

Monthly Report

Topics from China; Apr. 2024

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China Macroeconomy

German Chancellor Olaf Scholz's three-day official visit to China & ICV/ACD MoU

From April 14th to 16th, German Chancellor Olaf Scholz, accompanied by several federal ministers and a large number of business leaders from across various sectors, including executives from BMW, Bayer, Siemens and ThyssenKrupp, had a three-day visit to China, which took him to Chongqing, Shanghai, and Beijing and is expected to inject new momentum into the positive trajectory of bilateral relations.

On April 14th and 15th, Scholz visited Bosch's sustainable hydrogen drive production facility in Chongqing and Covestro's Asia-Pacific Innovation Center for green and sustainable technologies in Shanghai, also met with students at Tongji University. On April 16th, the last day of his trip, Scholz held talks with President Xi Jinping and Premier Li Qiang in Beijing and attended the Sino-German Economic Consultative Committee. On the press conference in Beijing with Premier Li Qiang, Scholz reiterated that:

- Germany does not seek to decouple from China, but rather hopes to deepen the economic ties.
- Germany is ready to work with China to strengthen dialogue and communication, deepen practical cooperation, advance people-to-people exchanges, and jointly address climate change and other global challenges, in order to push for greater development of the China-Germany comprehensive strategic partnership.

On April 16th, 2024, the renewed Joint Declaration of ACD/ICV was finally signed by the Federal Ministry for Economic Affairs and Climate Action (BMWK), the Federal Ministry for Digital and Transport (BMDV)

of the Federal Republic of Germany and the Ministry of Industry and Information Technology (MIIT) of the People's Republic of China at the Sino-German Economic Advisory Committee Meeting, witnessed by German Chancellor Olaf Scholz and China Premier Li Qiang.

The “Joint Declaration of Intent on Dialogue and Cooperation in the Area of Automated and Connected Driving” covers specific areas of cooperation are as follows:

- Internationally harmonized standards regarding ACD/ICV (ISO/ITU)
- Harmonization of technical regulations in the area of ACD/ICV, in particular a UN Global Technical Regulation on ADS and a UN Regulation on ADS.
- Non-discriminatory multilateral international standards and requirements for data collection, data storage, data access, data transfer and cybersecurity.
- Exchange on the respective national regulations, strategies, policies and their implementation.
- Promote the development of international harmonized radio frequency solutions for ACD/ICV.
- Exchange on projects and use cases for ACD/ICV and their deployment in Germany and China.

Bilateral government support serves as a cornerstone for industrial collaboration. VDA is happy to see the extension of the ICV MoU between the Chinese and German ministers, which lays a solid foundation for cooperation on intelligent and connected vehicles. VDA China will work on full implementation of the MoU from industrial perspective jointly with multiple Chinese counterpart institutes and organizations.

Policy and Regulation

PBC: Notice on Adjusting Related Policies for Automobile Loans

On April 3rd, the People's Bank of China (PBC) and the National Financial Regulatory Administration (NFRA) jointly issued the “Notice on Adjusting Related Policies for Automobile Loans” (hereafter “Notice”), which eases the loan ratios for private-use vehicle purchases in a bid to boost consumption and trade-in of automobiles. The Notice is an update and continuation of the “Notice of the People's Bank of China and China Banking Regulatory Commission on Adjusting Relevant Policies for Automobile Loans” in 2017.

The specific measures include:

- Financial institutions can independently determine the upper limits of loan ratios for the purchase of conventional vehicles and new energy vehicles (NEVs) for private use.
- The loan ratios for purchases of commercial conventional vehicles, NEVs, and second-hand vehicles remain unchanged at 70 percent, 75 percent, and 70 percent respectively.
- Financial institutions are encouraged to step up innovation in financial products and services to adopt to the trade-in of vehicles as well as other new scenarios, and better support the reasonable demand for automobile consumption.

