KILPATRICK TOWNSEND

6 KEY TAKEAWAYS

The Chinese Social Credit System

Kilpatrick Townsend's Scott Marrah and Adria Perez recently spoke on the "Anti-Corruption and Compliance" panel at the Association of Corporate Counsel of Georgia seminar on "Doing Business in China: Exploring Cross-Border Legal Issues."

The following are six key takeaways on the Chinese Social Credit System ("SCS"):

1 The Chinese government will complete its roll out of the SCS in 2020.

2 SCS is a government-established system to collect information and rate companies and individuals to enhance trustworthiness and compliance with social norms and legal requirements.

3 The government uses algorithms to determine the ratings based on information and data using, for example, "Big Data" analyses and facial recognition.

4 There are incentives for good ratings, such as better credit conditions, easier market access and more public procurement opportunities.

5 Poor ratings can lead to fees, higher inspection rates and loss of government contracts and approvals.

6 Business partners, senior management and legal representatives can affect a company's rating and vice versa.

For more information, please contact:
Scott Marrah, smarrah@kilpatricktownsend.com and
Adria Perez, aperez@kilpatricktownsend.com

www.kilpatricktownsend.com