

Global Forum Annual Conference

New China Internet and Cybersecurity Rules

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Sarah (Xiaohua) Zhao

Partner, Faegre Baker Daniels, LLP, an international law firm

Tel: China: 86 10 57512988; US: 01 202 3127004

Sarah.Zhao@FaegreBD.com

I. China Market Overview

- ▶ By November 2015, the number of mobile telephone Internet users have reached 600 million in China; the number of fixed broadband Internet users have reached more than 200 million; the revenue of mobile Internet has reached US\$451 billion, according to the statistics of CNNIC.
- ▶ Chinese Big Data industry started relatively slow at the beginning, but is catching up quickly in recent years. The rough estimation of the scale of the 2016 Big Data market is about US\$20 billion and it is growing at a rate of about 40 percent each year.
- ▶ In March 2016, the Chinese government issued its plan for the next five years (the thirteenth five-year plan) in which Big Data development has become a focus, and the commercial use of 5G technology is on the top of the agenda.

II. Major New Rule on Big Data

- ▶ The State Council issued Circular No. 50 in September 2015, the Strategic Plan for promoting the development of Big Data industry. The circular has specified actions on three major areas:
 - ▷ To promote the opening and sharing the data among different government agencies, and to prioritize the opening of the data areas in transportation, medical health, employment and social welfare to the society for better services;
 - ▷ To promote the development of innovative technology for the Big Data systems, based on the nature of the market economy, assisting the companies in the area to lead and to succeed;
 - ▷ To ensure the security of the Big Data platform, to provide sufficient regulatory environment and technical standards, and to protect privacy and cybersecurity.

III. New Cybersecurity Rules and Drafts

- ▶ Numerous rules and draft of rules related to Internet, data, and securities have been issued in the past year. The most relevant one is the Draft of the Cybersecurity Law of China.
 - ▷ Anti-Terrorism Law Draft in February 2015, strong reaction from Western world, Obama's comments;
 - ▷ First draft of Cybersecurity Law of China was issued in July 2015 for public comments;
 - ▷ Second draft of the law was issued in July 2016 for public comments;
 - ▷ August 4, 2016 was the deadline for the public to submit the comments, most of major institutions have submitted comments and suggestions.

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IV. Looking into the Future

- ▶ New opportunities in Big Data industries, especially for cloudy computing, data transmission and protection, and cybersecurity-related advanced technologies.
- ▶ China's new five-year plan of 2016 states that Chinese investment in foreign countries will reach approximately US\$720 Billion, that is US\$200 Billion: more than the amount invested in foreign countries in the previous five years. A big portion of the investment will be spent in the Big Data industry.

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