

ASIA_tech



PKIOO  

俄罗斯-中国法学会

Русско-Китайское Юридическое Общество

Summary

American companies still desire to expand to the Asian markets. Facebook builds its first Asian data center, Alphabet opens an unmanned vehicles store in Shanghai, concludes an agreement to integrate Android into the media systems of the Japanese-French alliance cars and develops online services for the Chinese market.

Some countries of the region are working out the rules of internet services regulations, as well as the protection of personal data. The regulators' proposals sometimes aren't being welcomed by market participants: after critical reviews of the bill, India agreed to take the time to refine it.

China creates new Internet courts in Beijing and Guangzhou, invests in the creation of technological infrastructure in Russia and calls on leaders in AI to rally and act together.

At the same time, despite the statements of Chinese officials about the openness and willingness to work together on future technologies, the media publish new details on how China uses the social credit system and modern technologies to create the Orwell / Zamyatin anti-utopia for some Chinese citizens – and, without any doubts, to supply the technologies for export to other countries wishing for "social stability".

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Alibaba Cloud and German semiconductor manufacturer Infineon Technologies have [signed](#) a letter of intent to cooperate on the Internet of things

Samsung will [invest](#) \$22 billion in AI and 5G-related projects

Bytedance [plans](#) to raise \$3 billion in the next round of investment

Retailer Kroger [revealed](#) plans to groceries in China via the Tmall platform

American accelerator startups Y Combinator [launches](#) a program in China

Philippines regulator [approved](#) the deal for the acquisition of Uber by the local monopolist Grab and also allowed to [return](#) a previously suspended a per-minute fare

Australia [prohibited](#) Huawei and ZTE to use 5G networks for reasons of national security

Preparing a plan to return to the Chinese market, Google actively [provides](#) its tools and services to Chinese developers, manufacturers and participants of the Internet advertising market

Tencent managed to [hack](#) and get remote access to Amazon Echo

India is seriously investing in modern trends: following the proposals to create the IndiaChain platform from the research university Aayog, the Intellectual Property Service of India conducted a [tender](#) to study the possibility of AI, IoT and blockchain in the patent registration process

Toyota will [invest](#) \$500 million in a joint project with Uber to create unmanned vehicles

The Warren Buffett Investment Fund [acquired](#) a \$356 million stake in the Indian start-up Paytm Mobile Payments Service

North Korea [plans](#) on holding an international block-conference

The Central Bank of Thailand is [developing](#) its own crypto currency on Corda

Didi [suspends](#) the Hitch carpooling service after the incident with the passenger

Bytedance and Intel [announced](#) the joint launch of an AI-laboratory

The Japanese messenger Line [announced](#) the launch of a cryptocurrency for stickers purchasing

Apple [removed](#) 25 thousand apps from the Chinese App Store upon the request from the officials

Despite the problems in the Chinese economy, Alibaba's revenues are [growing](#)

The founder of Alibaba, Jack Ma, [will](#) step down as CEO in 2019

Waymo, an unmanned subdivision of Alphabet, [opens](#) a store in the free zone of Shanghai

Chinese AI-startup Perspicace [creates](#) Wi-Fi-sensors allowing to track and transmit information about the fall of a person in the room (to protect the elderly and people with diseases)

Alphabet [merges](#) with the Renault-Nissan-Mitsubishi alliance, integrating the Android operating system into the media systems of the alliance vehicles

Facebook [will](#) build its first Asian data center in Singapore worth \$1 billion

HKMA [launches](#) a fast payment service in partnership with 21 banks and 10 payment operators

Mobike's Chinese bikesharing service [launched](#) in 10 Indian cities

JFC "Systema" together with the Singapore sovereign fund Temasek Holdings [invests](#) in the Indian platform of consumer crediting Kissht

Nanjing University [will](#) use AI to distribute the campus rooms

Flying drones in India will be [legalized](#) after December 1, 2018



News

Tencent creates an AI and big data-powered medical network in China

09.08.2018

[SCMP](#)

Tencent Doctorwork, the medical unit of the Chinese corporation, is teaming up with the Shanghai-based Trusted Doctors start-up to create a unified personal healthcare system that includes ecosystems of online and offline services, which is quite relevant for China, where access to medical care is considered difficult.

