Provisions of the State Council on the Security of Industrial and Supply Chains

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Unofficial English translation prepared for reference only. The official Chinese text prevails.

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Article 1 — These Provisions are formulated in accordance with the National Security Law of the People's Republic of China, the Foreign Relations Law of the People's Republic of China, the Anti-Foreign Sanctions Law of the People's Republic of China, the Foreign Trade Law of the People's Republic of China and other laws, for the purpose of guarding against security risks to industrial and supply chains, enhancing the resilience and security of industrial and supply chains, and safeguarding economic and social stability and national security.

Article 2 — The work on the security of industrial and supply chains shall implement a holistic approach to national security, coordinate development and security, coordinate domestic and international considerations, advance high-standard opening up, and promote the stability and smooth operation of global industrial and supply chains.

Article 3 — The state shall establish and improve a working mechanism for the security of industrial and supply chains, and coordinate the work on the security of industrial and supply chains in an overall manner.

The departments under the State Council for foreign affairs, development and reform, industry and information technology, public security, national security, the rule of law, finance, natural resources, transport, agriculture and rural affairs, commerce, financial regulation, customs, market regulation, and cyberspace administration shall, in accordance with the division of their duties, be responsible for undertaking the work on the security of industrial and supply chains. The relevant departments under the State Council shall strengthen coordination and cooperation in the work on the security of industrial and supply chains.

The people's governments of provinces, autonomous regions and municipalities directly under the Central Government shall, under the overall coordination of the state, be responsible for the work on the security of industrial and supply chains relating to their respective administrative regions.

Article 4 — The state shall guide the rational and orderly layout of industrial and supply chains, promote the digitalization and intellectualization of industrial and supply chains, enhance the level of security and controllability of industrial and supply chains, and promote the high-quality development of industrial and supply chains.

Enterprises shall be encouraged and supported to open up diversified supply channels, carry out industrial and supply chain cooperation, fairly participate in market competition, and enhance their capacity to guard against security risks to industrial and supply chains.

Article 5 — The state shall adhere to the principles of equality, mutual benefit and win-win cooperation, strengthen international cooperation in the field of industrial and supply chains, and actively participate in the formulation of relevant international rules for industrial and supply chains.

Article 6 — In the process of formulating relevant plans, the relevant departments under the State Council and the people's governments of provinces, autonomous regions and municipalities directly under the

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Central Government shall give full consideration to the possible impact on the security of industrial and supply chains.

Article 7 — The state shall strengthen the security guarantee for industrial and supply chains in key fields. The relevant departments under the State Council shall formulate a list of key fields and make dynamic adjustments to it, so as to safeguard the stable and continuous operation of the production and circulation of raw materials, technologies, equipment, products and the like in key fields.

Article 8 — The relevant departments under the State Council shall promote the sharing of information on industrial and supply chains in key fields, strengthen the support of information platforms, guide industries and enterprises to strengthen the interconnection and intercommunication of information on industrial and supply chains in key fields, and take effective measures to safeguard data security.

Article 9 — The state shall establish and improve the system for monitoring and early warning of security risks to industrial and supply chains in key fields. The relevant departments under the State Council shall organize the assessment and monitoring of the stability of the supply channels for raw materials, technologies, equipment, products and the like in key fields and of their impact on economic and social stability and national security, identify security risks to industrial and supply chains, and issue early warning information in a timely manner.

Where enterprises, industry associations and chambers of commerce discover any circumstances affecting the security of industrial and supply chains, they may report to the relevant departments of the people's governments at or above the county level.

Article 10 — The state shall establish and improve the system for guarding against security risks to industrial and supply chains in key fields. The relevant departments under the State Council shall organize the building of physical reserves and capacity reserves in key fields, intensify research and development of technologies, equipment and products, and enhance the capacity of industrial and supply chains in key fields to withstand risks.

The relevant departments under the State Council and local people's governments shall, in light of the characteristics of their respective industries and regions, take targeted measures to guard against security risks to industrial and supply chains.

