



CHINA REGULATORY OBSERVATION

FEBRUARY 2024

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Message from BESTAO

Dear Readers,

At the same time of the month, we're happy to present you with the February 2024 edition of China Regulatory and Compliance Observation for AEM.

This edition will still elaborate policies, laws, regulations, certification and standards for agricultural machinery, construction, cybersecurity and earth-moving etc. of China in February 2024.

In the horizontal section, a briefing on the standard system construction guidelines for carbon peak and carbon neutrality of industrial sectors.

The agricultural machinery section puts forward market supervision list issued by the regulator for agricultural machinery. Some recent notice regarding appraisal and subsidy is also provided.

As regards of construction, mining and earth-moving machinery section, the updates on multiple forklift and industrial standards are presented, and some latest news from the earth-moving TC and green mining association.

You'll read about two significant policy documents on industrial internet and data security in the ICT and cybersecurity part.

Other important topics covered in this issue range from standardization, CCC, green and ESG.

The policy briefing of this edition is on a policy document named ***Guidance Catalog for Industrial Structure Adjustment (2024 Edition)***.

Enjoy the reading.

Best Regards,

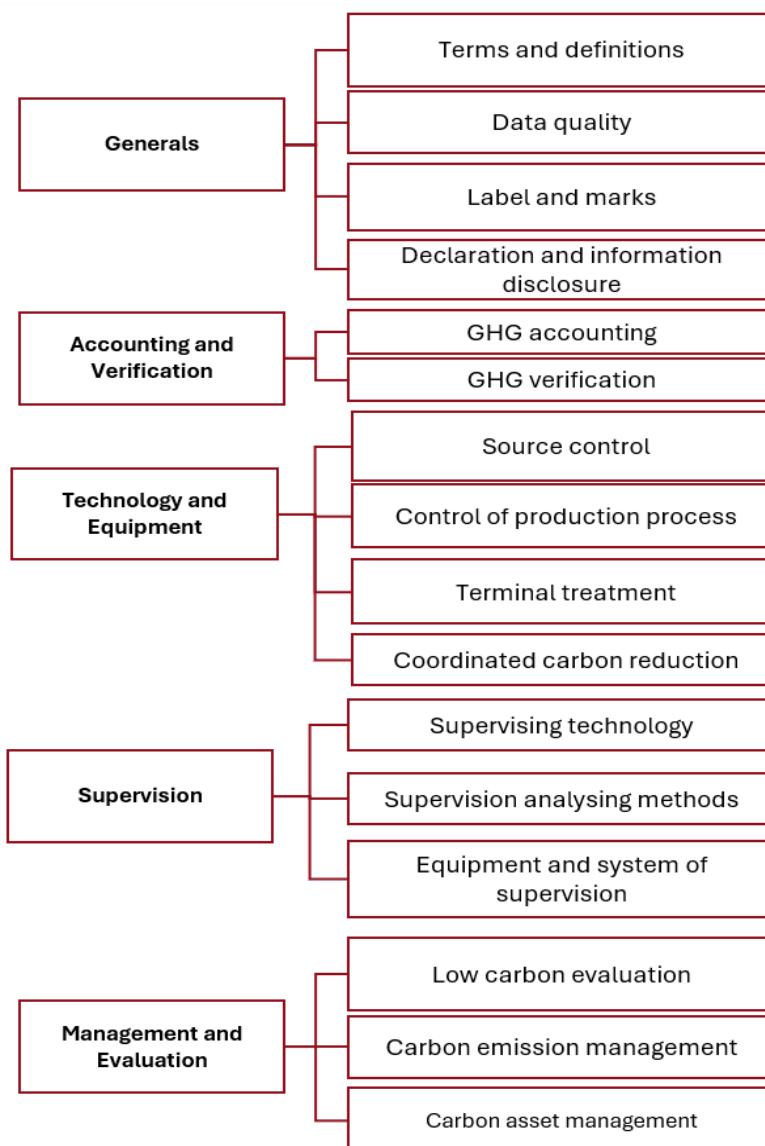
AEM project team of BESTAO



Horizontal

1. Standard Guideline of Industrial Sectors in Place of Carbon Peak and Caron Neutrality

On February 4, 2024, the Ministry of Industry and Information Technology (MIIT) issued the ***Guidelines on the Construction for Carbon Peak and Carbon Neutrality Standard Systems in Industrial Sectors*** (hereinafter referred to as “the Guidelines”), under a serial policy document issued before, including but not limited in Implementation Plan of Standardization Pilot Project for New Sectors (2023-2035)¹, The Guidelines also portray a framework for the country’s carbon peak and carbon neutrality standard system in the industrial sector. It contains 5 main fields and 16 sub-fields, with 14 sub-fields marked as key fields.



