

Global Forum Annual Conference

China Cybersecurity Law

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Sarah (Xiaohua) Zhao

Partner

Faegre Baker Daniels, LLP, an international law firm

China Cybersecurity Law

I. Background

- ▶ Before China's Cybersecurity Law was issued recently, China had not have a comprehensive personal information privacy protection law, even though there were many rules and policies governing different aspects of privacy issues. In 2013, China issued its first set of Personal Data Protection Guidelines, The Guidelines are voluntary, not mandatory. However, things have been changed since the Cybersecurity Law of China became effective in June, 2017.
- ▶ The Cybersecurity Law mandatorily requires the network service providers in China not only to participate in the protection of the national cybersecurity, but also to protect the privacy of collected personal information. Following the Cybersecurity Law, a series of the implementation rules and guidelines have been issued for more detailed compliance requirements.
- ▶ The new development and enforcement trend of the Law indicates that China is determined to enforce the Cybersecurity Law diligently and forcefully.

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II. Details of the Law

- ▶ The requirements include having users' true identities, storing data servers locally in China and providing "technical support" (wiretap access) to the Chinese government during investigations involving national security. Failure to do so may trigger not only monetary fines, but also the termination of one's business license, or even certain criminal penalties.
- ▶ The law for the first time in China has provided relatively clear language addressing privacy protection for personal information. It has provided specific requirements regarding data collection, use, disclosure, and security and other related issues. Experts of the industry consider the privacy protection aspect as the silver lining of this Cybersecurity law.
- ▶ Unlike in U.S. and E.U., China does not have a well-established system and history of enforcing the privacy of personal information. However, the country is catching up at a fast speed. The new implementations rules are coming out constantly. Foreign companies shall closely monitor the trend and adopt appropriate compliance programs accordingly.