The new unit will be named Tencent Trusted Doctors and will combine 33 medical clinics in 8 major cities, what will allow it to be called the largest private medical care network.

One of the features of the project is the emphasis on the use of technology: the Chinese public health system can not meet the demands of citizens due to inefficient allocation of resources and a shortage of competent specialists in general. The partnership of hospitals and clinics in the project using artificial intelligence technologies and large data is designed to find an approach to solving existing problems.

There are other initiatives of technology companies in the healthcare field: Baidu announced the use of open source AI technologies to help determine breast cancer, and Alibaba launched a medical laboratory in cooperation with the hospital Zhejiang University and Xinhua Hospital, and also announced the launch block platform to create a network for the exchange of confidential information between hospitals.

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India will review the draft law on regulating the activities of e-commerce companies

14.08.2018

[Bloomberg](#)

Representatives of the Ministry of Commerce of India said that the regulator will finalize a project to regulate such areas of Internet services after receiving critical feedback from market participants. The previously published project envisages the introduction of fairly strict control over the activities of e-commerce companies, both local (Paytm) and international (Amazon, Google), from the state with respect to all aspects of electronic commerce, from localization of data to antitrust regulation. It is also expected that regulation of the whole sphere of Internet services will be carried out by a single state body.

Market participants, in turn, said that the published project is overly protectionist in nature and "may lead to the idea that India has decided to follow the Chinese way" in support of local start-ups - despite the fact that it previously allowed the giants of Silicon Valley dominate in whole segments of the Internet industry (search, social networks, messengers).

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The growing number of Internet users in China stimulates the development of related offline industries

22.08.2018

[Коммерсантъ](#)

The number of Internet users in China exceeded 800 million, which is more than in the United States, Japan and Russia altogether. Analysts believe that the rapid growth in the popularity of the Internet in China is stimulated not only by the online sales of goods and media content, but also by related industries, such as traditional retail trade.

As indicated in the article, in June seven out of ten Chinese users made purchases on the Internet, about 566 million Chinese people use mobile payments, which is 7.4% more than six months ago.

Last year, during the Chinese sales day (Bachelor Day, November 11), the Internet giant Alibaba sold goods for \$ 25 billion, setting a new record. The company managed to sell 39% more than last year. Thus, Kommersant notes, the rapid growth of the Internet in China gives huge opportunities for business development not only for high-tech companies, but also for other market participants.

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China tightens control over the cryptomarket

24.08.2018

[SCMP](#)

Control over any organizations that are related to ICO and crypto-currencies is increasing in China. After accusations of fueling "crypto-currency madness," Tencent blocked accounts of at least several media that published news of the blockbuster industry - many of which are extremely popular. For example, Jingse Caijing reported that her account with 200+ new articles daily collected more than 350 thousand views. Baidu has shut down some of its popular cryptocurrency-related chat rooms. Alibaba-controlled Ant Financial said that it will restrict or ban accounts on its internet-payment platform Alipay when they are found to involve cryptocurrency trades.

Beijing's central Chaoyang district issued a notice banning hotels, office buildings and shopping malls in the area from hosting events promoting cryptocurrencies.

Thus, China continues a consistent tough crypto-currency policy. Earlier in China, it was already forbidden to conduct ICO, the activity of the currency exchange and exchangers was blocked. Despite this, the blockade as a technology is officially supported and promoted at the state level.