¹ Issued by MIIT jointly with 3 other ministries on August 3, 2023.

There are 166 national and sector standard projects listed in this document that further demonstrate the details of this system.

It sets up goals with two phases:

- By 2025, Phase I aims to develop more than 200 standards to meet the needs of carbon peak and neutrality in the general, GHG accounting, and low carbon equipment and technologies fields.
- By 2030, Phase II aims to accelerate standard development in the carbon reduction fields, carbon emission management fields, low carbon assessment fields, etc. There will be a full standard coverage for key sectors to support the carbon peak to transit the standardization focus from carbon peak to carbon neutrality.

For AEM and AEM members, one of the standards within the aforementioned standard list named ***Requirements of the greenhouse gas emissions accounting and reporting—Machinery and equipment production enterprise*** (currently under approval) could be relevant. In addition, the following works planned in these Guidelines will impact manufacturers of non-road machinery:

- Formulate carbon footprint accounting standards for key products in the construction machinery and equipment fields.
- Develop standards on fuel structure optimization for non-road mobile machinery technology and equipment with high emissions, such as construction machinery, agricultural machinery, etc.



Agricultural and Forestry Machinery

2. Several Agricultural Machinery Listed as Key Products for Market Supervision in 2024

In early February of 2024, the State Administration for Market Regulation (SAMR) released the "*National Key Industrial Product Quality and Safety Supervision Catalogue (2024 Edition)*". The Catalogue exhibits the annual focus of market supervision determined by SAMR. Industrial products with low pass rates in supervision checks, prominent issues reported from various market players, and those involving significant quality and safety concerns or required by national policy documents are included in this catalogue for enhanced attention and supervision. The 2024 version includes 254 products subject to enhanced market surveillance activities. Corn combine harvesters, plant protection machinery, and submersible electric pumps are included in this catalogue.

SAMR has instructed market supervision departments at all levels to use a combination of random checking, production permits, mandatory certification, risk monitoring, defect recalls, special rectification, and quality technology assistance to effectively enhance the supervision of the quality and safety of products falling into the Catalogue.

Therefore, it is foreseeable that corn combine harvesters, plant protection machinery, and submersible electric pumps will be subject to stricter and more frequent inspection by market supervision departments this year. Relevant overseas enterprises are advised to strengthen their product quality management, ensuring the acquisition of valid compliance documents like CCC certificates to avoid regulatory risks.

3. New Batch of Outlines Released for Agricultural Machinery Promotion Appraisal

On February 22, 2022, the Ministry of Agriculture and Rural Affairs (MARA) released a new batch of agricultural machinery promotion appraisal outlines, including revisions to 19 existing outlines and the establishment of 12 new outlines.

The revisions cover a range of machinery, including transplanters, straw (root stubble) shredders for tillage, cotton harvesters, fruit grading machines, milking machines, large-scale irrigation machines, feeders, potato harvesters, equipment for handling diseased and dead livestock and poultry, disc plows, trenchers, peanut shellers, livestock and poultry manure fermentation treatment machines, livestock and poultry manure turning machines, hot blast stoves, grass bale pick-up and collection machines, track transporters, facility environmental control equipment (temperature and humidity controllers), and mushroom substrate bottling (bagging) machines.

The newly established outlines cover sugarcane planting machines, sweet potato transplanters, desuckering machines, integrated water and fertilizer equipment, tobacco harvesters, medicated bath machines, livestock sorting equipment, hoof trimming machines, livestock and poultry identification (positioning) monitoring equipment, dry anaerobic fermentation devices for organic waste, storage equipment for diseased and dead livestock and poultry, and aquatic grass cleaning (combing and cutting) machines.

The agricultural machinery promotion appraisal outlines serve as the basis for conducting evaluations for agricultural machinery promotion, which is linked to agricultural machinery subsidy policies. Therefore, it's recommended that relevant AEM companies pay attention to changes in the outlines for agricultural machinery promotion appraisals and prepare for product promotion appraisal and entry into subsidy programs.





Construction and Utility Machinery

4. Chinese Off-Road Forklifts Adopt ISO Standards

On February 1, 2024, SAC/TC332 (Industrial Vehicles) solicited opinions on the following three national standards for off-road forklifts.