According to the leading trade-in policy unveiled by the State Council in this March, China will organize nationwide trade-in events and encourage automobile manufacturers and sales units to conduct promotional activities to boost automobile sales. Against this big picture, the Notice is to further boost automobile consumption via helping financial institutions to further tap into their lending potential.

MIIT: Action Plan for Promoting Equipment Renewal in the Industrial Sector

On April 9th, the Ministry of Industry and Information Technology (MIIT) and six other government departments released the “Action Plan for Promoting Equipment Renewal in the Industrial Sector” (hereafter “Action Plan”), which is expected to inject vitality into the country's new industrialization push and boost demand for high-end industrial products at home.

The central government is setting up an “1+N” policy system, where “1” refers to the previous “Action Plan on Large-Scale Equipment Renewal and the Trade-in of Consumer Goods” issued by the State Council on March 7th, and this newly published Action Plan represents the specific implementation in the industrial equipment sector, which is an important pillar of “N” with the targets that:

- Aiming for a growth of over 25 percent in industrial equipment investment by 2027 compared to the level in 2023.
- Achieving the digitalization rate of over 90 percent for R&D tools and the computer numerical control rate exceeding 75 percent for key processes in big industrial enterprises.

- Completing the full coverage of digital transformation in major industrial provinces, cities, and primary industrial parks.

The Action Plan includes 12 tasks, highlighting 4 aspects:

- Encouraging the adoption of advanced equipment
- Promoting the application of intelligent manufacturing equipment
- Applying energy conservation and environmental protection equipment
- Advocating the safety-promoting production equipment

The Action Plan also proposes several measures to promote the renewal of equipment in the industrial sector, which emphasizes the increase of financial support and the distribution of greater tax incentives for the equipment renewal in the field of energy saving, water conservation, environmental friendliness, as well as the inclusion of digitalization and intelligent transformation within the scope of preferential treatment.

China, as a manufacturing powerhouse, recorded an industrial output of 39.9 trillion yuan in 2023, accounting for 31.7 percent of its GDP and over 30 percent of global manufacturing output, maintaining its position as the world's leading manufacturer for 14 consecutive years, data from MIIT shows. The Action Plan guiding large-scale equipment renewal will directly benefit the high-end, intelligent and green trajectory of the industrial equipment sector, which is also responsible for the developing new quality productive forces.

MoF: Notice on the Pilot of Developing Charging and Swapping Facilities in Rural Regions

On April 9th, the “Notice on the Pilot of Developing Charging and Swapping Facilities in Rural Regions” (hereafter “Notice”) was jointly released by the Ministry of Finance (MoF), the Ministry of Industry and Information Technology (MIIT), and the Ministry of Transport (MoT) to further unleash the potential consumption of new energy vehicles. The Notice calls for the construction of new energy vehicle charging and swapping facilities in villages and towns between 2024 and 2026, with fiscal support from the central government and proactive programs from local governments.

The specific requirements and objectives of the Notices are as follows:

- Enhance the guaranty of service imposed on public charging and swapping infrastructures in rural areas.
- Stimulate the latent purchasing power of new energy vehicles in the pilot and surrounding areas.
- Apply advanced technologies and patterns in the light of local conditions.
- Optimize the comprehensive supportive management system.

The Notice also regulates the process and requirements for the screening of pilot projects. Each pilot must accept supervision for three years and could receive a maximum reward of RMB 45 million for accomplishing the tasks.

This comprehensive pilot plan aims to boost the enthusiasm of social capital investment and construction of operators in rural areas with effective financial support, facilitating not only the sales of new energy vehicles but also the local service sectors.

MOFCOM: Action Plan on Promoting Trade-ins of Consumer Goods

On April 12th, the “Action Plan on Promoting Trade-ins of Consumer Goods” (hereafter “Action Plan”) was jointly released by the Ministry of Commerce (MOCOM) and 13 other government departments to roll out specific measures to facilitate and encourage trade-ins of automobiles and household appliances, with an aim of establishing a mechanism to facilitate the scrapping of used goods in exchange for smart, green, and low-carbon ones.

