China Regulator Proposes Amendments to Cybersecurity Law

Article By:

Hunton Andrews Kurth's Privacy and Cybersecurity

On March 28, 2025, the Cyberspace Administration of China issued draft amendments to China's Cybersecurity Law ("Draft Amendment") for public comment until April 27, 2025. The Draft Amendment aims to harmonize relevant provisions of the Personal Information Protection Law ("PIPL"), Data Security Law ("DSL") and Law of Administrative Penalties, all of which were issued after the Cybersecurity Law came into effect in 2021.

The Draft Amendment amends the liability provisions of the Cybersecurity Law as follows:

- Legal liability for network operation security: (1) classifies massive data leakage incidents, loss of partial functions of critical information infrastructure ("CII") and other serious consequences that jeopardize network security as violations of the Cybersecurity Law and increases the range of fines set forth in the DSL for such violations; (2) imposes liability for the sale or provision of critical network equipment and specialized cybersecurity products that do not meet the Cybersecurity Law's requirements for security certification and security testing; and (3) clarifies penalties for CII operators that use network products or services that have either not undergone or passed security review.
- Legal liability for security of network information: (1) increases the penalty range for failure to report to the competent authorities, or failure to securely dispose of, information that is prohibited by applicable law to be published or transmitted; and (2) clarifies penalties for violations of the Cybersecurity Law that have particularly serious impacts and consequences.
- Legal liability for security of personal information and important data: Amends the Cybersecurity Law to incorporate the PIPL's and DSL's penalty structure for violations of the law involving the security of personal information and other important data.
- **Mitigation of penalties**: Adds provisions to mitigate, alleviate or withhold penalties for violations of the Cybersecurity Law where: (1) the network operator eliminates or mitigates the harmful consequences of the violation; (2) the violation is minor, timely corrected and does not result in harmful consequences; or (3) it is a first time violation that is timely corrected and results in minor harmful consequences. The Draft Amendment also clarifies that the competent authorities are responsible for formulating the corresponding benchmarks for administrative penalties.

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