



China's Limits on Gaming Time Increases Risks for Companies Outside of China

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On August 30, 2021, the National Press and Publication Administration (**NPPA**) of the People's Republic of China (**China** or **PRC**) issued *Guoxin Chufa* (2021) 14, *Notice to Prevent Minors from Indulging in Online Videogames* (the **Notice**). The Notice came into effect on September 1, 2021, the same day that the Personal Information Protection Law (**PIPL**) was passed. The PIPL will come into effect on November 1, 2021.

The Notice requires PRC online videogame companies to limit the videogame time for minors under the age of 18 to essentially three hours per week, i.e., between 8:00 pm and 9:00 pm on Friday, Saturday, and Sunday, as well as legal holidays. To implement these rigid time restrictions, online videogame companies must utilize the real identification system operated by the NPPA to register users for an account and cannot provide services to unregistered users.

Online videogame companies with games already published in China should coordinate with their publication and operation partners in China to ensure steps are being taken to comply with the Notice. For the future publication of new games, slower and more rigorous reviews prior to authorization for publishing should be expected.

Beyond the Notice's obvious effects on videogame businesses inside of China, it will likely drive China-based minors to access online videogames on overseas servers to circumvent the strict time restrictions, which would cause companies to become subject to the PIPL.

The PIPL has extraterritorial effect when collecting or analyzing personal information of China-based individuals and includes strict requirements for the collection of personal information of minors under the age of 14, which is defined as "sensitive personal information." We discussed the unique issues caused for online videogame companies by the PIPL in this [article](#) and the general requirements of the PIPL in this [article](#). Because of the requirements of the Notice, more China-based minors will access online videogames on overseas servers, which could subject companies to the most rigid requirements of the PIPL, including:

- Obtaining advanced and informed parental consent to process minors' personal information;
- Formulating special personal information processing rules for minors' personal information;
- Developing a specified purpose and necessity, and enacting strict protective measures for sensitive personal information; and

- Conducting a personal information protection impact assessment before processing sensitive personal information.

With the effective date for the PIPL set at November 1, 2021, there is a short window to review data practice and take steps toward compliance. Companies with operations in China or that provide services to China-based individuals should begin to review their data practice as soon as possible.

The above is a summary of PRC law and regulations. Winston has formed the YuandaWinston strategic alliance with a licensed Chinese law firm, which can advise on the specifics and application of PRC law. Lawyers in the strategic alliance partner frequently to assist multinational companies with data compliance under PRC law. Companies should feel free to contact us with any questions.

About Winston's Videogame, Gaming & Esports Group

Recognizing that emerging industries require bespoke lawyering, Mike Tomasulo and David Enzminger formed and lead Winston's Videogame, Gaming & Esports Group to provide comprehensive legal solutions to companies in these industries. This multidisciplinary group includes more than 60 lawyers across 10 practices working seamlessly to assist companies in these industries in all areas, including managing IP portfolios, assisting esports companies establish global sports leagues, selling franchises, and developing proactive legal solutions for issues that arise from league operations. We represent videogame publishers in antitrust matters and represent both rights owners and gaming companies in licensing issues for game content. In addition, our team helps electronic game clients prepare for all types of regulatory and public scrutiny issues, such as corporate governance, data privacy, and harassment/discrimination claims that are sure to come as the industry continues to grow in both size and influence. Our offices in New York, Silicon Valley, Los Angeles, Shanghai, and Hong Kong provide gaming clients with a global platform for their complex and evolving legal needs.

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