

China's Amended Administrative Penalty Law Took Effect on July 15

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In January 2021, China's National People's Congress Standing Committee amended the Administrative Penalty Law (the "**2021 APL**" or "**amended APL**") from its last amendment in 2017 (the "**2017 APL**"). The amended APL became effective July 15, 2021, and created more operational and compliance implications for foreign businesses operating in China. The law applies to all behavior violating administrative regulations and orders, and it makes it clear that the purpose is not merely to penalize, but also to educate by rectifying violating conducts so that individuals and businesses will follow the law voluntarily. Given the proliferation of administrative regulations in China, the coverage of the 2021 APL is extensive.

Below are notable changes to the APL with the newly effective amendment:

1. New Types of Administrative Penalties.

The 2021 APL introduces six (6) types of new penalties for violations: (i) public reprimand, (ii) temporary suspension of permit or certificate, (iii) downgrading of qualification, or revocation of permit or certificate, (iv) restriction on conducting production and operational activities, (v) order to shut down, and (vi) restriction on practice.

Similar penalties have already been in use by various regulators scattered throughout isolated regulator departments. However, by formalizing these penalties in the 2021 APL, all administrative agencies now have more ammunition in their toolbox.

[Read the full article here.](#)