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**NATIONAL STANDARD OF THE
PEOPLE'S REPUBLIC OF CHINA**

GB/T 27914-2023

Replacing GB/T 27914-2011

Risk management - Guidelines for the management of legal risk

风险管理 法律风险管理指南

(English Translation)

Issued on: August 6, 2023

Implemented on: August 6, 2023

**Issued by: State Administration for Market Regulation, China National
Standardization Administration**

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Foreword

This document complies with the provisions of GB/T 1.1-2020 "Standardization Work Guidelines Part 1: Structure and Drafting Rules of Standardization Documents" Drafting.

This document replaces GB/T 27914-2011 "Guidelines for Enterprise Legal Risk Management". Compared with GB/T 27914-2011, except for structural adjustment in addition to general and editorial changes, the main technical changes are as follows.

- a) The three terms "risk", "legal risk" and "organization" are added (see 3.1, 3.2, 3.3), and the term "enterprise legal risk" is deleted (see 2011 version 3.1);
- b) Changed the number and content of "Principles" and added a schematic diagram of "Principles" (see Chapter 4, Chapter 4 of the 2011 edition);
- c) The structure and content of Chapter 5 have been changed, and 5.5 and 5.6 have been merged into one article (see 5.5, 5.5 and 5.6 in the 2011 edition);
- d) Deleted 6.6 (see 6.6 in the 2011 edition) and changed the content of Chapter 6 (see 6.6, 6.7 in the 2011 edition).

This document has been modified to adopt ISO 31022:2020 "Legal Risk Management Guidelines for Risk Management".

The technical differences between this document and ISO 31022:2020 and their reasons are as follows.

- a) The definition of the term "legal risk" has been changed (see 3.2) and the term "legal" has been deleted, in line with my country's national conditions;
- b) The content of "Principles" in Chapter 4 has been changed [see d) and i) in Chapter 4], in line with my country's national conditions;
- c) The content of Chapter 5 has been changed (see 5.2.1, 5.2.4, 5.3, 5.4) to more clearly explain the process of legal risk management, which is in line with our country practice;
- d) The content of Chapter 6 has been changed (see Chapter 6), which is helpful for the implementation of legal risk management and is in line with my country's practice.

The following editorial changes have been made to this document.

- a) The content of Appendix C has been changed (see Appendix C);
- b) Changed the content of Appendix D (see Appendix D).

Please note that some content in this document may be subject to patents. The publisher of this document assumes no responsibility for identifying patents.

Introduction

Organizations operate in complex environments that contain a variety of legal risks. With the continuous improvement of legal and regulatory systems, countries around the world have begun to Legal regulatory requirements are becoming increasingly strict, and the legal and regulatory requirements vary from country to country. Not only that, facing the legal and regulatory environment Organizations need to adapt to changes simultaneously. Especially when launching new activities and businesses, organizations must fully consider the needs of all aspects. Organization is doing when making decisions and actions that may have major legal consequences, we face considerable uncertainty, especially when major legal risks have a negative impact on the development of the organization.

The impact is huge, making organizations need to strengthen legal risk management. Legal risk management helps protect and increase the value of an organization.

This document provides guidance to assist organizations in effectively assessing and responding to legal risks. It is intended to help organizations and their top management.

---Achieving the organization's strategic results and goals;

---Encourage a more systematic and consistent approach to legal risk management, and comprehensively identify and analyze problems so that legal risks can be mitigated
Respond proactively and appropriately and obtain support from top management;

--- Better understand and assess the scope and impact of legal issues, legal risks, and

conduct appropriate due diligence;

---Identify, analyze and evaluate legal risks and provide a systematic method for scientific decision-making;

---Encourage opportunities for continuous improvement.

It should be noted that the definition of legal risks in this document is broad. In China's practice, legal risks can generally be divided into. changes in the legal environment Risks, violation risks, breach of contract risks, infringement risks, risks of failure to exercise rights, risks of improper conduct.

This document.

--- Provide guidance for legal risk management to match compliance activities and provide assurance for the organization to meet its obligations and objectives;

---Applicable to organizations of all types and sizes, empowering organizations and organizations by providing a more structured and consistent approach to managing legal risks its stakeholders benefit throughout the process;

--- Provide comprehensive management methods for the identification, analysis and evaluation of legal risks;

---Support and complement existing approaches by providing better information and deeper understanding of potential issues that organizations may face solutions to enhance the effectiveness of existing methods;

---Support any management processes that the organization may implement, such as compliance or other management systems.

Organizations using this document will benefit from improved business and operational outcomes such as enhanced reputation, improved employee loyalty, improved stakeholder relationships, enhancing the coordination between resources and capabilities, etc.

Risk ManagementLegal Risk Management Guide

1 Scope

This document serves as a supplement to GB/T 24353 and provides guidance for organizations to manage the legal risks they face.

This document provides a general approach to managing legal risks and is not specific to a specific industry or field. Organizations can target Apply appropriately.

2 Normative reference documents

The contents of the following documents constitute essential provisions of this document through normative references in the text. Among them, the dated quotations for undated referenced documents, only the version corresponding to that date applies to this document; for undated referenced documents, the latest version (including all amendments) applies to this document.

GB/T 24353-2022 Risk Management Guidelines

3 Terms and definitions

The following terms and definitions apply to this document.

risk risk

The impact of uncertainty on goals.

Note 1: Impact refers to deviation from expectations, which can be positive and/or negative and may bring opportunities and threats.

Note 2: Goals can have different dimensions and types and can be applied at different levels.

[Source. GB/T 24353-2022, 3.1, with modifications] 3.2 legal risk Risks arising from legal, regulatory and contractual matters (3.1).

organization

A person or a group of people whose functions are composed of responsibilities, authorities and relationships to achieve a goal.

Note: The concept of organization includes individual traders, companies, groups, firms, enterprises, institutions, authorities, partnerships, charitable organizations or research institutions, or the above A part or combination of organizations, whether incorporated or not, public or private.

[Source. GB/T 35770-2022, 3.1, with modifications]

4 Principles

Effective management of legal risks needs to follow the values and principles described in GB/T 24353, as shown in Figure 1.