Interim Measures for the Administration of Online Taxi Booking Services of the PRC

Dan Young Business Consultancy — www.danyoungcpa.com

Unofficial English translation prepared for reference only. The official Chinese text prevails.

Contents

Table of Contents 1

Chapter I — General Provisions 1

Chapter II — Online Taxi Booking Platform Companies 2

Chapter III — Online Taxi Booking Vehicles and Drivers 3

Chapter IV — Operational Conduct of Online Taxi Booking Services 3

Chapter V — Supervision and Inspection 4

Chapter VI — Legal Liability 4

Chapter VII — Supplementary Provisions 5

Issued jointly by the Ministry of Transport, Ministry of Industry and Information Technology, Ministry of Public Security, Ministry of Commerce, State Administration for Industry and Commerce, General Administration of Quality Supervision, Inspection and Quarantine, and Cyberspace Administration of China on July 27, 2016

Effective: November 1, 2016

Table of Contents

- Chapter I — General Provisions
- Chapter II — Online Taxi Booking Platform Companies
- Chapter III — Online Taxi Booking Vehicles and Drivers
- Chapter IV — Operational Conduct of Online Taxi Booking Services
- Chapter V — Supervision and Inspection
- Chapter VI — Legal Liability
- Chapter VII — Supplementary Provisions

Chapter I — General Provisions

Article 1 — These Measures are formulated in accordance with relevant laws and administrative regulations of the state for the purpose of better meeting the diverse travel needs of the public, promoting the integrated development of the taxi industry and the internet, regulating the business operations of online taxi booking services, safeguarding operational safety and the lawful rights and interests of passengers, drivers and online taxi booking platform companies.

Source: https://www.danyoungcpa.com/interim-measures-online-taxi-booking-services-prc-2016-english-translation/

Article 2 — These Measures apply to online taxi booking business service activities within the territory of the People's Republic of China.

For the purposes of these Measures, "online taxi booking business services" refers to business activities that rely on internet technology to build a service platform, accept ride reservation requests from passengers through the platform by integrating supply and demand information, and use qualified vehicles and drivers to provide non-cruising pre-booked taxi services.

For the purposes of these Measures, "online taxi booking platform company" ("platform company" hereinafter) refers to an enterprise legal person that builds an online service platform and engages in online taxi booking business services.

Article 3 — Online taxi booking business services shall be developed in accordance with the principles of high-quality services and differentiated operations, and shall provide passengers with high-quality travel services.

Online taxi booking pricing shall follow a market-regulated pricing mechanism, and the specific cities may implement government-guided pricing when deemed necessary.

Article 4 — The transport administrative department under the State Council shall be responsible for guiding the administration of online taxi booking services nationwide.

The transport administrative departments of the local people's governments at or above the county level or the institutions designated by the people's governments at the same level shall be responsible for the specific administration of online taxi booking services within their respective administrative regions.

Other relevant departments shall exercise supervision and administration over online taxi booking services within the scope of their statutory duties and responsibilities.

Chapter II — Online Taxi Booking Platform Companies

Article 5 — To apply for engaging in online taxi booking business services, a platform company shall meet the corresponding conditions for online and offline service capabilities and satisfy the following requirements: (1) It is an enterprise legal person; (2) It has the capability to provide online service through an internet platform and a database connected to regulatory authorities; (3) It uses electronic payment and has the capability to settle with banks or non-bank payment institutions; (4) It has a sound operational management system, work safety management system, and service quality assurance system; (5) It has the corresponding service premises, management personnel and technical personnel in the service location; (6) Other conditions prescribed by laws and regulations.

Article 6 — To apply for engaging in online taxi booking business services, a platform company shall submit an application to the corresponding transport administrative department based on the region of its business operations and obtain an Online Taxi Booking Business Operation Permit.

For platform companies operating within the region of a municipality directly under the Central Government or a city divided into districts, the transport administrative department of the municipal people's government shall issue the permit. For platform companies operating across provincial-level regions or nationwide, the transport administrative department of the provincial-level people's government where the company is registered shall negotiate with the relevant provincial-level transport administrative departments for review and approval.

Article 7 — The transport administrative department shall, within 20 days from the date of acceptance of the application, make a decision on whether to grant the permit. Where the permit is granted, the Online Taxi Booking Business Operation Permit shall be issued, specifying the scope of business operations, business area, term of the permit, and other particulars. The term of validity of the Online Taxi Booking Business Operation Permit shall be 4 years.

