E-Commerce Law of the People’s Republic of China

Dan Young Business Consultancy — www.danyoungcpa.com

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Chapter I — General Provisions

Article 1. This Law is enacted for the purposes of safeguarding the lawful rights and interests of all parties to e-commerce activities, regulating e-commerce conduct, maintaining market order, and promoting the sustainable and healthy development of e-commerce.

Article 2. This Law applies to e-commerce activities within the territory of the People’s Republic of China. “E-commerce” means business activities of selling goods or providing services through information networks such as the internet. This Law does not apply to financial products or services, or to content services such as news, audio-visual programs, publications, or cultural products provided through information networks.

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Article 3. The State shall encourage the development of new forms of e-commerce business, promote the research, development, and application of e-commerce technology, advance the construction of an e-commerce credit system, and create a market environment conducive to the innovative development of e-commerce.

Article 4. E-commerce operators shall engage in business activities in accordance with the principles of voluntariness, equality, fairness, and good faith, and shall abide by laws and business ethics.

Article 5. E-commerce operators shall fulfill their obligations in respect of consumer rights protection, environmental protection, intellectual property protection, network security, and personal information protection, and shall accept supervision by the government and society.

Chapter II — E-Commerce Operators

Article 6. “E-commerce operators” means natural persons, legal persons, and unincorporated organizations that engage in business activities of selling goods or providing services through information networks such as the internet, including e-commerce platform operators, operators on platforms, and e-commerce operators that establish their own websites or engage in e-commerce through other network services.

Article 7. E-commerce operators shall undergo registration as market entities in accordance with law. However, individuals conducting small-amount sporadic transactions, as well as individuals engaging in activities for which registration is exempted under laws or administrative regulations, are not required to undergo such registration.

Article 8. E-commerce operators shall obtain relevant administrative licenses in accordance with law for engaging in business activities for which administrative licenses are required.

Article 9. E-commerce operators shall, in a conspicuous position on their homepage, continuously publicize their business license information, administrative license information related to their business operations, and other information that is required to be publicized under laws and administrative regulations.

Article 10. E-commerce platform operators shall require operators applying to enter the platform for selling goods or providing services to submit their true identity information and shall verify and register such information. E-commerce platform operators shall report the identity information of platform operators to the market regulatory authorities and tax authorities.

Article 11. E-commerce operators shall issue invoices and other purchase vouchers or service receipts in accordance with law. Electronic invoices shall have the same legal effect as paper invoices.

Article 12. E-commerce operators shall fully, truthfully, accurately, and timely disclose information on goods or services to protect consumers’ right to know and right to choose. They shall not engage in false or misleading commercial promotion to deceive or mislead consumers.

Article 13. E-commerce operators shall not, based on consumers’ personal characteristics such as hobbies, consumption habits, or purchasing power, provide search results for goods or services that are targeted to and discriminate against individual consumers without providing the consumer with an option that does not target personal characteristics. This constitutes the prohibition of “big data discrimination” or differential pricing.

Article 14. E-commerce platform operators shall establish and improve a credit evaluation system and publicize credit evaluation rules. E-commerce platform operators shall not delete consumers’ reviews of goods or services provided on the platform.

Article 15. Where an e-commerce platform operator knows or should know that an operator on the platform is infringing upon intellectual property rights, it shall take necessary measures such as deletion, blocking, disconnection of links, and termination of transactions and services. Where it fails to do so, it shall bear joint

and several liability with the infringer.

Article 16. Where an intellectual property right holder believes that its intellectual property rights have been infringed upon, it shall have the right to notify the e-commerce platform operator to take necessary measures. The notification shall include prima facie evidence of the infringement. Upon receipt of the notification, the e-commerce platform operator shall promptly forward it to the operator on the platform and take necessary measures. Where it fails to do so in a timely manner, it shall bear joint and several liability with the operator on the platform for the additional damage caused.