The Action Plan, again acting as a major pillar of the “N” elements of the “1+N” framework, sets up the quantitative targets:

- By 2025, accelerate the phase-out of passenger cars of National III or even lower emission standards and improve the market share of energy-efficient household appliances.
- By 2025, the recycling of scrap vehicles and used household appliances will increase by 50 percent and 15 percent respectively compared to 2023.

- By 2027, the recycling of scarp vehicles will roughly double, the number of used car transactions will increase by 45 percent, and the recycling of used household appliances will increase by 30 percent compared to 2023.

From the perspective of the automotive industry, the Action Plan will focus on the entire life cycle of the industry, including new cars, used cars, end-of-life cars, and also the aftermarket, to achieve the promotion of vehicles trade-ins throughout the whole chain. The key measures are as follows:

- Subsidies will be given to consumers who scrap high-emission passenger cars to buy energy efficient or new energy cars. More favorable policies such as easier credit policies and more varied car insurance services will be introduced.
- The standards for scrapping vehicles will play the guiding role and be strengthened to accelerate the obsolescence of old cars.
- The service system will be established to facilitate the delivery of end-of-life vehicles, and the layout of the retrieving and dismantling industry will be optimized according to local conditions.
- Practices such as reverse invoicing and remote registration for second-hand car transactions will be promoted to eliminate various invisible obstacles.
- The pilot reform of urban automobile distribution and aftermarket projects will be encouraged, and infrastructure systems such as charging facilities, parking, and intelligent transportation will be further improved.

In conclusion, the Action Plan is conducive to stimulating the potential of automobile consumption and promoting industrial transformation and upgrading, which stresses the leading role and fiscal support of central and local governments. Meanwhile, the official interpretation conference held by the State Council on April 11th also gave a clear signal that domestic and foreign-invested enterprises will be treated equally, with both being eligible for subsidies, which can be seen as a big positive for our VDA members as well.

NFRA: Notification on Enhancing Financial Services for the Manufacturing Industry to Facilitate the Advancement of New Industrialization

On April 17th, a joint circular was published by the National Financial Regulatory Administration (NFRA), the Ministry of Industry and Information Technology (MIIT), and the National Development and Reform Commission (NDRC) to focus on key tasks of strengthening financial assistance for the manufacturing industry, ensuring the supply chain safety and stability, promoting scientific and technological innovations, facilitating upgrades and optimization of industrial structure, and promoting the intelligent and green development.

The circular includes 17 points and emphasizes the following main aspects:

- Banking and insurance institutions should strengthen medium and long-term financial support for the modernization of equipment and technologies in the traditional manufacturing sectors and promote an efficient match between financial resources and the financing needs of industrial transformation.
- Related institutions should provide fiscal support, strengthen risk prevention, and expand the scale of credit loans for the strategic emerging industries, such as information technology, artificial intelligence, biotechnology, new materials, high-end equipment, and aerospace.
- The financial services for the foreign trade sector of the manufacturing industry should be optimized, including strengthening protection from export credit insurance and supporting overseas development of enterprises in industries.
- Insurance funds, on the premise of keeping risk controllable and volunteering from a commercial perspective, should provide long-term stable support for strategic emerging industries in various forms.

MOFCOM: Detailed Rules for the Implementation of Subsidies for Replacing Old Vehicles with New Ones

On April 26th, the Ministry of Commerce (MOFCOM), Ministry of Finance (MoF), National Development and Reform Commission (NDRC), Ministry of Industry and Information Technology (MIIT), Ministry of Public Security (MPS), Ministry of Ecology and Environment (MEE), and State Taxation Administration (STA) jointly issued a set of initiatives named "Detailed Rules for the Implementation of Subsidies for

Replacing Old Vehicles with New Ones” (hereafter “Rules”), which is a concrete “N” in the automotive field, to stimulate demand for electric and low-emission vehicles. The Rules also further clarified and refined the “Action Plan on Promoting Trade-ins in Consumer Goods”, which is issued by 14 government departments on April 12th.

