Law of the PRC on the Protection of Consumer Rights and Interests

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

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Chapter I — General Provisions

Article 1 — This Law is enacted for the purposes of protecting the legitimate rights and interests of consumers, maintaining social and economic order, and promoting the sound development of the socialist market economy.

Article 2 — Where consumers purchase or use commodities or receive services for their daily consumption needs, their rights and interests shall be protected by this Law. Where matters are not provided for in this Law, the protection of their rights and interests shall be governed by other relevant laws and regulations.

Article 3 — Business operators shall, in providing consumers with commodities they produce or sell or in providing services, abide by this Law. Where matters are not provided for in this Law, they shall abide by other relevant laws and regulations.

Article 4 — Business operators and consumers shall follow the principles of voluntariness, equality, fairness, honesty and good faith when conducting transactions.

Article 5 — The State shall protect the legitimate rights and interests of consumers against infringement. The State shall adopt measures to safeguard consumers' lawful exercise of their rights and to protect their legitimate rights and interests. The State shall advocate consumption patterns that are civilized, healthy, resource-conserving and environment-friendly and shall oppose waste.

Article 6 — The whole society shall bear the responsibility for protecting the legitimate rights and interests of consumers. The State shall encourage and support social supervision by all organizations and individuals over acts infringing upon the legitimate rights and interests of consumers. Mass media shall do a good job of publicity to safeguard the legitimate rights and interests of consumers and shall exercise supervision over acts infringing upon the legitimate rights and interests of consumers through public opinion.

Chapter II — Rights of Consumers

Article 7 — Consumers shall have the right to ensure personal and property safety when purchasing or using commodities or receiving services. Consumers shall have the right to request business operators to provide commodities and services that meet the requirements for personal and property safety.

Article 8 — Consumers shall have the right to know the true facts regarding the commodities they purchase or use or the services they receive. Consumers shall have the right, based on the different situations of commodities or services, to request business operators to provide information on price, place of origin, manufacturer, use, functions, specifications, grade, main ingredients, date of production, expiry date, certificate of inspection, operating instructions, after-sales service, or the content, specifications and fees of services.

Article 9 — Consumers shall have the right to freely choose commodities or services. Consumers shall have the right to freely choose business operators providing commodities or services, freely choose the types of commodities or modes of services, and freely decide whether to purchase any commodity or receive any service. Consumers shall have the right to make comparisons, appraisals and selections when freely choosing commodities or services.

Article 10 — Consumers shall have the right to fair dealing. When purchasing commodities or receiving services, consumers shall have the right to fair and reasonable transaction terms such as quality assurance, reasonable prices and accurate measurement, and shall have the right to refuse the compulsory transactions of business operators.

Article 11 — Consumers who have suffered personal or property damage as a result of purchasing or using commodities or receiving services shall have the right to obtain compensation in accordance with the law.

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Article 12 — Consumers shall have the right to establish organizations for the protection of their legitimate rights and interests in accordance with the law.

Article 13 — Consumers shall have the right to acquire knowledge relating to consumption and the protection of consumer rights and interests. Consumers shall make efforts to master the knowledge necessary for the use of the commodities or services they require and the skills for their use, correctly use commodities, and raise their awareness of self-protection.

Article 14 — When purchasing or using commodities or receiving services, consumers shall have the right to respect of their personal dignity, ethnic customs and practices, and shall have the right to protection of their personal information in accordance with the law.

Article 15 — Consumers shall have the right to supervise commodities and services as well as the work of protecting consumer rights and interests. Consumers shall have the right to report and bring charges against acts infringing upon consumer rights and interests and against the illegal acts or dereliction of duty of State organs and their staff in the work of protecting consumer rights and interests, and shall have the right to criticize and make suggestions regarding the work of protecting consumer rights and interests.

Chapter III — Obligations of Business Operators

Article 16 — Business operators providing commodities or services to consumers shall perform their obligations in accordance with the provisions of this Law and other relevant laws and regulations. Where there is an agreement between the business operator and the consumer, both parties shall perform their obligations as agreed, provided that the agreement does not contravene the provisions of laws or regulations. When providing commodities or services to consumers, business operators shall abide by social and professional ethics, operate honestly and with good faith, protect the legitimate rights and interests of consumers, and must not set unreasonable or unfair trading conditions or force consumers into transactions.

Article 17 — Business operators shall listen to consumers' opinions on the commodities or services they provide and accept consumers' supervision.

Article 18 — Business operators shall guarantee that the commodities or services they provide meet the requirements for personal and property safety. Business operators shall give truthful explanations and clear warnings of the correct methods of using commodities or receiving services, as well as the methods of preventing the occurrence of hazards. Business operators shall promptly report to the relevant administrative departments and inform consumers where they discover that the commodities or services they provide pose a serious defect that, even in the case of correct usage, may still cause harm to personal or property safety, and shall adopt measures to prevent the occurrence of hazards. Business operators such as hotels, shopping malls, restaurants, banks, airports, stations, ports, cinemas and theaters, scenic spots, entertainment venues and other public venues shall fulfill their obligations of ensuring the safety of consumers and provide safety guarantees for the consumers entering their public venues. Where they cause harm, they shall bear tort liability.