- *GB/T 38055.1 Rough-terrain trucks — Safe use requirements — Part 1: Variable-reach trucks (draft for comments)*
- *GB/T 35205.1 Rough-terrain trucks — Safety requirements and verification — Part 1: Variable-reach trucks (draft for comments)*
- *GB/T 42784.2 Rough-terrain trucks — Visibility test methods and their verification — Part 2: Slewing rough-terrain variable-reach trucks (draft for comments)*

These three standards are revisions of the previous versions and are equivalent to ISO 11525-1:2020, ISO 10896-1:2020, and ISO 18063-2:2021, respectively. Other off-road forklift standards in China also adopt international standards, as follows:

| No. | Chinese standards | ISO standards adopted identically |
|-----|---|-----------------------------------|
| 1 | GB/T 38055.5-2021 Rough-terrain trucks—User requirements—Part 5: Interface between variable-reach truck and integrated personnel work platform | ISO 11525-5:2015 |
| 2 | GB/T 38055.4-2021 Rough-terrain trucks—User requirements—Part 4: Additional requirements for variable-reach trucks handling freely suspended loads | ISO 11525-4:2016 |
| 3 | GB/T 35205.2-2023 Rough-terrain trucks—Safety requirements and verification—Part 2: Slewing trucks | ISO 10896-2:2016 |
| 4 | GB/T 35205.5-2021 Rough-terrain trucks—Safety requirements and verification—Part 5: Interface between variable-reach truck and integrated personnel work platform | ISO 10896-5:2015 |
| 5 | GB/T 35205.6-2023 Rough-terrain trucks—Safety requirements and verification—Part 6: Tilting operators' cabs | ISO 10896-6:2015 |
| 6 | GB/T 35205.7-2021 Rough-terrain trucks—Safety requirements and verification—Part 7: longitudinal load moment systems | ISO 10896-7:2016 |
| 7 | GB/T 42784.1-2023 Rough-terrain trucks—Visibility test methods and their verification—Part 1: Variable-reach trucks | ISO 18063-1:2016 |

The above data indicates that all standards in China's off-road forklift field align with ISO standards. Products compliant with relevant ISO standards from AEM will automatically meet Chinese national standards.

5. Three Industrial Vehicle Standards Are About to Be Released

On February 28, 2024, the China Machinery Industry Federation (CMIF) released the following industrial vehicle standards.

- *Industrial trucks - electrical control system - Terminology and classification (draft for approval)*
- *Industrial trucks - specification for inspection and maintenance (draft for approval)*
- *Technical specification for usage prohibition and scrapping of forklift trucks (draft for approval)*

Specialized mobile vehicles for use within (factory) premises, especially forklifts, are a focus of China's special equipment regulation. These three standards are expected to be adopted by regulatory systems, becoming fundamental requirements affecting product access. Among

these three standards, the first aims to standardize the terminology and classification principles of the electrical systems of industrial vehicles in China. The second aims to provide quantitative indicators and standard references for the daily and periodic inspection of industrial vehicles, filling the gap in the domestic industrial vehicle technical field for inspection and maintenance procedure standards. The third standard aims to provide quantitative indicators and standard references for the scrapping of forklifts, filling the gap in the domestic forklift technical field for forklift disablement and scrapping standards.

Currently, these standards have entered the final stage of the standardization process, and they are expected to be approved and released soon.

6. China Revises the General Standard for Launching Machine

From February 8 to April 8, SAC/TC227 (Lifting Appliance) solicited opinions on the revised national standard ***General specification for launching machines*** (Draft for Solicitation of Comments).

This revision aims to address some issues with the original national standard ***GB/T 26470-2011 General specification for launching machines***, including i) the technical requirements of the products are too low, ii) some standards referenced in the standard have been revised, with significant changes in technical content, resulting in discrepancies between the descriptions in this standard and the referenced standards, iii) some requirements in the standard deviate from the actual operating conditions of the products and need corresponding adjustments, and iv) some requirements in the standard deviate from the requirements of the implemented safety technical specifications and need corresponding adjustments.

The new standard will specify the types, basic parameters, and technical requirements of launching gantry cranes, describe the corresponding test methods, and specify inspection rules, markings, packaging, transportation, and storage. It applies to launching gantry cranes for the construction of bridges in railway, highway, municipal road, and urban rail transit engineering projects.