The Rules are specified effective between April 26th and December 31st, emphasizing that old cars eligible for trade-in must be of National III or lower emission standards or be electric passenger cars registered before April 30th, 2018, while the newly purchased electric vehicles should be listed in the MIIT’s Catalogue of New Energy Vehicles Exempt from Vehicle Purchase Tax or fuel passenger cars with an engine displacement of 2.0 liters or less, where 2.0T is included.

The scope of subsidies and distribution standards are as follows:

- Scrapped conventional passenger car (old car) + purchase of conventional passenger car (new car) = subsidy of 7,000 RMB.
- Scrapped conventional passenger car (old car) + purchase of new energy passenger car (new car) = subsidy of 10,000 RMB.
- Scrapped new energy passenger car (old car) + purchase of new energy passenger car (new car) = subsidy of 10,000 RMB.

The subsidies will be shared by central government and local governments, in general 6:4:

- For eastern provinces of China: in a ratio of 5:5.
- For central provinces of China: in a ratio of 6:4.
- For western provinces of China: in a ratio of 7:3.

Overall, the Rules indicate the direction for local governments to be involved in the practical measures for the trade-in of automobiles in accordance with the actual status and needs to provide incentives to stimulate potential consumption and domestic demand, as well as to promote the transformation and upgrading of the automobile industry.

NPC Standing Committee: Tariff Law of the People’s Republic of China

On April 26th, the Tariff Law of the People’s Republic of China was passed at a session of the Standing Committee of the National People’s Congress, the national legislature, which will take effect on December 1st, 2024.

The new Tariff Law will replace the Import and Export Tariff Regulations, which fall under the purview of the State Council, elevating several existing provisions and practices to the level of law. Besides, it explicitly clarifies the content related to tariff collection that is currently scattered across various measures and announcements and organizes it into legal provisions. For example, the new Tariff Law importantly codifies the means for the Chinese government to impose anti-dumping and countervailing duties on trade partners.

The new Tariff Law maintains the basic stability of the existing tariff system, with the overall tax burden remaining unchanged. The implementation of the law on customs duties is crucial for advancing high-level international openness and fostering a market-driven and globally oriented business environment in China, marking another step in China’s tax legislation.

The revisions to the Tariff Law highlight the following aspects in particular:

- Overtax should be refunded in a timely manner and the duration of proactive application should be extended, the deadline for applying for tax refund has been extended from 1 year to 3 years.
- Force majeure has been added as a circumstance in which the re-export or re-import of goods is exempt from customs duties.
- The practice of allowing taxpayers and withholding agents to aggregate tax payments is elevated to a legal provision.
- The cross-border e-commerce firms are clarified as the obligors of tariff withholding.
- The rules of origin are enriched and improved.
- The collection and management of customs taxation in the import process is further clarified.

Zoomed into the Provisions on anti-dumping and countervailing duties, under the Tariff Law, a Tariff Commission under the State Council will have the power to “decide to levy anti-dumping duties, countervailing duties, safeguard measures tariffs, and implement other tariff measures decided by the State Council”, according to Item 6, Article 7. Besides, the Tariff Commission will have the power to propose

“corresponding measures based on the principle of reciprocity” if a country or region doesn’t fulfill the most-favored-nation (MFN) treatment or preferential tariff treatment stipulated in international tax treaties to which China is a party. In addition, if a country or region adopts trade prohibitions, restrictions, tariffs, or other measures that affect normal trade against China in violation of international treaties or agreements to which China is a party, China can implement measures such as retaliatory tariffs against imported goods originating from this country or region.

The new provisions on counter-tariff measures in the Tariff Law also provide a legal basis for China to impose tariffs on goods that have themselves placed tariffs on Chinese goods. It’s regarded highly likely that further moves by the US or the EU to impose anti-dumping or countervailing tariffs on Chinese imports will result in retaliatory duties placed on goods of US and EU origin.