Article 19 — Where a business operator discovers that the commodities or services it provides are defective and may endanger personal or property safety, it shall immediately report to the relevant administrative departments and inform consumers, and shall adopt measures such as stopping sales, giving warnings, recalling, destroying without compensation or stopping production or services. Where recall measures are adopted, the business operator shall bear the necessary expenses incurred by consumers as a result of the recall of the commodities.

Article 20 — Business operators shall provide consumers with true information regarding commodities or services and must not engage in false or misleading publicity. Business operators shall give truthful and clear answers to consumers' inquiries regarding the quality and methods of use of the commodities or services they provide. Business operators shall clearly mark the prices of the commodities or services they

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provide.

Article 21 — Business operators shall clearly indicate their true name and mark. Business operators leasing counters or venues from others shall clearly indicate their true name and mark.

Article 22 — When providing commodities or services, business operators shall, in accordance with the relevant State provisions or commercial practices, issue to consumers purchase vouchers or service documents such as invoices. Business operators must issue purchase vouchers or service documents when consumers request them.

Article 23 — Business operators shall guarantee the quality, functions, use and term of validity of the commodities or services they provide under normal usage conditions, except where consumers already know of the existence of defects before purchasing the commodities or receiving the services. Advertisements, product descriptions, physical samples or other means used by business operators to indicate the quality status of commodities or services shall guarantee that the actual quality of the commodities or services they provide is consistent with the quality status indicated. Where a consumer purchases a durable commodity such as a motor vehicle, computer, television, refrigerator, air conditioner or washing machine, or receives services such as decoration and refurbishment, and discovers a defect within six months from the date of receipt of the commodity or service, the business operator shall bear the burden of proof regarding the defect. This shall not apply where the consumer knew of the defect before the purchase or receipt of the service.

Article 24 — Where a commodity or service provided by a business operator does not meet the quality requirements, the consumer may return the commodity or require the business operator to replace or repair it in accordance with the provisions of the State or as agreed upon by the parties. In the absence of State provisions or contractual agreement, the consumer may return the commodity within seven days from the date of receipt of the commodity. Thereafter, if the statutory conditions for rescission of the contract are met, the consumer may return the commodity in a timely manner. If the statutory conditions for rescission of the contract are not met, the consumer may require the business operator to replace or repair it. The business operator shall bear the necessary expenses such as transportation costs incurred in returning, replacing or repairing the commodity.

Article 25 — Where a business operator sells commodities through the Internet, television, telephone or mail order or other means, the consumer shall have the right to return the commodity within seven days from the date of receipt of the commodity without giving any reason, except for the following commodities: commodities made to order; fresh and perishable commodities; audio-visual products, computer software and other digital commodities downloaded online or unpackaged by the consumer; delivered newspapers and periodicals; and other commodities which, by their nature, are not suitable for return, as confirmed by the consumer at the time of purchase. The consumer shall ensure the integrity of the returned commodity. The business operator shall refund the price paid by the consumer for the commodity within seven days from the date of receipt of the returned commodity. The return freight for the returned commodity shall be borne by the consumer, unless otherwise agreed upon by the business operator and the consumer.

Article 26 — When using standard terms in business operations, business operators shall draw consumers' attention to the content relating to the consumers' significant interests and rights, such as the quantity and quality of commodities or services, price or fees, period and mode of performance, safety precautions and risk warnings, after-sales service and civil liability, and provide explanations upon request by consumers. Business operators shall not use standard terms, notices, declarations, store notices or other means to set unfair or unreasonable terms for consumers or compel consumers into transactions, and shall not use such means to exclude or restrict consumers' rights, reduce or exempt their own liability, or increase consumers' liability, or otherwise impose unreasonable requirements on consumers. Standard terms, notices, declarations, store notices, etc. that contain the content set out in the preceding paragraph shall be null and void.

Article 27 — Business operators shall not insult or slander consumers, shall not conduct body searches of consumers, and shall not infringe upon consumers' personal freedom.

Article 28 — Business operators providing commodities or services through the Internet, television, telephone, mail order or other means, as well as business operators providing securities, insurance, banking or other financial services, shall provide consumers with information on their business addresses, contact details, the quantity and quality of commodities or services, price or fees, period and mode of performance, safety precautions and risk warnings, after-sales service and civil liability.

