

# Cross-Border Legal Challenges in Building a Digital Silk Road

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## Building a Digital Silk Road

- At the first Belt and Road International Forum in 2017, China's President Xi Jinping announced that technology would be integrated into the Belt and Road Initiative (BRI) to create the “Digital Silk Road of the 21st century”.
- The idea behind this digital push is to put China at the forefront of setting up the new global technological order.



The CCTV News map showing the New Silk Road Economic Belt

# Scope of the Digital Silk Road

## China's push to shape digitalization on a global scale

The scope of the Digital Silk Road



Type of project	Examples
Developing major infrastructure projects	<ul style="list-style-type: none"> <li>• Fibre-optic cables across the Arctic Circle</li> <li>• Broadening coverage of Beidou GPS system</li> <li>• Setting up data centers</li> </ul>
Promoting Chinese standards	<ul style="list-style-type: none"> <li>• AI standards (i.e. on algorithmic bias, transparency in algorithmic decision making), 5G, IoT (IoT RA/ISO/IEC 30141, NB-IoT)</li> </ul>
Engaging in research collaborations	<ul style="list-style-type: none"> <li>• Belt and Road Program on Big Earth data collaboration</li> <li>• Partnership between the EU and China on 5G</li> <li>• Technology transfer centers</li> </ul>
Raising China's global "discursive power"	<ul style="list-style-type: none"> <li>• Promoting concepts like "internet sovereignty"</li> <li>• Promoting changes to global internet governance</li> </ul>

Source: MERICS

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Source : [https://www.merics.org/sites/default/files/2019-04/MPOC\\_No.7\\_ChinasDigitalRise\\_web\\_final.pdf](https://www.merics.org/sites/default/files/2019-04/MPOC_No.7_ChinasDigitalRise_web_final.pdf)

## Cross-Border Legal Challenges

- Diverse legal systems
- Border control & customs
- Choice of law and dispute resolution
- Issues of cross-jurisdictional data processing
- National differences in regulatory compliance

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## Cross-Border Legal Challenges

- For complex projects, the joint venture entity may comprise more than two parties.
- Each party will be most comfortable with its own laws.
- Determining which laws will govern specific contracts will be a challenge as there will be multiple parties involved with a diverse set of preferences.
- *Source : [http://www.mmc.com/content/dam/oliver-wyman/v2/publications/2017/aug/Navigating\\_The\\_New\\_Silk\\_Road.pdf](http://www.mmc.com/content/dam/oliver-wyman/v2/publications/2017/aug/Navigating_The_New_Silk_Road.pdf)*



## Russian Data Localisation Law

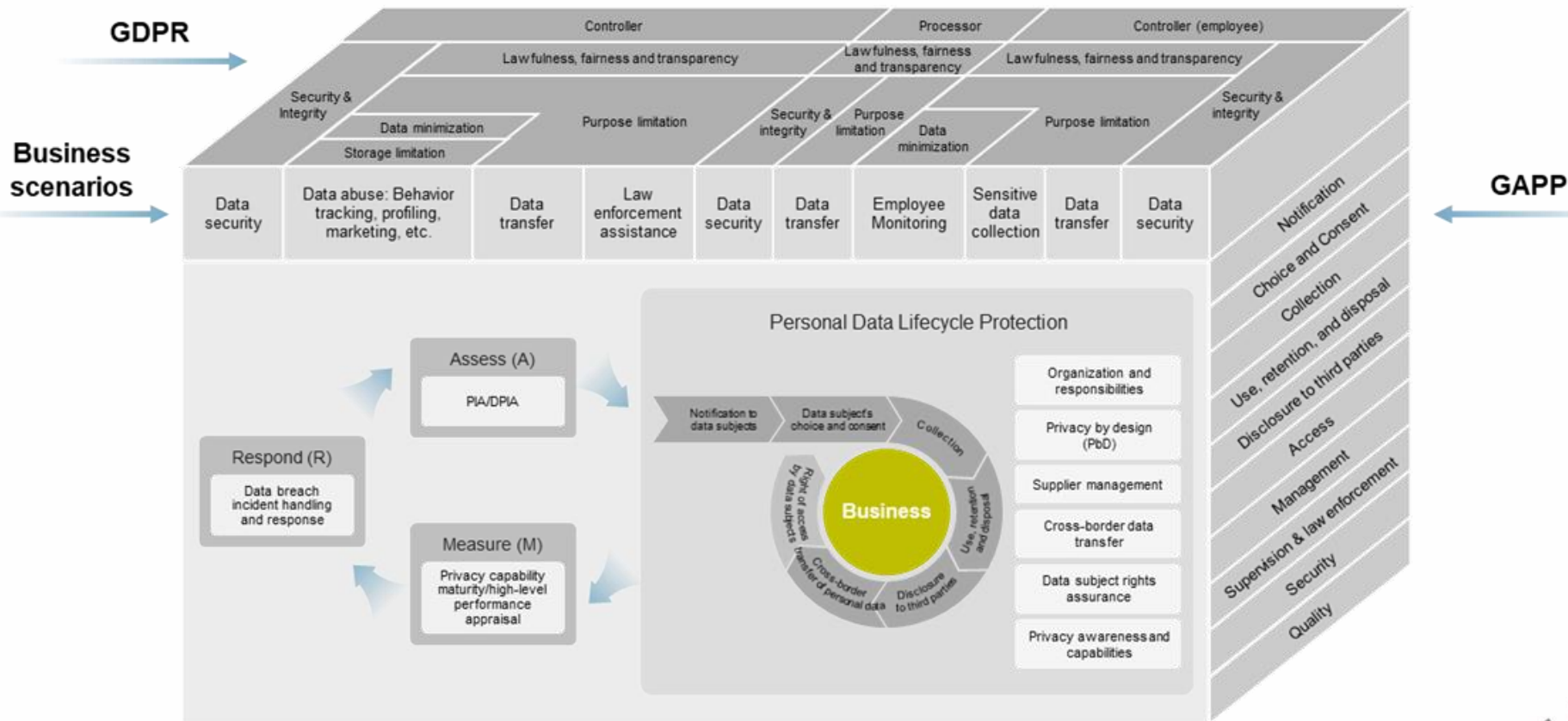
- Federal Law No. 242-FZ of July 21, 2014
- During personal data collection, inter alia, through the Internet, the operator shall ensure that **databases located within the Russian Federation** are used to record, systematise, accumulate, store, clarify (update or modify) and retrieve personal data of citizens of the Russian Federation
- *Source : <https://pd.rkn.gov.ru/authority/p146/p191/>*

## EU GDPR

- Protect data subjects residing in EU, regardless of their nationalities
- Regulate cross-border data transfers to non-EU countries
- Apply to organisations not operating in EU
- Operators of most Chinese smart phone apps used in EU will fall under GDPR purview if they monitor activities of or provide services to EU data subjects



# Huawei Methodology: Full-Lifecycle Management and Operation Mechanism Based on the GDPR and GAPP



## Privacy and GDPR

- At Huawei, privacy protection is not just a legal requirement, it is our social responsibility.