Article 11 — The state shall establish and improve the emergency management system for the security of industrial and supply chains in key fields, and the relevant departments under the State Council shall formulate emergency work plans. Where circumstances affecting the security of industrial and supply chains in key fields arise and endanger economic and social stability and national security, emergency response measures such as emergency dispatching, the use of reserves, and the organization of production, transport and supply may be taken upon a decision by the State Council or a department authorized by the State Council. Where laws and administrative regulations provide otherwise, such provisions shall prevail.

The relevant departments under the State Council and local people's governments shall implement emergency response measures in accordance with their duties and authority, and promptly terminate their implementation after the relevant circumstances are eliminated. The relevant organizations and individuals shall cooperate in the implementation of emergency response measures.

Article 12 — The investment of social funds shall be encouraged and guided to support scientific and technological research and development and the tackling of core technologies in key fields, and to promote the application of scientific and technological achievements.

Enterprises, scientific research institutions and the like shall improve their risk prevention and control systems and achieve the security and controllability of core technologies and relevant information systems and data. The relevant departments shall strengthen guidance and training.

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Article 13 — Where any organization or individual, in violation of China's laws, administrative regulations, departmental rules and other relevant state provisions, carries out within the territory of China information collection activities related to industrial and supply chains, such as investigations, the relevant departments shall take corresponding handling measures in accordance with the law.

Article 14 — Where foreign countries, regions and international organizations, in violation of international law and the basic norms governing international relations, take discriminatory prohibitions, restrictions or other similar measures against China in respect of industrial and supply chains, or commit or assist in committing acts that undermine the security of China's industrial and supply chains, the relevant departments under the State Council shall have the power to carry out security investigations of industrial and supply chains into the relevant measures or acts.

The relevant departments under the State Council may, in accordance with procedures, take corresponding measures, including but not limited to prohibiting or restricting the import or export of relevant goods and technologies or international trade in services, and levying special fees.

The relevant departments under the State Council may, in accordance with the Anti-Foreign Sanctions Law of the People's Republic of China, the Provisions on the Implementation of the Anti-Foreign Sanctions Law of the People's Republic of China and other laws, decide to include in the countermeasure list the organizations and individuals that directly or indirectly participate in the formulation, decision or implementation of the measures or acts provided for in the first paragraph of this Article, and take countermeasures against them.

Article 15 — Where foreign organizations or individuals, in violation of the principle of normal market transactions, interrupt their normal transactions with China's citizens or organizations, take discriminatory measures against China's citizens or organizations, or commit other acts, thereby causing substantial damage or a substantial threat of damage to the security of China's industrial and supply chains, the relevant departments under the State Council shall have the power to carry out security investigations of industrial and supply chains.

In the investigation, the relevant parties may be questioned, relevant documents and materials may be consulted or copied, and other necessary methods may be adopted; the relevant parties shall cooperate with the investigation. During the investigation, the parties may make statements and present defenses.

Based on the results of the investigation, the relevant departments under the State Council may take measures against foreign organizations or individuals, such as prohibiting or restricting their engagement in import and export activities related to China, prohibiting or restricting their investment within the territory of China, prohibiting or restricting organizations and individuals within the territory of China from conducting transactions, cooperation and other activities with them, prohibiting or restricting the entry of the relevant personnel, means of transport and the like, and canceling or restricting the qualifications of the relevant personnel to work, stay or reside within the territory of China. The relevant measures may apply to organizations actually controlled by, or established or operated with the participation of, the foreign organizations or individuals.

Article 16 — Organizations and individuals within the territory of China shall implement the measures taken by the relevant departments under the State Council in accordance with Articles 14 and 15.

With respect to organizations and individuals that violate the provisions of the preceding paragraph, the relevant departments under the State Council shall have the power to order corrections, prohibit or restrict their engagement in activities such as government procurement, bidding and tendering, and the import or export of relevant goods and technologies or international trade in services, prohibit or restrict them from receiving data or personal information from overseas or providing data or personal information to overseas, and prohibit or restrict their exit from the country or their stay or residence within the territory of China.

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Article 17 — Professional service institutions such as law firms and notary institutions shall be encouraged and supported to provide legal services related to the security of industrial and supply chains for China's citizens and organizations.

Article 18 — These Provisions shall come into force on the date of promulgation.

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