry machinery, construction, and mining machinery of China, which will include but not limited to:

1. Updates on new energy construction machinery in China
2. China's latest national policy on carbon footprint management.

About BESTAO Consulting Co. Ltd.

Founded by senior experts with solid industry experience, BESTAO Consulting provides regulatory compliance solutions across a wide range of industries to our global clients who wish to enter Chinese markets. Our areas of expertise include Government Affairs, Industry Policies, Technical Regulations and Standards, Certifications and Market Access, Tannings and Translation Services.

Accessing the Chinese market has become increasingly more important for overseas companies of all kinds and having a better understanding of the requirements to enter this large and complex market will give you the advantage over your competition. BESTAO Consulting can help you understand the Chinese regulatory environment to gain access quick and effective access to the Chinese Market.

What We Offer:

- The government affairs team supports our clients in identifying key stakeholders in China to build connections and improve business development.
- Our consulting team helps our clients understand China's legal framework, technical regulations, standardization system and certification schemes, including but not limited to Product Safety, CCC, China RoHS, Energy label, Medical Device Registration, Special Equipment Certification, etc. We advise our clients on market access requirements and draw comparisons between EU/US and China.
- Our intelligence collection team gathers up-to-date information on China's technical regulations and standardization in sectors like electrical and electronics products, consumer products, mechanical products, automotive, etc. We also make tailor-made observations for our clients upon their requests. We make sure that our clients stay informed on the latest developments in regulations, certification, and standardization in China.
- Our training team is dedicated to conducting workshops for overseas companies to facilitate their entry into Chinese markets.
- Our translation team provides high-quality English translations of laws, regulations, standards, and technical specifications.
- We also offer China representative, "virtual office" services and tailor-made China regulatory retainer services for overseas clients.

For more information on how BESTAO can help your company enter and grow in the Chinese market, please contact us at:

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