

China's New Export Control Law

October 19, 2020

In news

China passes law to safeguard national security

Key features of the Law

- The new law **restricts sensitive exports to protect national security**, which also helps China to gain **reciprocity against the US as tech tensions mount**
- It will **apply to all companies in China, including foreign-invested ones.**
- The law will be effective Dec. 1
- According to this law, **Technical data related to items covered will also be subject to export controls**
- **Unreliable entity list:** The new law adds to China's regulatory toolkit which also involves a restriction catalogue of tech exports and an unreliable entity list.
- While China's existing control list is much narrower than the one used by the US, the country's commerce ministry made an amendment in August that included technology such as algorithms and drones
- The proposed law **stipulates export controls over items of both civilian and military use, military and nuclear products, as well as "goods, technologies and services"** that are related to national security, including data related to them.
- Under this law, the relevant government departments have been tasked to publish lists of **controlled items.**
- **Reciprocal measures:** According to this law, China can take reciprocal measures if any country or regions abuse their export controls in ways that hurt its national security and interest.

- **Offences and Fines:**

- Violation of the new export control law will lead to fines of as much as five million yuan (\$746,500) and revocation of export licenses.
- Breaches that jeopardize national security and interests will also face **criminal charges**, with organizations and individuals outside of China also punishable under the law.