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GM's Electric Dream to conquer the Chinese market of electric vehicles are postponed due to problems with batteries

29.08.2018

[WSJ](#)

General Motors planned to launch the production of the Buick Velite 6 hybrid for the Chinese market in September, and then the fully electric version early next year, but the batteries supplied by A123 Systems failed to meet the company's internal quality and safety standards. Representatives of General Motors argue that this situation will not affect the company's plans to bring 10 models to 2020 and 20 models by 2023 to the largest market of electric vehicles in the world - the Chinese.

It is noted that initially General Motors planned to use South Korean batteries from LG Chem Ltd, but in 2016 the Chinese government obliged automakers to use the components of specially approved manufacturers (all of which are Chinese). At the same time, for the Volvo Car Group, which China owns, a similar exemption was still provided (for electric vehicles produced in China).

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RCIF and Tus-Holdings set up a joint fund for investments in the technology sector

11.09.2018

[РФПИ](#)

Russian-Chinese Investment Fund, a joint project of Russian and Chinese sovereign funds (the Russian Direct Investment Fund and China Investment Corporation), announced the signing of a cooperation agreement with the Chinese innovation company Tus-Holdings, created with the support of Tsinghua University, as part of the Eastern Economic Forum.

The key projects of the joint fund should be the construction of a scientific and technological park in Tushino, the construction of a Russian-Chinese innovation park in Skolkovo and the launch of a Russian-Chinese venture fund.

Investments in the Tushino project, as noted in the statement of RDIF, will also be carried out by a consortium of investors, including, among other sovereign funds, the Kingdom of Saudi Arabia (Public

Investment Fund), the United Arab Emirates (Mubadala Investment Company) and the Chinese The Silk Road Fund, the "Vi Holding" corporation and other international investors.

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China now has 3 internet-courts

13.09.2018

[CMS](#)

Two new Internet courts have been formed in China - in Beijing and Guangzhou . The Internet Courts of Beijing and Guangzhou, akin to the Hangzhou Internet Court, will have jurisdiction over:

- online shopping disputes involving the e-commerce platforms;
- service related disputes where the contract is executed and performed via the Internet;
- loan related disputes where the contract is executed and performed via the Internet;
- copyright and neighbouring right disputes where the work is firstly published on the Internet;
- copyright and neighbouring right disputes concerning online infringement;
- ownership, infringement and contracts disputes related to domain names;
- disputes arising out of online infringement of personal, property rights or other civil rights;
- product liability arising out of defected products bought from e-commerce platforms;
- Internet related public interest litigation brought by procuratorates;
- other Internet related civil or administrative cases designated by the higher People's Court.

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China urges AI elites to unite in the 'global village'

15.09.2018

[SCMP](#)

At a meeting in Shanghai Vice Premier Liu He told the AI elite that the artificial intelligence can change the world, therefore it is necessary to share the profit from its development, as well as to solve the related problems, in spite of the growing trade war between the US and China. According to him, China is developing AI in an "open environment" and encourages companies around the world to form active partnerships at the level of corporate and research institutions.

Among the industry representatives at the meeting at the World Conference on Artificial Intelligence were the leaders of Baidu, Alibaba, Tencent, Xiaomi, Google, Amazon Web Services, Microsoft AI and Research Group. After the conference, representatives of Amazon and Microsoft announced the opening of research units in Shanghai.

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Analytics & opinions

A Generation Grows Up in China Without Google, Facebook or Twitter

06.08.2018

[NYTimes](#)

The NY Times author claims that the Chinese government's policy on Internet regulation led to the situation when Chinese services can substitute any Western analogues. He proves this point showing interviews with teenagers who either have not heard about Facebook or other Western social networks, or just do not see any sense in their use, as well as data from the joint study of Beijing and Stanford universities which shows that out of 1,000 students who have been provided with tools for circumvention of censorship on the Internet, half did not use them at all, and among those who used no one came to the blocked news sites.

