Highlights:

Outline of National Standardization Development

Personal Information Protection Law

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2020 China Certification Bodies Development Report

ANSI-CNIS Bilateral Meeting

Policy and Regulation Tracker

China Releases the Outline of National Standardization Development

Promulgated by the China Central Government and State Council, the **Outline of National Standardization Development** was published on October 10, 2021, as the first-ever Chinese national standards strategy in response to its social and economic reform and development. This document was developed based on findings from China Standards 2035, a research project conducted by the China Academy of Engineering from 2018 to 2020 under the guidance of the Standardization Administration of China (SAC).

The Outline includes 9 sections and 35 articles, aiming to high-quality economic development and the comprehensive establishment of a modern socialist country with the support of improved standards system. It lists the overall development goals in standardization by 2025 and 2035, together with sector-specific requirements for green economy, carbon neutralization, rural and urban development, etc. The Outline emphasizes the role of association standards in the national standardization structure, and raises the concept of regional standardization mechanisms for the first time. While encouraging international collaboration, personnel exchanges, and partnership building, it also promotes openness in the standards system and ensures that foreign-invested enterprises participate in the formulation of standards according to law. It also mentions supporting the establishment of international professional standards organizations in China.

The ANSI International Policy Advisory Group (IPAG) China Task Force is closely monitoring implementation details in this Outline, and has observed that several elements appear to be positive, suggesting more market-oriented approaches. Through the Task Force, ANSI will monitor the reception of the Outline by U.S. stakeholders and provide more updates and analysis for members to better grasp the essential content and relevant opportunities. ANSI members can view the English version of the Outline here, with thanks to the U.S. Information Technology Office (USITO) for the translation. This translation is for USITO and ANSI members only and not for public distribution.

Chinese Government Passes Nation's First Personal Information Protection Law

On August 20, 2021, the Standing Committee of the National People's Congress approved the **Personal Information Protection Law of the People's Republic of China** (PIPL), to regulate the collection, storage, and use of personal information (PI) and address big data-enabled price discrimination and security concerns. The law will come into effect on November 1, 2021.

The PIPL defines the scope of PI, the basic principles of PI processing, the rights and protection of the PI subjects, and the obligations and responsibilities of the PI processors. The law also regulates the cross-border transfer and application of personal data, and setting principles for extraterritorial application based on the legislative practice of other countries.

As the first comprehensive legislation dedicated to protecting the PI of individuals in China, the PIPL joins the **Cybersecurity Law (CSL)** released in 2017 and the **Data Security Law (DSL)**, which came into effect on September 1, 2021, as the three pillars of the Chinese regulatory architecture to govern cybersecurity and data security. Due to its stringent nature and the magnitude of global applicability, the PIPL is comparable to the EU's **General Data Protection Regulation (GDPR)** with some unique aspects, including the government access to PI, data localization, reporting of breaches, and penalties severity for non-compliance.

Although this law still serves as a framework and more detailed implementation measures and guidance are expected to be released by the Chinese government, ANSI members, especially those who operate internationally, will need to prepare for compliance and take additional actions despite the existing efforts for the GDPR.

ANSI members can view the translated versions of these three laws as below:

- Cybersecurity Law
- Data Security Law
- Personal Information Protection Law

China's Personal Information Protection Law (PIPL)

Key Concepts

According to Article 4 of the PIPL, "**personal information (PI)**" is defined as "all kinds of information, recorded by electronic or other means, related to identified or identifiable natural persons, not including information after anonymization handling." Similar to the DSL, Article 4 defines "**PI processing**" as "the collection, storage, use, processing, transmission, provision, disclosure, and deletion of PI." For the first time, PIPL refers to the "**PI processor**" as the "organizations and individuals that autonomously determine handling purposes and methods in PI handling activities" in Article 73. In addition to the PI definition in the CSL, the PIPL provides a definition for "**sensitive PI**": "PI that, once leaked or illegally used, may easily cause harm to the dignity of natural persons, or harm to personal or property safety, including information on biometric characteristics, religious beliefs, specially-designated status, medical health, financial accounts, individual location tracking, etc., as well as the PI of minors under the age of 14."

Standards Development and Mutual Recognition

Article 12 of the PIPL promotes the mutual recognition of PI protection regulations and standards between China and other countries, regions, and international organizations while vigorously participating in the development of international standards for PI protection and encouraging relevant international exchange and cooperation.

Article 62 mandates the state cybersecurity and other relevant authorities to develop detailed regulations and standards to protect PI, along with standards for small-scale PI processors, processing of sensitive PI, and new technologies and applications, such as facial recognition and artificial intelligence. However, the provision does not provide a specific definition of small-scale PI processors.

