

China Securities Depository and Clearing Corporation Limited

Legal Task Force Group Meeting

Legal Affairs Department

CSDC

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The Data Security Management Legislation of China

□ Laws

Cybersecurity Law of the People's Republic of China (2017)

- The Cybersecurity Law is the first special law in the field of network information in China, which clarifies the legal requirements for network facilities, network operation security, data information, emergency response and legal liability.

Data Security Law of the People's Republic of China (2021)

- The Data Security Law is the overall and basic legislation in the field of data security, which aims to build a basic framework for data governance and protection, and clarify the responsibilities and requirements of data protection.

Personal Information Protection Law of the People's Republic of China (2021)

- The personal information protection law focuses on the prominent issues of personal information abuse in the information age, and makes special provisions on personal information security and personal privacy protection

□ Related supporting systems

In recent years, China has:

- Successively issued a series of **important systems** in the field of personal information protection
- Formulated more than 300 **national standards** related to cybersecurity
- Promoted the release of more than 10 **international standards** that China has led and participated in

Examples:

- *Personal financial information protection technical specification*
- *Information security technology—Personal information security specification*
- *Information security technology—Basic requirements for collecting personal information in mobile internet applications*

□ International Standards

✓ In 2021, China actively participated in the discussion and formulation of international standards and rules:

- Join in the *Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)*
- Join in the *Digital Economy Partnership Agreement (DEPA)*
- Participate in the consultations and discussions under multilateral mechanisms such as the United Nations, the World Trade Organization (WTO), the Group of Twenty (G20), BRICS, and the Asia-Pacific Economic Cooperation (APEC)
- Actively participate in the formulation of international rules and technical standards in the digital field, and successfully established a number of international standards in the fields of artificial intelligence, cloud computing, 5G applications, and digital supply chains.

The background of the slide features a black and white photograph of a large, multi-paned window with a dark metal frame. The window is partially obscured by a large, white, triangular shape that points towards the top right. In the bottom right corner, there are several overlapping red geometric shapes, including a large triangle and a smaller, more complex polygon, creating a modern, abstract design.

/02

Main Institutions of Personal Information Protection

❑ Legal system of personal information protection

Civil Code

Personal Information Protection Law

Data Security Law

Cybersecurity Law

Related supporting systems

The Personal Information Protection Law, which came into effect on November 1, 2021, is a milestone in China's personal information protection legislative system, and can be said to be one of the most publicly concerned laws in China last year. The Personal Information Protection Law stipulates the principles of personal information processing activities, the obligations of information processors, the competent authorities and their function and power.

□ Basic principles of personal information processing activities

Legitimacy

- personal information processing activities should comply with laws and regulations.

Propriety

- personal information should be processed under the purpose of legislation and legal value

Necessity

- the collection of personal information shall be limited to the minimum scope necessary for achieving the processing purpose

Good faith

- personal information processors shall handle personal information in accordance with the agreed purpose and scope

□ The integration of rights and obligations

Protection of personal information rights and interests

Interests of individuals

- Article 45: Individuals shall have the right to consult and duplicate their personal information from personal information processors.
- Article 44: Individuals shall have the right to know and the right to decide on the processing of their personal information, and have the right to restrict or refuse the processing of their personal information by others.



Obligations of processors

- Where individuals request the consultation or duplication of their personal information, personal information processors shall provide in a timely manner.
- Article 17: A personal information processor shall, before processing personal information, truthfully, accurately and completely notify individuals in a conspicuous way and in clear and easily understood language.

□ State authorities provide comprehensive protection for personal information

Obligations

- the personal information processing activities by state organs shall also comply with the authority and procedures provided by laws and administrative regulations, perform their obligation to inform involved individuals

Statutory functions

- conduct publicity and education on personal information protection
- accept and hand complaints and reports
- investigate and process illegal use of personal information
- carry out personal information security assessments
- formulate technical standard

□ The security management of personal information export

The Personal Information Protection Law

- Where a personal information processor needs to provide personal information to any party outside the territory of the People's Republic of China for business or other needs, it shall fulfill the procedures and conditions prescribed by law.
 - Where any international treaty or agreement concluded or acceded to by the People's Republic of China provides for the conditions on the provision of personal information to any party outside the territory of the People's Republic of China, such provisions may apply.
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Measure for Security Assessment of Outbound Data Transfer

- Further makes clear institutional arrangements for the relevant requirements for data export.



/03

**Cyber Security Protection Measures
that CSDC Adopts**

□ Build and maintain a safe technical system

- Establish a sound emergency response mechanism for network security incidents
- Form an emergency response plan and regularly carry out emergency drills
- Set up special security management bodies and personnel
- Set up a disaster recovery system to ensure the absolute safety of data

□ Formulate a data security protection system

- Form a special information security management system, and set up a special data security management organization
- Classify data into several levels according to its importance and sensibility, and set up different protection measures and operational rules for different levels
- Set up specific permissions and positions for the use of sensitive information, and rotate the personnel regularly

□ Strengthen the protection of investors' personal information

- Formulated an internal regulation to standardize the process activities of personal information involved in business development
- Specify the purpose and method of personal information processing on our business rules and application forms
- Issue a privacy policy for mobile apps and other online business platform to fulfill the obligation of informing investors

Thank you!

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