

August 10, 2016

The Honorable Li Keqiang
Premier
Beijing
People's Republic of China

Respected Premier Li:

Our organizations, representing a broad array of industries and companies of all sizes, are writing to express our hope that China fully embraces the goals of the upcoming G20 Leaders Meeting to promote an “innovative, invigorated, interconnected, and inclusive world economy,” by taking steps to address concerns regarding the direction of China’s information communications technology (ICT) policies. These include the draft Cybersecurity Law (“The Law”) and pending China Insurance Regulatory Commission (CIRC) Provisions on Insurance System Informatization (“The Provisions”).

We appreciate that China has published drafts of The Law and The Provisions for public comment. This level of transparency is very important in drafting technical regulations of this significance. However, the current drafts, if implemented, would weaken security and separate China from the global digital economy. Specific concerns with The Law and The Provisions include:

- *Broad data residency requirements*, which have no additional security benefits, but would impede economic growth, and create barriers to entry for both foreign and Chinese companies;
- *Trade-inhibiting security reviews and requirements for ICT products and services*, which may weaken security and constitute technical barriers to trade as defined by the World Trade Organization; and
- *Data retention and sharing, and law enforcement assistance requirements*, which would weaken technical security measures and expose systems and citizens’ personal information to malicious actors.

Addressing these concerns by aligning China’s ICT laws and regulations with the goals of the G20 and global best practices would further enable the rapid growth of China’s own digital economy, and would be an opportunity to further President Xi Jinping’s goal of “*advancing opening-up and cooperation in cyberspace.*”

We appreciate the challenges that Chinese regulators face in managing new technologies and addressing legitimate security concerns; regulators around the world face similar challenges. We are committed to continuing to work with you and your government to manage these issues in ways that support China’s social and economic goals.

Letter to Premier Li

August 10, 2016

Page 2

To that end, we urge both The Law and The Provisions be revised to encourage international policy models that will support China's development as a global hub for technology and services. This will assure a legacy of an innovative, invigorated, interconnected and inclusive world economy from China's G20 presidency.

Our organizations look forward to supporting continued engagement with your government and private sector through this editing process on balancing digital trade and security, including at the upcoming G20 and B20 meetings. Given the global nature of these issues and the interests of governments around the world in finding appropriate policies to address them, we hope such dialogues can lay the groundwork for global approaches that all can agree on, and show China to be a leader in resolving key global issues.

Thank you for your time and attention.

Sincerely,

American Chamber of Commerce in China
American Chamber of Commerce in Japan
American Chamber of Commerce in Korea
American Chamber of Commerce in Shanghai
American Chamber of Commerce in South China
American Council of Life Insurers (ACLI)
American Insurance Association (AIA)
Association of Bermuda Insurers and Reinsurers (ABIR)
Association of British Insurers
Australian Chamber of Commerce and Industry
Australian Industry Group (Ai Group)
BSA | The Software Alliance (BSA)
Business Council of Australia
Business Europe
Canada-China Business Council
Coalition of Services Industries
Communications and Information Network Association of Japan (CIAJ)
Council of Insurance Agents and Brokers (CIAB)
Digital Europe
Emergency Committee for American Trade (ECAT)
European Services Forum
Financial Services Forum (FSF)
Information Technology Industry Council (ITI)
InterAmerican Federation of Insurance Associations (FIDES)
The Japan Chamber of Commerce and Industry (JCCI)
Japan Electronics and Information Technology Industries Association (JEITA)
The Japanese Chamber of Commerce and Industry in China (CJCCI)
Keidanren
Korea-China Business Council

Letter to Premier Li

August 10, 2016

Page 3

Mexican Insurance Institutions Association

National Association of Manufacturers

National Association of Mutual Insurance Companies (NAMIC)

PCI Property Casualty Insurers Association of America

Reinsurance Association of America

Securities Industry & Financial Markets Association (SIFMA)

Semiconductor Industry Association (SIA)

Software and Information Industry Association (SIIA)

Swiss Insurance Association

TechNet

techUK

Telecommunications Industry Association (TIA)

TheCityUK

Trans-Atlantic Business Council (TABC)

United States Council for International Business (USCIB)

U.S. Chamber of Commerce

US-China Business Council (USCBC)