Article 17. An operator on the platform who receives a forwarded notification may submit a statement of non-infringement to the e-commerce platform operator. The statement shall include prima facie evidence of non-infringement. The e-commerce platform operator shall forward the statement to the right holder who issued the notification and inform the right holder that it may file a complaint with the relevant competent authority or institute legal proceedings in a people's court.

Article 18. E-commerce platform operators shall establish and publicize rules for platform services and transaction rules. When modifying platform service agreements or transaction rules, they shall solicit opinions publicly on their homepage and adopt reasonable measures to ensure that all parties concerned can express their opinions in a timely and full manner. The modified content shall be publicized at least seven days before implementation.

Article 19. E-commerce operators shall not force consumers to agree to bundled services or products through default check-box selection or other means.

Article 20. E-commerce operators shall, in accordance with their commitments or in the manner agreed upon with consumers, deliver goods or services to consumers on time. E-commerce operators shall bear the risk and responsibility of damage and loss of goods during transit, unless otherwise agreed upon with consumers.

Chapter III — Conclusion and Performance of E-Commerce Contracts

Article 21. Where an e-commerce operator publishes information on goods or services that meets the conditions for an offer, and the consumer selects the goods or services and submits the order successfully, the contract is concluded. Where the parties agree otherwise, such agreement shall prevail.

Article 22. E-commerce operators shall ensure that consumers can review, correct, and delete the information they input before submitting an order. E-commerce operators shall not include clauses in standard terms that exclude or restrict consumers' rights, reduce or exempt their own responsibilities, or increase consumers' responsibilities.

Article 23. E-commerce operators shall clearly indicate the methods and procedures for concluding contracts with consumers and shall provide consumers with methods to save contracts in advance.

Chapter IV — Dispute Resolution

Article 24. E-commerce operators shall establish convenient and effective channels for complaints and reports, publicly disclose the channels, and accept and handle complaints and reports in a timely manner.

Article 25. E-commerce platform operators may establish online dispute resolution mechanisms and formulate and publicize dispute resolution rules. Where consumers have disputes with operators on the platform, they may resolve them through the platform's online dispute resolution mechanism.

Article 26. In disputes between consumers and e-commerce operators, the e-commerce operator shall bear the burden of proof with respect to the facts that are in dispute, unless there are provisions to the contrary in law or administrative regulations.

Chapter V — Promotion of E-Commerce

Article 27. The State shall promote the integrated development of e-commerce in various industries and fields, support e-commerce in playing a role in promoting consumption, expanding employment, optimizing the supply chain, and developing the digital economy.

Article 28. The State shall promote the development of cross-border e-commerce, establish and improve management systems for customs, taxation, payment, and logistics that are suited to the characteristics of cross-border e-commerce, and improve facilitation levels.

Chapter VI — Legal Liability

Article 29. Where an e-commerce operator fails to undergo market entity registration as required, the market regulatory authority shall order correction and may impose a fine of not more than CNY 10,000.

Article 30. Where an e-commerce platform operator fails to verify and register the identity information of platform operators as required, the market regulatory authority shall order correction and may impose a fine of not less than CNY 20,000 and not more than CNY 100,000; where the circumstances are serious, a fine of not less than CNY 100,000 and not more than CNY 500,000 shall be imposed.

Article 31. Where an e-commerce operator engages in false or misleading commercial promotion, the market regulatory authority shall order cessation, impose a fine of not less than CNY 200,000 and not more than CNY 1 million, and may revoke the business license where the circumstances are serious.

Article 32. Where an e-commerce platform operator fails to take necessary measures against infringement of intellectual property rights in accordance with law, the relevant intellectual property administrative authority shall order correction and may impose a fine of not less than CNY 50,000 and not more than CNY 2 million; where the circumstances are serious, a fine of not less than CNY 2 million and not more than CNY 5 million may be imposed.

Chapter VII — Supplementary Provisions

Article 33. This Law shall take effect as of January 1, 2019.

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