As the reform to facilitate customs clearance continues to deepen and align with international high-standard economic and trade rules, it is imperative to elevate mature experiences and practices in tariff collection management to the level of legal systems. The Tariff Law is an important part of China’s broader efforts to achieve the rule of law, that is, law-based governance of the country.

Automotive Industry Topics

The 25th Round Table of Presidents/CEOs of German Suppliers in China

On April 24th, the 25th VDA Round Table of Presidents/CEOs of German Suppliers in China was successfully held in Beijing. It was a great gathering with fruitful exchanges and discussions, moderated by Mr. ZHANG Lin, the chief representative and general manager of VDA China.

More than 80 guests witnessed the importance of sustainable cooperation and open dialogue in the face of irreversible industrial reform and intense market competition. The messages from distinguished guest speakers: Dr. Patricia Flor, German Ambassador in China, Mr. Alfonso Sancha, Executive Vice President of Volkswagen Group China, Dr. David XU, President of Bosch (China) Investment Ltd, Mr. Jens Hildebrandt, Chief Representative of the Delegation of German Industry and Commerce Beijing & Executive Director and Board Member, German Chamber of Commerce in China-North China, Mr. Jochen Siebert, Managing Director of JSC Automotive, highlighted the opportunities and challenges in the Chinese market, making synergy and cooperation would be an inevitable choice.

VDA President Ms. Hildegard Müller and Managing Director Mr. Jürgen Mindel joined onsite and emphasized the need for an active industrial strategy, free and fair market access and, above all, openness and communication.

The 10th Anniversary Ceremony of VDA China Held in Beijing

The 10th anniversary ceremony of VDA China, themed "Driving together, lighting the future," was held in Beijing on April 24th. This milestone event celebrated a decade of collaboration, innovation, and shared success, with welcome speeches by Mrs. Hildegard Müller and Mr. ZHANG Lin welcoming esteemed guests including VDA Members, the German Embassy, Chinese authorities and organizations and foreign associations.

Insightful talks by Prof. Wan Gang, President of China Association for Science and Technology (CAST), Chairman of World New Energy Vehicle Congress (WNEVC) and Mr. Ole Grogro, Deputy Head of the Economic Section, German Embassy in China added depth to the celebration, emphasizing collaboration and integration. The symbolic "Ceremony of Lighting the Future Together" underscored a shared commitment to build a more promising and prosperous future. Gratitude was expressed towards our dedicated members and esteemed partners for the pivotal roles in fostering Sino-German cooperation and driving automotive industry innovation.

This continuous journey towards excellence and shared success reflects unwavering dedication and commitment. Thank you to everyone for being an integral part of our journey in the era of transformation.

VDA President Visit China & Auto Beijing 2024

On April 25th, the 18th Beijing International Automobile Industry Exhibition was officially opened at the China International Exhibition Center (Shunyi). The exhibition, also known as Auto Beijing 2024, with the theme of “Driving to Smart Mobility”, featured renowned domestic and international automobile brands with new products of high specifications, including 117 world premiere models, 41 concept

models and 278 new energy models, showcasing the transformation from the electrification era to the intelligent era, highlighting the advancement of self-driving technology, the evolution of intelligent cabins and the AI models used in automobiles.

On April 28th, Premier Li Qiang conducted research at the Auto Beijing 2024, stressing that it is necessary to thoroughly implement the central government’s instructions on promoting the high-quality development of the automobile industry, vigorously develop intelligent networked new energy vehicles, adhere to leading industrial innovation with technological innovation, and deepen and expand cooperation to meet and explore market demands.

VDA President Ms. Hildegard Müller, together with Managing Director Mr. Jürgen Mindel attended the press conferences of the German OEMs and visited the booths of German suppliers, as well as some local Chinese brands.

During this trip to China, in addition to visiting Auto show, bilateral meetings with OEMs, Chinese partners, Chinese and German official departments were also on the agenda. The focus was on Sino-German cooperation to jointly promote a free and fair environment and sustainable transformation of the automotive industry.