Launching gantry cranes are classified as special equipment and are subject to mandatory supervision under the Special Equipment Production License system. Some technical content in GB/T 26470 is referenced by the "Regulation for Type Test of Lifting Appliances" and the mandatory national standard "GB 26469 Safety code for launching machine," which significantly impacts the access of launching gantry crane products. Members of AEM producing launching gantry cranes should study the changes in technical requirements of this standard and actively provide feedback through various channels in China.



Earth Moving Machinery

7. Comparison of Domestic and Foreign Earthmoving Machinery Standards to be Conducted

On February 20, 2024, SAC/TC334 (Earthmoving Machinery) publicly solicited participating units for the compilation of the "*Comparative Study of Domestic and Foreign Earth Moving Machinery Standards.*" This publication aims to compare the similarities and differences between domestic and overseas earthmoving machinery standard systems and technical contents, identify deficiencies and gaps in Chinese earthmoving machinery standards, and provide a basis for future standard development.

The scope of the study mainly includes 13 categories of products such as excavators, loaders, bulldozers, graders, excavator loaders, dump trucks, road rollers, shovel loaders, compactors, pipe layers, trenchers, mini-loader carriers, and vacuum excavators. This compilation project will be carried out from April 2024 to October 2025. Any units interested in participating need to submit applications to SAC/TC334 by April 19, 2024.

Participation in the compilation of this publication may require the investment of human resources and funds. We recommend that AEM members, through their FIEs in China, consider participating in the compilation of this publication, as it can bring the following benefits:

- Comprehensive understanding of Chinese earthmoving machinery standards.
- Comprehensive understanding of differences between Chinese and American earthmoving machinery standards.
- Establishing extensive connections with the Chinese earthmoving machinery standardization community.
- Influencing the future development of Chinese earthmoving machinery standards.



Green and Environmental Protection

8. New Guidelines Accelerate the Green Development for Manufacturing Sectors

On February 29, 2024, the Ministry of Industry and Information Technology (MIIT) jointly issued ***Guiding Opinions on Accelerating the Green Development of Manufacturing Sectors*** (hereinafter referred to as “the Guiding Opinions”) together with six other ministries.

The general goals are:

- By 2030, green development in manufacturing and traditional sectors will achieve a carbon peak with a clear decline in pollution and carbon emission; emerging sectors will largely grow with quality; green development will become a steady foundation for new industrialization.
- By 2035, the manufacturing sectors should have more driving force for green development. Carbon emissions will decline steadily after the peak, and the carbon neutrality level will steadily improve. The competitiveness in the global industrial and supply chain will increase, and green development will become a common form of industrialization.

It elaborates on development planning from different perspectives and lays out the future actions for different sectors. Main contents covering:

- Accelerate green and low-carbon transition for traditional sectors.
- Facilitate a high-level green and low-carbon development for emerging sectors.

- Foster a green and integrated business format for manufacturing sectors.
- Promote the basic developing capabilities for green manufacturing.
- Strengthen cross-ministry cooperation to support the green development of relevant sectors. Measures will include supportive policies, transition period setting, working guidance, and assessment for carbon peak.

Contents that are further related to AEM and AEM members in the Guiding Opinions are summarized below:

- International cooperation will be enhanced, especially in the interaction and engagement of strategy, planning, policies, standards, and conformity assessments. Focused fields will be green technologies, products, equipment, services, and management of carbon footprints. Focused sectors including new energy, new energy vehicles and equipment,
- Promote short-process technology in machinery and other industries.
- Speed up breakthroughs in several landmark major equipment such as construction machinery.

China's ambitious goals of carbon peak and carbon neutrality will drive the country's further efforts in all aspects connecting with these two objectives from the top down, involving all industries especially traditional sectors that were contributing large amounts of carbon emissions.

9. Industrial Catalogue Revised for Green and Low Carbon Transition

On February 2, 2024, the National Development and Reform Commission (NDRC) issued the ***Industrial Guiding Catalogue on Green and Low-carbon Transition (2024 version)*** (hereinafter referred to as “the

Catalogue") jointly with other 9 ministries. The objective is to accelerate the green transition, and this 2024 version is a revision based on the 2019 version (issued in March 2019 by NDRC and other 6 ministries).