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How AI is transforming the financial ecosystem

15.08.2018

[WEForum](#)

The World Economic Forum in collaboration with Deloitte published the report on how artificial intelligence influence on the development of financial services. Key findings include:

- From cost centre to profit centre: Institutions will turn AI-enabled back-office operations into external services, both accelerating the rate at which these capabilities improve and necessitating others to become consumers of those capabilities to avoid falling behind
- A new battlefield for customer loyalty: As past methods of differentiation erode, AI presents an opportunity for institutions to escape a "race to the bottom" in price competition by introducing new ways to distinguish themselves to customers
- Self-driving finance: Future customer experiences will be centred around AI, which automates much of customers' financial lives and improves their financial outcomes
- Collective solutions for shared problems: Collaborative solutions built on shared datasets will radically increase the accuracy, timeliness, and performance of non-competitive functions, creating mutual efficiencies in operations and improving the safety of the financial system
- Bifurcation of market structure: As AI reduces search and comparison costs for customers, firm structures will be pushed to market extremes, amplifying the returns for large-scale players and creating new opportunities for niche and agile innovators
- Uneasy data alliances: In an ecosystem where every institution is vying for diversity of data, managing partnerships with competitors and potential competitors will be critical but fraught with strategic and operational risks
- The power of data regulators: Regulations governing the privacy and portability of data will shape the relative ability of financial and non-financial institutions to deploy AI, thus becoming as important as traditional regulations to the competitive positioning of firms
- Finding a balanced approach to talent: Talent transformation will be the most challenging speed limit on institutions' implementations of AI, putting at risk the competitive positioning of firms and geographies that fail to effectively transition talent alongside technology
- New ethical dilemmas: AI will necessitate a collaborative re-examination of principles and supervisory techniques to address the ethical grey areas and regulatory uncertainties that reduce institutions' willingness to adopt more transformative AI capabilities.

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India's Draft Personal Data Protection Bill

23.08.2018

[Hogan Lovells](#)

India has submitted a draft Data Protection Bill. The Srikrishna Committee tabled the Bill alongside a report entitled "A Free and Fair Digital Economy – Protecting Privacy, Empowering Indians".

The authors of the publication noted that the project represents an important milestone for India, which has not yet adopted a comprehensive, rights-based regulation of personal data protection, unlike its neighbors in the region - Singapore, the Philippines, Hong Kong and Japan.

The expert report reflects the approach outlined in the draft, "The Fourth Way" is an attempt to find a compromise between the three existing models of data protection regulation adopted by the United States, the European Union and China. The "Fourth Way" should reflect India's unique understanding of the proper balance between individual freedoms recognized by its Supreme Court in Puttaswamy's decision and public goods.

The project was met with considerable criticism in India, after which the Government announced the possibility of its further development (see the "News" section of this digest).

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The "Good Inc." Changes Priorities

26.08.2018

[Ведомости](#)

The author of the publication analyzes the latest news related to Google's attitude towards civil and Internet freedom to answer the question: why does Google change its credo "Not be evil" and formulate a new principle of "Google for everyone"?

The author's conclusion is quite simple and predictable: China is a huge market that is not mastered by Western companies, which is extremely important for international corporations whose growth is gradually slowing down.

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Private Equity and Venture Capital Pre-IPO Investments are now used by the Hong Kong Stock Exchange to Validate Pre-Revenue/Profit Biotech Companies

31.08.2018

[IDSupra](#)

On April 30, 2018, the new listing regime published by The Stock Exchange of Hong Kong Limited (the "Exchange") for companies from emerging and innovative sectors took effect. The new listing regime makes it possible for pre-revenue/profit biotech companies to apply for IPO on the Main Board of the Exchange.

As the authors of the article note, these changes are extremely relevant for biotech companies, which plan to pass the listing on HKSE. The material examines in detail the most interesting requirement for biotech companies - the requirement to pre-obtain a significant amount of investment from at least one experienced investor, not associated with the founders of the project.