Source: https://www.danyoungcpa.com/interim-measures-online-taxi-booking-services-prc-2016-english-translation/

Article 8 — Where a platform company needs to change the registered particulars of its permit, it shall apply to the original permit-issuing authority for modification formalities.

Article 9 — A platform company shall disclose pricing mechanisms, pricing structure and dynamic markup mechanisms to the public and make reasonable pricing determinations.

Article 10 — A platform company shall ensure the provision of online services 24 hours a day. If the platform suspends or terminates operations, it shall make a public announcement 30 days in advance, report to the original permit-issuing authority in writing, and return the relevant permits and licenses.

Chapter III — Online Taxi Booking Vehicles and Drivers

Article 11 — A vehicle to be used for online taxi booking services shall meet the following conditions: (1) It is a passenger vehicle with no more than 7 seats; (2) It is equipped with a satellite positioning device and an emergency alarm device with recording functions; (3) Its technical performance meets the relevant operational safety standards; (4) Other conditions stipulated by the local people's government.

Article 12 — Where a vehicle to be used for the provision of online taxi booking services meets the conditions prescribed in Article 11, the platform company that intends to operate it shall apply to the transport administrative department of the local people's government at or above the county level in the service location for an Online Taxi Booking Vehicle Transport Certificate.

Article 13 — The transport administrative department shall, within 20 days from the date of acceptance of the application, review the vehicle and issue an Online Taxi Booking Vehicle Transport Certificate if the vehicle meets the conditions.

Article 14 — A driver of an online taxi booking vehicle shall meet the following conditions: (1) Has obtained the corresponding class of motor vehicle driving license and has at least 3 years of driving experience; (2) Has no record of a traffic accident crime, dangerous driving crime, drug abuse, or drunk driving within the most recent 3 consecutive demerit scoring cycles; (3) Has no record of violent crimes; (4) Other conditions stipulated by the local people's government.

Article 15 — Where a driver meets the conditions prescribed in Article 14, the driver may take the qualification examination organized by the transport administrative department of the municipal people's government divided into districts. Those who pass the examination shall be issued an Online Taxi Booking Driver Certificate.

Article 16 — The validity period of an Online Taxi Booking Vehicle Transport Certificate and Online Taxi Booking Driver Certificate shall be determined by the transport administrative department of the local people's government at or above the county level in the service location.

Chapter IV — Operational Conduct of Online Taxi Booking Services

Article 17 — A platform company shall assume liability for the carriage of passengers, guarantee the lawful rights and interests of passengers, purchase carrier liability insurance, and ensure that the vehicles it operates have valid compulsory motor vehicle traffic accident liability insurance and commercial third-party liability insurance.

Article 18 — A platform company shall ensure that the vehicles providing online taxi booking services hold valid Online Taxi Booking Vehicle Transport Certificates and that the drivers hold valid Online Taxi Booking Driver Certificates.

Article 19 — A platform company shall enter into diversified labor contracts or agreements with drivers in accordance with the provisions of relevant laws and regulations, specifying the rights and obligations of both parties.

Source: https://www.danyoungcpa.com/interim-measures-online-taxi-booking-services-prc-2016-english-translation/

Article 20 — A platform company shall truthfully record driver and vehicle information in the platform database and shall not provide services for unlicensed vehicles or drivers.

Article 21 — A platform company shall specify the method for calculating the fare and the amounts of each component charge and provide the corresponding taxi fare invoice to passengers.

Article 22 — A platform company shall keep confidential the information of passengers, drivers and vehicle owners collected in the course of its operations and shall not disclose, tamper with, destroy, or sell such information, or provide it to others without consent.

Article 23 — A platform company shall ensure the security, stability, and reliability of its network and information systems and protect against various forms of network attacks, intrusions and information leakage.

Article 24 — Drivers providing online taxi booking services shall: (1) abide by road traffic safety regulations and drive in a civilized manner; (2) maintain the completeness and validity of their driving license and Online Taxi Booking Driver Certificate; (3) provide services in accordance with the information provided by passengers through the platform and shall not refuse carriage or deviate from the agreed route without justification; (4) maintain the cleanliness of the vehicle and provide services in a civilized manner; (5) other obligations stipulated by laws and regulations.

Article 25 — The operating area of online taxi booking services shall be specified in the Online Taxi Booking Business Operation Permit. The starting point or destination of an online taxi booking service shall be within the permitted operating area.

Chapter V — Supervision and Inspection

Article 26 — The transport administrative department shall establish and improve the government regulatory platform for online taxi booking services and realize information sharing with the online taxi booking platform.