It categorized a variety of relevant sectors that are key to the green transition into 7 sections: energy saving and carbon reduction, environmental protection, resource recycling and reuse, green and low carbon transition of energy, ecological restoration and utilization, green upgrade of infrastructure, and green service. Each section contains a few specific sectors and items. Together with the Catalogue, an official interpretation is also issued with further explanation under each listed sector, specifying the scopes. Among all the items in the Catalogue, the following ones are related to AEM and AEM members:

- Manufacturing of energy-saving internal combustion engines: including non-road diesel engines up to 560kW.
- Manufacturing of energy-saving agricultural: including high-efficiency and energy-saving agricultural engines, high-speed precision seed discharge devices, and energy-saving and environmental protection agricultural machinery.
- Special equipment manufacturing of energy-saving mining and building materials: including mining and rock drilling equipment, crowning equipment, support equipment, underground transportation and ventilation equipment, mine lifting equipment, mineral crushing machinery, mineral grinding machinery, mineral screening and washing equipment, mine tractor and car, mining equipment special accessories etc.
- Manufacturing of advanced port loading and unloading equipment: including shore container cranes with high energy efficiency, rail container gantry cranes, bridge grab ship unloaders, bulk cargo continuous loaders, port tractors, container gantry cranes, wheeled container gantry cranes, and so on.
- Equipment manufacturing for the comprehensive utilization of mineral resources includes equipment for the comprehensive utilization of energy minerals, ferrous metals minerals, non-ferrous metals (including rare metals) minerals, non-metallic minerals, and co-associated mineral resources.
- Recycling of waste materials includes construction machinery, internal combustion engines, mining machinery, and other mechanical equipment and their parts, as well as other remanufactured products. It also encompasses the recycling and comprehensive utilization of waste agricultural materials such as agricultural machinery and tools.
- Clean coal production includes using intelligent equipment and green mining technology in the coal production process to reduce energy and resource consumption.

AEM and AEM members should note that being listed in this catalogue is significant because:

- Regional government and national ministries will issue and optimize policies to support and encourage corresponding sectors.
- A more detailed catalogue may be issued at the regional and ministerial levels to facilitate practice and the development of covering sectors.
- International engagement and cooperation will grow in the listed sectors and their standard systems. A mutual recognition system may also be established between the sectors in the Catalogue and international green standards.
- Financial organizations are also encouraged to provide funding support under relevant laws and regulations.



ICT and Data Security

10. China Issues the New Policy for Industrial Internet Identification and Resolution System

On January 31, 2024, the Ministry of Industry and Information Technology and other 11 ministerial departments jointly released the **Action Plan for "Connecting" the Industrial Internet Identification and Resolution System (2024-2026)** (hereinafter referred to as the Action Plan).

Background

The identity resolution system of industrial Internet is an important component of industrial Internet, which mainly includes two parts: identification coding and resolution system. Among them, the identification code can be regarded as the "ID card", which gives a globally unique code to each physical entity (such as components, machines, products, etc.) and each digital object (such as algorithms, process records, and key data) on the industrial Internet. The resolution system queries and resolves the network address and related information according to the identity code, so as to realize accurate positioning, and provide basic support for whole-process management of supply chain, traceability, network collaboration and other applications across systems, enterprises and regions.

In recent years, with the joint efforts of all parties, China's industrial Internet identity resolution system has been basically built from scratch with the stable operation of the country's top nodes, more than 330 secondary nodes online, realizing full coverage of 31 provinces (including autonomous regions and municipalities), serving more than 400,000 enterprises, resolving more than 150 million times a day, and expanding to 46 industries. It has gradually become a key support for promoting the digital transformation of enterprises and high-quality economic and social development.

Objectives

Against this backdrop, the Action Plan is the first policy document dedicated to the identification coding and resolution system of industrial Internet with ad-hoc actions, under the joint efforts of multiple ministerial departments. The Action Plan puts forward the quantitative goals from four aspects of key indicators by 2026: key indicators, key areas, basic support and industrial ecology.

Key indicators

- the number of enterprises that provide relevant services shall exceed 500,000;
- the application is expected to expand to 60 industries;
- the cumulative registration of identification code shall exceed 600 billion;
- the average daily resolution reaches over 300 million times;
- the number of proactively-deployed identification carriers shall exceeds 50 million.

Key areas:

large-scale application is expected to take place in manufacturing, consumer goods industry, green and low-carbon industry, and safety production.

Basic support

the coverage of secondary nodes in industries and cities continues to expand, and their role in monitoring industrial economic operation and empowering production safety is increasingly emerging.

Industrial ecology

Breakthroughs are to be made in key technologies, software and hardware products of identification and resolution, the standard system is to be continuously improved, and the industrial supply capacity is to be continuously enhanced.

Key tasks

The Action Plan has deployed seven key tasks in total.