Multi-Level Cross-Border PI Transfer Requirements

While the informed consent of the individual is always required when collecting their PI, the PIPL applies to those who process PI about Chinese individuals both *inside* and *outside* China. Articles 38-40 of the PIPL provide the requirements for cross-border transfer of PI for three different levels of PI processors:

1. Critical Information Infrastructure Operators (CIIOs)

2. PI processors handling information reaching quantities provided by the authorities

3. Other PI processors

If a foreign processor violates the rights and interests of Chinese citizens, or harms the national security or public interest of China, the authorities may put the individual or entity on a list that limits or prohibits their access to PI (Article 42) or fine the companies and personnel in charge (Article 66).

See the table on next page for the requirements for different levels of PI processors.

PI Processors and Respective Requirements

PI Processors	Definition	Requirements
Critical Information Infrastructure Operators (CIIOs)	**Article 31** of the CSL: • Entities that, if destroyed, compromised, or experienced a data leak, will threaten Chinese national security. This includes public communication and information services (radio, television, telecoms), power/energy, public transportation, water resources, e-government, national defense, and more.	In addition to meeting the requirements listed in Article 38 (see below), they shall also follow Article 40 of the PIPL: • Shall store PI collected and produced within the borders of China. • Where they need to provide the information abroad, they shall pass a security assessment organized by the authorities.
PI processors handling information reaching quantities provided by the authorities	There is no specific definition for this term or the quantity threshold in the PIPL.	
Other PI processors	**Article 73** of the PIPL: • Organizations and individuals that autonomously determine handling purposes and methods in personal information handling activities.	**Article 38** of the PIPL: To transfer the PI abroad, they shall meet one of the following conditions: 1. Passing a security assessment organized by the authorities according to Article 40 of this Law. 2. Undergoing PI protection certification conducted by a specialized body according to provisions by the authorities. 3. Concluding a contract with the overseas recipients with a standardized contract formulated by the authorities. 4. Other conditions provided in laws or administrative regulations or by the authorities.

Related: Information Security Technology – Personal Information Security Specification (GB/T 35273-2020)

Prior to the release of the PIPL, the State Administration for Market Regulation (SAMR) and the Standardization Administration of China (SAC) jointly issued GB/T 35273-2020 on Information Security Technology – Personal Information Security Specification on March 6, 2020. Proposed by the National Information Security Standardization Technical Committee (TC260), the standard came into effect on October 1, 2020, and replaced GB/T 35273-2017, which had been in effect since 2017. Marked as "GB/T," it is a recommended national standard, but it is still unclear how Chinese regulators have been enforcing it considering the existing impact of the CSL and DSL, and the upcoming implementation of the PIPL.

The standard focuses on security issues of PI and standardizes information controllers' behaviors at various stages of the processing, aiming to curtail the illegal collection, abuse, and leakage of PI. The following technical revisions have been made to the previous edition:

- "Independent choice among multiple business functions" (5.3) has been added.

- "Exceptions to obtaining consent" (5.6 in this document and 5.4 in the 2017 version) has been modified.

- "Restrictions on the use of user profiling" (7.4) has been added.

- "Use of personalized display" (7.5) has been added.

- "Fusion of PI collected for different business purposes" (7.6) has been added.

- "De-registration by personal information subject" (8.5 in this document and 7.8 in the 2017 version) has been modified.

- "Third-party access management" (9.7) has been added.

- "Specifying responsible department and person" (11.1 in this document and 10.1 in the 2017 version) has been modified.

- "Personal information security engineering" (11.2) has been added.

- "Records of personal information processing activities" (11.3) has been added.

- "Methods to safeguard independent choice of personal information subject" (Annex C in both this document and the 2017 version) has been modified.

The content of the PIPL is derived from or related to this standard, such as the definitions of sensitive PI and informed/explicit consent. In practice, this standard provides more details on data storage, remedial measures after a data breach, and additional data practices. It is not legally binding but widely referred to and frequently referenced in China.

ANSI members can view the Chinese version of **GB/T 35273-2020** here and the English version here.

2021 Enterprise Standard Forerunner Program

On June 15, 2021, the State Administration for Market Regulation (SAMR) released the Key Sectors of 2021 Enterprise Standard Forerunner Program Implementation (Chinese). As a follow-up, the implementation agency of this program, the China National Institute of Standardization (CNIS), announced a list of assessment agencies (Chinese) for 2021 enterprise standard "forerunners" on September 7, 2021.

The SAMR document listed 55 key sectors and 202 product categories, including agriculture, chemical products, textile, general and specialty equipment manufacturing, automobile, telecom, information technology services, etc. Sixty-nine new product categories were released this year, including many in internet, software and information technologies services (internet security, data processing and storage, software development, information system integration, digital content, etc.), as well as technology promotion and application services (energy-saving technologies, environment protection technologies, technology intermediary agents, entrepreneurial co-working space, etc.). In addition, the product ranges of certain categories were also expanded compared to the previous 2020 list .