The Exchange would generally consider the following types of investors as "Sophisticated Investors":

- dedicated healthcare or Biotech fund or an established fund with a division/department that specializes or focuses on investments in the biopharmaceutical sector;
- a major pharmaceutical/healthcare company;
- a venture capital fund of a major pharmaceutical/healthcare company; or
- an investor, investment fund or financial institution with minimum assets under management of HK\$1 billion (equivalent to approximately US\$128 million).

Letter, the following investment amount will generally be considered as a "meaningful investment":

Applicant's market capitalization	Минимальный порог инвестиций
HK\$1.5 billion – HK\$3 billion	≥ 5% of the issued share capital of the applicant at the time of listing
HK\$3 billion – HK\$8 billion	≥ 3% of the issued share capital of the applicant at the time of listing
≥ HK\$8 billion	≥ 1% of the issued share capital of the applicant at the time of listing

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Russian and Chinese technology companies have united to create an online trade leader

11.09.2018

[Ведомости](#)

Alibaba, Megafon, Mail.ru and the Russian Direct Investment Fund have agreed to establish a joint venture in Russia that will connect the main consumer Internet platforms and online commerce in Russia.

As Vedomosti notes, the project will be created, including on the basis of the Russian business of AliExpress and Tmall, and the company will be called AliExpress Russia. It will develop cross-border and local online trading platforms and own direct sales. Mail.ru will contribute money to the project and the Pandao site.

We asked our expert to comment on the deal.

Expert opinion

Vladislav Lurye

Managing Partner at Norland Legal, member of the RCSL Board

"No matter how the year ends, this strategic partnership will most likely be the largest transaction in the Russian market, both in terms of the number of assets that the parties are planning to invest, and the importance of the transaction for the Russian market. Many experts note that this project can be considered the breakthrough for the Russian e-commerce market.

However, do not forget that the Alibaba Group is a diversified holding, which includes, in addition to the e-commerce marketplace, also payment services (Alipay), logistics and transport business (AliExpress, TMall), the cloud computing service (Alibaba Cloud Computing), support for small businesses in the field of import and export operations (OneTouch), etc. In addition, the Alibaba Group is one of the largest investors in Asia (investments by Alibaba and another Chinese technological giant, Tencent, together account for half of the entire venture market in China) and one of the most active players in the M&A market in the world.

In this regard, Russian technology companies are naturally interested in the question whether the expansion of Alibaba will be limited only to a strategic partnership in the field of e-commerce, or will spread to other areas, as it happens, for example, in India (here Alibaba invested for the last year in a logistics company, a network of online grocery stores, a food delivery service, and also bought the most popular Indian browser).

My personal opinion based on the experience of accompanying projects with Asian investors is unlikely to be expected in the near future investment activity on the part of Alibaba, since all Asian investors, and Chinese in particular, are very cautious about choosing partners, and probably Alibaba will wait for certain results of cooperation in the framework of this transaction before making new investments. At the same time, if Alibaba's experience proves successful, other Chinese companies may also be interested in the Russian market."

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The detailed review on the Chinese legislation on the protection of personal data

13.09.2018

[Freshfield Bruckhaus Deringer](#)

The material provides a large and detailed overview on the current state of the PRC legislation on the protection of information and personal data. It is recommended to study for everyone interested in the topic.

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Anti-Utopia in Action: China, Xinjiang Province

18.09.2018

[Meduza](#)

According to witnesses, China was able to carry out plans that surpassed the wildest fantasies of Orwell and Zamyatin. The author describes in detail how the police state (concentration camp?) works for 30 million people in the territory of one of the Chinese provinces - and which role is played by technology. Total surveillance and control over correspondence and communications, the recognition of persons and images, the use of artificial intelligence in the system of social credit are all very effective tools in "ensuring social stability" for a developing country.

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Our links:



Contact us: info@rc-law.ru

WeChat: rclsezfxh