Standardization

Standard Projects for Approval

In April, SAC released the following standard projects for approval publicity:

NO.	Title	Publicity date	Deadline for comments	Note
1	GB/T XXXX - xxxx Road vehicles - automotive cables - part 5: dimensions and requirements for 600 V A.C. or 900 V D.C. and 1 000 V A.C. or 1 500 V D.C. single core copper conductor cables	2024-04-12	2024-05-12	ISO 19642-5:2019
2	GB/T XXXX - xxxx Road vehicles - automotive cables - part 6: dimensions and requirements for 600 V A.C. or 900 V D.C. and 1 000 V A.C. or 1 500 V D.C. single core aluminum conductor cables	2024-04-12	2024-05-12	ISO 19642-6:2019
3	GB/T XXXX - xxxx Road vehicles - automotive cables - part 9: dimensions and requirements for 600 V A.C. or 900 V D.C. and 1 000 V A.C. or 1 500 V D.C. round, sheathed, screened or unscreened multi or single-core copper conductor cable	2024-04-12	2024-05-12	ISO 19642-9:2019
4	GB/T XXXX - xxxx Road vehicles - automotive cables - part 10: dimensions and requirements for 600 V A.C. or 900 V D.C. and 1 000 V A.C. or 1 500 V D.C. round, sheathed, screened or unscreened multi or single-core aluminum conductor cables	2024-04-12	2024-05-12	ISO 19642-10:2019
5	GB/T XXXX - xxxx Technical specification for health status assessment of lithium-ion traction battery for vehicles	2024-04-12	2024-05-12	SAC/TC 463
6	GB 19578 - xxxx Fuel consumption limits for passenger cars	2024-04-16	2024-05-16	To replace GB 19578-2021
7	GB/T XXXX - xxxx Electric vehicle conductive charging system - Part 5: DC charging system for GB/T 20234.3	2024-04-16	2024-05-16	
8	GB/T XXXX - xxxx Digital communication protocols between the off-board conductive charger and electric vehicle -	2024-04-16	2024-05-16	

	Part 2: Communication protocols for GB/T 20234.3			
9	GB XXXX - xxxx Technical requirements and testing methods for advanced emergency braking system (AEBS) of light-duty vehicles	2024-04-24	2024-05-24	To replace GB/T 39901-2021
10	GB 11562 - xxxx Requirements and measurement methods of light-duty vehicles forward visibility for drivers	2024-04-24	2024-05-24	To replace GB 11562-2014
11	GB 34660 - xxxx Road vehicles-Requirements and test methods of electromagnetic compatibility	2024-04-24	2024-05-24	To replace GB 34660-2017

Standard Drafts for Public Comments

In April, CATARC released the following drafts of standard for public comments:

NO.	Title	Publicity date	Deadline for comments	Note
1	GB/T XXXX - xxxx Technical requirements and test methods for automobile active noise cancellation system	2024-04-01	2024-05-31	
2	QC/T XXX - xxxx Round weld nuts for vehicle - type B	2024-04-07	2024-05-17	
3	GB/T 20717 - xxxx Road vehicles - connectors for the electrical connection of towing and towed vehicles - 15-pole connector for vehicles with 24 V nominal supply voltage	2024-04-11	2024-06-10	
4	GB/T 20718.2 - xxxx Road vehicles - Connectors for the electrical connection of towing and towed vehicles - Part 1: 13-pole connectors for vehicles with 12V nominal supply voltage intended to cross water fords	2024-04-11	2024-06-10	
5	QC/T XXX - xxxx Carbon footprint of road vehicle products - product category rules - traction batteries	2024-04-12	2024-05-22	
6	QC/T XXX - xxxx Square nut for automobile	2024-04-12	2024-05-22	
7	QC/T XXX - xxxx Hexagon bolts with flange for automobile	2024-04-12	2024-05-22	
8	QC/T XXX - xxxx Wind buffeting measurement method for motor vehicle	2024-04-15	2024-05-25	
9	QC/T XXX - xxxx Hexagon flange removing scraps and grounding bolt	2024-04-16	2024-05-26	
10	QC/T XXX - xxxx Technical requirements and testing methods for automotive transmission control unit	2024-04-16	2024-05-26	
11	QC/T XXX - xxxx Hose clamps with worm gear drive for automobile, shape flex gear	2024-04-18	2024-05-28	
12	QC/T 217 - xxxx Pressure switch for automobile	2024-04-23	2024-06-02	To replace QC/T 217- 2007