- Connecting the industrial chain and supply chain
- Empowering the consumer goods industry
- Promoting the digitalization of medical industry
- Improving the green and low-carbon management
- Enhance the safety management level

• Raising the digitalization level of cities
• Promoting the upgrading of industrial clusters
For AEM and its members, it is recommended to keep track on the implementation of the Action Plan since the application of identification coding and resolution system will be financially supported by local government, and facilitate the management of relevant machines and transfer of data. More importantly, the application of the system can contribute to the green and low-carbon management in machinery industry.

11. China to Improve the Capacity of Data Security in the Industrial Sector

On February 26, China's Ministry of Industry and Information Technology released the *Implementation Plan for Improving Data Security Capabilities in the Industrial Sector (2024-2026)*. The Implementation Plan is a response to the legislation and regulatory requirements for data security within the industrial sector. It encompasses three major parts: general requirements, key tasks, and supporting measures. The aim is to increase the data security capabilities in the industrial sector, by assigning a number of tasks to different stakeholders, including industrial enterprises, regulators, and data security service providers. The following is a summary of the key information that might concern foreign stakeholders:

Objectives by the end of 2026:

- First, to raise the awareness of the industrial enterprises. The Implementation Plan proposes that the disclosure of data security requirements shall cover enterprises above designated size in different industrial fields.
- Second, to ensure the data security of the key enterprises and enterprises above designated size. The Implementation Plan aims to ensure that over 45,000 enterprises conduct classified and graded data protection, covering at least the top 10% of industrial enterprises above designated size in the provinces (autonomous regions and municipalities), calculated by their annual turnover.
- Third, to formulate and collect standards and good practices. Specifically, over 100 national, sector, or association standards; and over 200 typical cases for at least ten key industries.
- Fourth, to enhance education and training on data security. The goal is to train over 30,000 people and more than 5,000 professionals.

Key tasks:

- For industrial enterprises. Apart from raising awareness for all enterprises, the Implementation Plan only targets important data, key enterprises and key scenarios. It requires the enterprises to bear the main responsibility in terms of data management, with the assistance of the regulators throughout the process.
- More specifically, the regulators are tasked with researching and formulating rules for identifying important data and core data in different industries and fields, and produce guidance on data protection practices.
- For regulators. The Implementation Plan focuses on enhancing surveillance capabilities by proposing several tasks related to standardization, dedicated actions and emergency drills arrangement, management platform building, toolbox establishment, and team building.
- For data security products and service providers. The ultimate goal is ensuring a sufficient level of products and services for data security to meet the needs of industrial enterprises.

Supporting measures include the government's efforts in coordinating across different levels of authorities, allocating resources, follow-up assessment, as well as publicity and guidance.

According to the Implementation Plan, the Requirements for different types of industrial enterprises, different types and grades of data, and different scenarios might vary. For instance, compared with normal industrial enterprises, key enterprises will face stricter surveillance and higher requirements for risk monitoring, situation awareness, threat assessment, and emergency response. Therefore, for foreign stakeholders the priority task is to identify data security requirements through standards or formal documents to be released by the Chinese government in the near future.



Standardization

12. China's Priorities in Standardization for 2024

On February 19, 2024, the Standardization Administration of China (SAC) issued the Key Points for National Standardization Work in 2024 (referred to as the Key Points). This is a significant document that aligns with China's *National Standardization Development Outline* and aims to achieve development goals by 2025. The Key Points outline six key areas with a total of 90 specific tasks. Particularly noteworthy, two of the areas emphasize the importance of opening up and international cooperation. Below is a summary of each area as presented in the Key Points:

