15/10/2021

[National] Circular on Issuing the Guiding Opinions on Strengthening the Comprehensive Regulation of Algorithm for Internet Information Services (released and became effective on September 17th, 2021)

Algorithm is now officially regulated. Companies concerned shall establish an algorithm security system and an ethics review system. In the near future, algorithms will be categorized and classified, and then supervised by a record-filing system operated by competent authorities.

[National] Code of Ethics of New Generation Artificial Intelligence (released and became effective on September 25th, 2021)

The Code of Ethics requires that ethics (includes security, non-discriminatory and fairness etc.) should be considered through out the development of artificial intelligence ("**AI**"), and any AI violating such ethics should not be developed. When using AI in products or services, users shall be clearly informed, and the functions and limitations of AI products and services shall be clearly indicated.

[National] Administrative Measures for Credit Reporting Business(released on September 27th, 2021 and to be effective on January 1st, 2022)

These Measures provide that the principles of minimization and necessity shall be followed when personal information is collected. Furthermore, to respect the *Personal Information Protection Law*, where a credit information service provider cooperates with an information provider, they shall enter into an agreement and explicitly specify the rules of collection and their corresponding rights and obligations in terms of obtaining consent, collection ,processing, correction of personal information, disposal of complaints and security.

[National] Administrative Measures for Data Security in the Field of Industry and Information Technology (Draft seeks comments, released on September 30th, 2021)

These Measures are formulated based on the *Civil Code, Cyber Security Law* and *Data Security Law* etc. They define the terms of industrial data and telecommunication data. Follows the basic data management principle set forth by the *Data Security Law*, industrial data and telecommunication data processors should firstly categorize data (R&D data, production and operation data, management data, operation and maintenance data, business service data and personal information etc.) and then classify data (into 3 levels, general data, important data, and core data).

[National] Circular on the Practical Guide on Cyber Security Standard--Guidelines for Categorization and Classification of Data (Draft for Comment, released on September 30th, 2021)

Though so far the Circular is merely a draft, it sheds some lights on how to approach data compliance required by the current effective laws (*Cyber Security Law, Data Security Law and the Personal Information Protection Law* to be effective on November 1st, 2021). It defines different types of data at different levels, and even provides practical routines for companies to manage their data asset by categorization and classification.

[Regional] Regulation of Shanghai Municipality on Data (Draft seeks comments, released on September 30th, 2021)

Besides the similar requirements set forth in the major cyber laws, the Regulation encourages companies and institutions to establish their own data management system, i.e. to appoint a Chief Data Officer ("CDO"). The CDO should be the competent officer who is also one of the persons in charge of such company/institution. As for personal information protection, where a data processor informs data subject of collection rules online, such data processor should provide simplified Chinese version of the notification. The Regulation also mentions that Shanghai will establish a data transaction system and violation may lead to administrative punishment up to 1 million RMB.