CAAM: Notification on the First Batch of Testing Results for Four Security Requirements of Automotive Data Processing

On April 28th, the China Association of Automobile Manufacturers (CAAM), jointly with the National Computer Network Emergency Response Technical Team/Coordination Center of China (CN-CERT), released the First Batch of Testing Results for four Security Requirements of Automotive Data Processing. Six companies including BYD, NIO, Lotus, HOZON, Tesla, and LI Auto with 76 models passed the test.

The test was voluntary for companies and conducted according to relevant regulations and standards, including the "CAC Provisions on Management of Automotive Data Security (Trial)", *GB/T 41871-2022 Information security technology—Security requirements for processing of motor vehicle data*, and *GB/T XXXX-xxxx General technical requirements for vehicle cybersecurity (Draft for Approval Ver.)*.

The test only focused on the below four requirements of new ICV models launched in 2022-2023:

- **Anonymization of external facial information:** the testing samples data from the vehicle and carries out analysis on anonymization effectiveness and data statistics.
- **Default non-collection of cabin data:** confirmation of compliance for various cabin data collection functionalities is conducted within the vehicle.
- **In-vehicle processing of cabin data:** data capture and analysis of the vehicle's external communication data is conducted within the vehicle.
- **Prominent notification for processing personal information:** verification of compliance with the "user privacy agreement" is carried out on the official website, in the in-vehicle application, or on mobile communication terminal applications.

Advanced autonomous driving requires the vehicle to collect a large amount of external environmental information, emphasizing the growing importance of data security during processing and transmission. VDA and members closely monitor data compliance issues. The bilateral exchange of VDA China with Chinese counterparts such as CAAM and CN-CERT is maintained to provide an effective communication platform for member companies.

MIIT: Interim Rules on Radio Management of Ultra-Wideband (UWB) Devices

On April 22nd, the Ministry of Industry and Information Technology (MIIT) issued the Interim Rules on Radio Management of Ultra-Wideband Devices (hereafter "Rules"), aiming to ensure frequency-compatible sharing of UWB equipment with other radio systems. The Rules will become effective from August 1st, 2025, namely, after which the national radio management authority will only approve new UWB devices by following the new Rules. Those UWB devices that have already type approved can continue to be sold and used until they are naturally phased out.

The UWB device in this Rules refers to radio transmission equipment with a signal bandwidth (-10dB) of not less than 500MHz, which is mainly used in the fields of short-range and high-speed wireless data communication, localization, ranging, sensing, etc., and the use of frequency is 7163-8812MHz.

The Rules apply to the R&D, production, import, sale, and use of UWB devices, including the following requirements:

- UWB devices produced or imported for sale or use in China shall comply with the "Technical Requirements for UWB Radio Transmission Devices" and apply for type approval from the national radio management authority.
- The use of UWB devices, exempted from a radio station license, shall follow the management requirements of public mobile communication terminals.
- The use of UWB devices shall not cause harmful interference to other legitimated radio stations.
- The use of UWB devices is prohibited within a 1-kilometre radius around radio astronomy observatories.
- The use of UWB devices on aircraft, including unmanned aircraft, is prohibited.

Compared to traditional positioning technologies such as GNSS, Wi-Fi, and Bluetooth, UWB offers superior accuracy in both location and direction, coupled with enhanced resistance to interference. In

2019, the Car Connectivity Consortium (CCC) identified UWB technology as the next generation of secure vehicle access technology. Up to now, UWB has been widely applied in digital car keys, biometric radars, gesture recognition systems, and wireless charging systems.

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