- Expanding domestic demands and promoting standards advancement: This area includes 10 specific tasks covering various sectors such as safety, industrial advancement, digital transformation, green and sustainable development. It also focuses on standards for products targeting the elderly and those that promote consumption-related standards.
- Cultivating new advantages in international competition and cooperation in standardization: This area comprises 10 tasks, which aim to enhance China's position in international competition and strengthen international cooperation.
- Enhancing Supply Chain Resilience through Standardization: This aspect comprises 14 tasks that aim to build a modern industrial system and strengthen the resilience of supply chains in China. These tasks include not only the development of standards but also the establishment of corresponding standards systems. Different industries, such as information and communication technologies, rare earth industry, and additive manufacturing, are targeted for enhancing supply chain resilience.
- Strengthening the Standards System and Promoting its Implementation: This area of action focuses on improving the standards system and ensuring effective implementation and application of standards to support the construction of a unified national market. Various types of standards, including national standards, sector standards, and local standards, are referenced. The tasks within this area involve managing and developing industry-specific standards to provide a unified foundation and guidance for compliance, as well as developing standards that facilitate information sharing.
- Advancing International Standardization Cooperation: The objective of this area of action is to build an open economic system with a higher level of opening-up and expand the institutional opening-up of standards. The emphasis is on aligning standardization efforts with international standards and collaborating with foreign countries on standards development. This cooperation goes beyond the geographical and organizational scope of the previous area and includes actors such as the EU, northeastern Asian countries, Germany, France, the UK, the US, Russia, as well as countries in the Arab region, Asia, and Africa. Existing cooperation frameworks, such as the Asia-Pacific Economic Cooperation, the Shanghai Cooperation Organization, and BRICS, will be fully utilized during this process.
- Enhancing the development and influence of standardization is a key focus area aimed at advancing

the quality and reach of standardization efforts. This includes bolstering the infrastructure of standards, enhancing digitalization, managing Standard Development Organizations (SDOs), providing professional training, and promoting standards. This area comprises 28 tasks, representing 31% of the total tasks, dedicated to achieving these objectives.

In essence, the Key Points comprehensively cover various facets of standardization with a clear message: to maximize the impact of standardization in driving China's economic growth. Furthermore, there is a strong emphasis on actively engaging in international standardization activities and collaborating with foreign entities on standards development. For AEM and its members, it is strongly recommended to follow up the Sino-US dialogue mechanism formation over standards and conformity assessment, which is listed as an independent task. In the meantime, China's efforts in converging with international standards might also bring positive opportunities for AEM and its members.

13. SAC TCs Calling for New Members

In February, more than a dozen of China's SAC/TCs are calling for new members for standardization works. Among the recruiting TCs, two particularly stand out for their relevance in the non-road machinery sector.

| Items | SAC/TC208 | SAC/TC67 |
|--|--|--|
| Name | Safety of Machinery | Electrical Accessories |
| Mirroring International SDO | ISO/TC199 | IEC/TC23 |
| SCs | TC208/SC1 Safety Design TC208/SC2 Safeguards | TC67/SC1 Switches for Appliances (mirror group of IEC/SC23J) TC67/SC2 Cable Support System |
| Working Scope | Responsible for the national machinery safety basic standards (Class A), general standards (Class B), and special machinery safety standards (Class C) | Responsible for the standardization work and standard drafting of electrical accessories |
| Deadline for Member Calling in 2024 | March 31, 2024 | March 22, 2024 |

Specifically for the member qualification requirements:

SAC/TC208 (Safety of Machinery)

- Fulfil the requirements of **Administrative Measures of National Standardization Technical Committees**.
- Owns professional title of medium level, or equivalent titles and has been working in the field for more than five years.

- Familiar with work in the TC's working scope and willing to work actively in the standard drafting activities.
- Possess a good level of writing and foreign language skills.
- Candidate should work for an entity that has legally registered in China and the working place should approve their joining to the TC.

SAC/TC67(Electrical Accessories)

- Work for functions of electrical accessories such as production, R&D, teaching, or testing, and should have abundant practical and theoretical experience.
- Owns professional title of medium level, or equivalent titles and has been working in the field for more than three years.
- Possess a good level of writing and foreign language skills.
- Candidate should work for an entity that has legally registered in China and the working place should approve their joining to the TC.
- Should not work for more than three TCs in the meantime.
- Other relevant requirements are stipulated in the ***Administrative Measures of National Standardization Technical Committees***.

AEM members who have registered entities in China are suggested to apply for the TC member. It is the best way to understand and keep track of the relevant standardization work within the country.



CCC

14. CCC e-Certificate Specification Clarified Officially by SAMR

On February 7, 2024, the State Administration for Market Regulation (SAMR) issued the official interpretation for sector standard **RB/T 176-2023 Specifications for electronic certificate of certification for compulsory product certification** (hereinafter referred to as "the Standard").

The Standard was issued by the National Certification and Accreditation Administration (CNCA), with a draft published for comments in April of 2023, and a final version that was implemented on December 1, 2023, with the purpose of:

- Accelerating the expansion of the application scope of electronic certificates and national mutual recognition;
- Promoting the establishment and improvement of the CCC certification electronic certificate mechanism;
- Promoting a wider application of electronic certificates in government services.