Article 27 — The transport administrative department shall strengthen the supervision of the online taxi booking market, regularly organize and carry out assessments of the quality of online taxi booking services, and promptly publish information on the basic conditions of the online taxi booking market, service quality assessment results, passenger complaint handling, and other relevant information.

Article 28 — Communications authorities and public security authorities and cyberspace administration authorities shall, in accordance with their respective statutory duties and responsibilities, supervise and administer online taxi booking platform companies' illegal and non-compliant acts in information collection, processing, use, sharing and network security.

Article 29 — The development and reform department, pricing department, public security authority, human resources and social security department, commerce department, tax department, industry and commerce department, quality supervision department, and cyberspace administration authority shall, in accordance with their respective statutory duties and responsibilities, supervise and administer the business conduct of online taxi booking services and deal with relevant illegal acts according to law.

Article 30 — All relevant departments shall, in accordance with their duties and responsibilities, establish a complaint handling mechanism for online taxi booking platform companies and drivers' business conduct, accept complaints, and handle them in a timely manner.

Chapter VI — Legal Liability

Article 31 — Where a platform company provides online taxi booking business services without obtaining an Online Taxi Booking Business Operation Permit or by exceeding the permitted business scope, the transport administrative department at or above the county level shall order it to cease the illegal practice and impose a fine of not less than RMB 10,000 but not more than RMB 30,000.

Source: https://www.danyoungcpa.com/interim-measures-online-taxi-booking-services-prc-2016-english-translation/

Article 32 — Where a platform company has any of the following circumstances, the transport administrative department at or above the county level and the pricing department shall, in accordance with their respective duties and responsibilities, order it to make corrections and impose a fine of not less than RMB 5,000 but not more than RMB 10,000 for each illegal act; where the circumstances are serious, a fine of not less than RMB 10,000 but not more than RMB 30,000 shall be imposed: (1) providing services for unlicensed vehicles or drivers; (2) failing to ensure that vehicles have valid insurance cover; (3) failing to disclose pricing mechanisms, pricing structure and dynamic markup mechanisms to the public; (4) failing to issue corresponding taxi fare invoices to passengers; (5) failing to fulfill its management responsibilities in violation of regulations, resulting in a serious traffic accident caused by a driver; (6) illegally using, disclosing, tampering with, destroying or selling personal information collected.

Article 33 — Where a driver provides online taxi booking services in violation of road traffic safety regulations, the public security traffic management authority shall impose penalties in accordance with the law. Where a driver provides online taxi booking services without obtaining an Online Taxi Booking Driver Certificate, the transport administrative department shall order the driver to make corrections and impose a fine of not less than RMB 200 but not more than RMB 2,000.

Article 34 — Where a driver has any of the following circumstances, the transport administrative department shall order the driver to make corrections and impose a fine of not less than RMB 50 but not more than RMB 200: (1) refusing carriage or deviating from the agreed route without justification; (2) failing to carry the Online Taxi Booking Vehicle Transport Certificate or Online Taxi Booking Driver Certificate when providing services; (3) committing other violations of state operational service standards.

Chapter VII — Supplementary Provisions

Article 35 — Private passenger car ride-sharing, also known as carpooling or ride-sharing, shall be separately regulated by the relevant provisions formulated by the local people's government.

Article 36 — Where the laws and regulations provide otherwise for taxi business services, such provisions shall prevail.

Article 37 — The transport administrative departments of the people's governments of all provinces, autonomous regions and municipalities directly under the Central Government may, in conjunction with the relevant departments at the same level, formulate specific implementation rules in accordance with these Measures and in light of local actual conditions.

Article 38 — Where an online taxi booking platform company has been established before the implementation of these Measures, it shall complete the relevant permit formalities within a prescribed grace period.

Article 39 — These Measures shall be interpreted by the Ministry of Transport, Ministry of Industry and Information Technology, Ministry of Public Security, Ministry of Commerce, State Administration for Industry and Commerce, General Administration of Quality Supervision, Inspection and Quarantine and Cyberspace Administration of China in accordance with their respective duties.

Article 40 — These Measures shall come into force on November 1, 2016.

Disclaimer: This is an unofficial English translation prepared for informational purposes only. It is not an official translation and has no legal authority. The original Chinese text of the measures shall prevail in all legal matters. While every effort has been made to ensure accuracy, no warranty is given as to the completeness or accuracy of the translation. Users should consult the official Chinese version or seek professional legal advice for matters requiring legal interpretation.