The Forerunner Program was initiated by SAMR and the other seven ministries (Chinese) in 2018, aiming to improve the supply and quality of Chinese products and promote the use of enterprise standards. The "forerunner" refers to the enterprise whose core index of product or service standards is at a leading level in the industry. Based on the self-declaration of the product and service standards, the evaluations of enterprise standards "forerunners" are conducted by technical standardization institutions, industry associations, industry consortium, platform-based enterprises, and other third-party evaluation agencies to evaluate enterprise standards and issue the ranking lists of leading companies. However, there are also concerns raised by multinational corporations regarding the transparency, openness, and scientific basis of the "forerunner" selection criteria, since the sector and product ranges are so broad and lack standardized measurements across different fields. The publication of enterprise standards may also lead to the potential leaking of sensitive or propriety corporate information.

ANSI members can learn more about this program on the CNIS Enterprise Standards Forerunner Platform website (available in Chinese): https://www.qybzlp.com/

中国认证认可协会文件

中认协综 〔2021〕22 号

关于发布《2020 认证机构发展报告》的通知

各会员单位、认证机构：

《2020 认证机构发展报告》已编撰完成，现予发布。

附件：2020 认证机构发展报告

Conformity Assessment

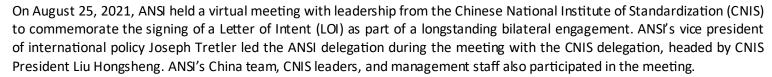### 2020 Certification Bodies Development Report

China Certification & Accreditation Association (CCAA) released the 2020 Certification Bodies Development Report on September 30, 2021. The report provides an overview and detailed analysis for the Chinese certification industry in 2020, including the quantity and scale of certification bodies, numbers of certificates issued for compulsory products, voluntary products, services, food and agriculture industry, etc., and Chinese certification issued overseas. It also analyzes the evaluation results for certification quality, innovation, social responsibility, credit, branding, and business benefits, and provides recommendations for future development in the context of "Dual Circulation" and the 14th Five-Year-Plan.

Visit here to read the full text in Chinese on CCAA's website, or read the ANSI-drafted overview in English here.

ANSI Insights

ANSI-CNIS Bilateral Leadership Meeting

On August 25, 2021, ANSI held a virtual meeting with leadership from the Chinese National Institute of Standardization (CNIS) to commemorate the signing of a Letter of Intent (LOI) as part of a longstanding bilateral engagement. ANSI's vice president of international policy Joseph Tretler led the ANSI delegation during the meeting with the CNIS delegation, headed by CNIS President Liu Hongsheng. ANSI's China team, CNIS leaders, and management staff also participated in the meeting.

During the meeting, ANSI and CNIS leadership provided updates on changes to their respective country's standards strategy, discussed specific topics of interest, and emphasized the importance of bilateral engagement through the LOI. ANSI and CNIS discussed cooperation in standardization education, ISO proposal cooperation, and several topics for the purpose of information exchange and sharing. CNIS shared areas of high priority for standards development, including intelligent manufacturing, service standards, and clean energy. Both parties spoke on the importance of the bilateral relationship to continue standards collaboration despite challenges, such as the COVID-19 pandemic.

Call for Comment

MIIT Draft Administration Measure for Data Security in the Sector of Industry and Information Technology

On September 30, China's Ministry of Industry and Information Technology (MIIT) released a draft of Administration Measure for Data Security in the Sector of Industry and Information Technology for public comment by **October 30, 2021**.

The Measure defines the concepts such as "industrial data," "telecommunication data," and "industrial and telecommunication data processor," and encourages relevant organizations to develop international, national, group, and enterprise standards to support data management and security. It also includes a data classification and grading management system with data classified in three levels: general data, important data, and core data. Important data must be stored within the territory of People's Republic of China with strict security evaluation and scrutiny before cross-border transferring. Core data are not allowed to be transferred outside. Other key aspects of this document include full life cycle data security management, data security monitoring and early warning, and the management of emergencies, testing, evaluation, and certification.

To learn more about this regulation, please see the published version and drafting instruction in Chinese here. Click here to see the reference translation provided by ANSI.

Updates on China Standards

- **China Releases Standardization Magazine:** the Standards Press of China (SPC), China's only publication center for national standards, has released its bimonthly September/October volume. The bilingual magazine details China's current standards work and initiatives. View it via the link below:

  ◊   Sep/Oct 2021

- **SAC Notice Newly Released Mandatory Standards:** in addition to the bi-monthly magazine, SAC has released its newly approved Chinese national standards. The publication lists the recently approved GB standards and indicates if they are equivalent to specified ISO or IEC standards. View it via the link below:

  ◊   Sep/Oct 2021

About ANSI and ANAB

As the voice of the U.S. standards and conformity assessment system, the **American National Standards Institute (ANSI)** empowers its members and constituents to strengthen the U.S. marketplace position in the global economy while helping to assure the safety and health of consumers and the protection of the environment. ANSI coordinates U.S. standardization activities and represents U.S. interests to international standards bodies such as ISO and IEC.

The ANSI National Accreditation Board provides accreditation and training services in the areas of management systems, personnel and product certification bodies, laboratories, inspection bodies, forensic service providers, proficiency testing and reference material producers.