It applies to the generation, processing, information exchange, and application of the CCC electronic certificate ("CCC e-certificate"). It does not apply to the CCC self-declaration.

The main contents of RB/T 176-2023 include:

- Information type: should conform with the metadata requirements stipulated in the **GB/T 36903-2018**; meaning it should cover all basic information and annotation information of the certificates.
- Archive management: should comply with i) technical requirements of GB/T 36905-2018; ii) all digital signature and electronic stamp requirements stipulated in the administrative measures; iii) safety measurements covered in Chapter VII; iv) requirements stipulating in the relevant CCC regulations regarding the suspension, cancellation, and information disclosure, etc.
- Metadata: include logo, issuing organization, certificate receiver, product information, validation and expiration, annotation, etc.
- A standard template of the e-certificate;
- Safety requirements: i) the digital signature and electronic stamp should be genuine and complete without being altered. The storage, signing, and verification should comply with requirements in the GB/T 33190-2016; ii) all electronic certification services on the signature and stamp should be provided by legal e-certification service bodies; iii) all cryptography technologies, digital signature, and electronic stamps should conform with requirements of national cryptography authorities; iv) process of issuing the signature and stamps must comply with the certification body's business operating process.

AEM and AEM member are advised to note that this standard is not only significant by its function on specifying the CCC e-certificate but also an effective tool to ensure or verify the CCC e-certificate they apply is genuine and valid.



ESG

15. China Issued Interim Regulation on Carbon Emission Trading

On February 26, 2024, the State Council regular press conference was held on the topic of interpretation for ***the Interim Regulation on the Administration of Carbon Emission Trading*** (hereinafter referred to as “the Interim Regulation”, which was released to the public by the State Council on February 5, 2024, and will come into effect on May 1, 2024).

The Interim Regulation contains a total of 33 articles with the main contents summarized below:

- Regulatory authorities: ecology and environment administration at the national and regional levels, and other relevant authorities that are involved in carbon trading supervision and management.
- Key supervision points: determination of covering GHG types and supervising sectors; defining emission entity list/catalogue; carbon emission total quota and its distribution; drafting of other relative systems.
- Organization setting and its management: register and trading organization and their management.
- Trading elements: trading bodies, products, and methods.
- Quota distribution and settlement: free distribution at the first stage and will move to the combination of free and compensation distribution.

Some other key points of the Interim Regulation are released in this press conference:

First, China will expand its carbon market from power generation to seven other sectors: steel, building materials, nonferrous metals, petrochemicals, chemicals, paper making, and aviation. Although the seven sectors haven't been integrated into the carbon market yet, the carbon emission accounting report and verification have begun under the supervision of the Ministry of Ecology and Environment (MEE).

Secondly, officials confirmed at the press conference that the country will not build a new regional carbon market. Companies involved in the national carbon market will not need to work with the trial carbon market on the regional level.

Thirdly, the voluntary carbon emission reduction market, namely the Chinese Certified Emission Reduction (CCER), will encourage more sectors and enterprises to act on GHG emission reduction, making it supplement the carbon market to support China's carbon peak and carbon neutrality goals together.

The publication of the Interim Regulation marks the first administrative document concerning the carbon market system in China and will play a crucial role in the future.



Subsidy

16. Updates on Advance Allocation of Agricultural Machinery Subsidy by Region

As of February 20, 2024, some provinces have already allocated their agricultural machinery purchase subsidy funds in advance. AEM members can plan their 2024 market strategies based on the subsidy amounts and key subsidized machinery in each province.

| No. | Province | Central subsidy amount for 2024 (USD) | Provincial subsidy amount for 2024 (USD) |
|-----|----------|---------------------------------------|--|
| 1 | Henan | 247,900,000 | |
| 2 | Hebei | 140,290,000 | 48,620,000 |
| 3 | Jiangsu | 113,020,000 | |
| 4 | Fujian | 24,830,000 | 9,720,000 |
| 5 | Tianjin | 10,000,000 | |
| 6 | Guizhou | 6,000,000 | |
| 7 | Shanghai | 2,320,000 | |
| 8 | Sichuan | 42,410,000 | 4,710,000 |
| 9 | Hubei | 83,300,000 | |
| 10 | Qinghai | 13,970,000 | 2,220,000 |

BESTAO policy review to this Issue:

- Policy Briefing - Guidance Catalog for Industrial Structure Adjustment (2024 Edition)

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. Briefing on China's two sessions that related with AEM members and products
2. Standard updates on construction and agricultural machinery

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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