Article 29 — When collecting and using consumers' personal information, business operators shall follow the principles of legality, legitimacy and necessity, clearly state the purpose, mode and scope of collection and use, and obtain the consent of consumers. When collecting and using consumers' personal information, business operators shall make public the rules for collection and use and must not collect or use information in violation of the provisions of laws, regulations or the agreement between the parties. Business operators and their staff shall strictly keep confidential the consumers' personal information collected and must not divulge, sell or illegally provide the same to others. Business operators shall adopt technical measures and other necessary measures to ensure information security and prevent the divulgence or loss of consumers' personal information. Where divulgence or loss of personal information occurs or is likely to occur, remedial measures shall be taken immediately. Business operators shall not send commercial information to consumers without the consent of the consumers or upon the request of the consumers, or where the consumers have expressly refused to receive such information.

Chapter IV — State Protection of the Legitimate Rights and Interests of Consumers

Article 30 — When formulating laws, regulations, rules and mandatory standards relating to the rights and interests of consumers, the State shall hear the opinions of consumers, consumer associations and other organizations.

Article 31 — People's governments at all levels shall strengthen their leadership, and organize, coordinate and urge the relevant administrative departments to do a good job of protecting the legitimate rights and interests of consumers and to implement the work of protecting the legitimate rights and interests of consumers. People's governments at all levels shall strengthen supervision to prevent the occurrence of acts endangering the personal and property safety of consumers and promptly stop such acts.

Article 32 — The administrative departments for industry and commerce and other relevant administrative departments of people's governments at all levels shall, within their respective functions and duties as prescribed by laws and regulations, take measures to protect the legitimate rights and interests of consumers. The relevant administrative departments shall hear the opinions of consumers and consumer associations and other organizations regarding the trading behavior of business operators and the quality of commodities and services, and shall promptly investigate and handle the matters.

Article 33 — The relevant administrative departments shall, within their respective functions and duties, regularly or from time to time conduct random inspections of commodities and services and shall promptly order business operators to cease acts of providing defective commodities or services that endanger the personal and property safety of consumers and to adopt measures such as informing consumers, stopping sales, giving warnings, recalling or destroying the commodities, or stopping production or services. The relevant administrative departments shall publish the results of random inspections and shall publish the names of business operators whose acts have infringed upon the legitimate rights and interests of consumers.

Article 34 — State organs concerned shall, in accordance with the provisions of laws and regulations, punish business operators for illegal or criminal acts committed in the course of providing commodities or services

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that infringe upon the legitimate rights and interests of consumers.

Article 35 — The people's courts shall take measures to facilitate consumers in filing lawsuits. The people's courts shall entertain and handle, in a timely manner, consumer rights and interests disputes that meet the conditions for initiating litigation as provided for in the Civil Procedure Law of the People's Republic of China.

Chapter V — Consumer Organizations

Article 36 — Consumers' associations and other consumer organizations are social organizations established in accordance with the law to carry out social supervision over commodities and services and to protect the legitimate rights and interests of consumers.

Article 37 — Consumers' associations shall perform the following public welfare functions:

(1) providing consumers with consumption information and consulting services, raising consumers' ability to safeguard their legitimate rights and interests, and advocating civilized, healthy, resource-conserving and environment-friendly consumption patterns;

(2) participating in the formulation of laws, regulations, rules and mandatory standards relating to the rights and interests of consumers;

(3) participating in the supervision and inspection of commodities and services by the relevant administrative departments;

(4) reporting, making suggestions and providing inquiries to the relevant State organs on matters relating to the legitimate rights and interests of consumers;

(5) accepting consumer complaints and conducting investigations and mediations into the complaints;

(6) where complaints involve the quality of commodities or services, entrusting qualified appraisal institutions to conduct appraisals, and the appraisal institution shall provide its appraisal opinions;

(7) supporting injured consumers in initiating litigation against acts infringing upon the legitimate rights and interests of consumers, or initiating litigation in accordance with this Law;

(8) exposing and criticizing acts infringing upon the legitimate rights and interests of consumers through the mass media.

People's governments at all levels shall provide necessary funds and other support for consumers' associations to perform their functions. Consumers' associations shall seriously perform their functions of protecting the legitimate rights and interests of consumers, listen to consumers' opinions and suggestions, and accept social supervision. Consumer organizations established in accordance with the law may engage in activities such as recommending commodities and services that comply with laws and regulations and relevant standards, but must not engage in for-profit service activities such as recommending commodities or services for a fee or collecting fees from business operators.

Article 38 — Consumer organizations must not engage in the business of commodities or for-profit services, and must not recommend commodities or services for the purpose of making profits or otherwise charging fees.

Chapter VI — Resolution of Disputes

Article 39 — Disputes between consumers and business operators over consumer rights and interests may be resolved through the following means:

(1) consultation and settlement between the consumer and the business operator;

(2) applying to a consumer association or a mediation organization established in accordance with the law for mediation;

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(3) making a complaint to the relevant administrative department;

(4) submitting to an arbitration institution for arbitration in accordance with the arbitration agreement reached with the business operator; or

(5) filing a lawsuit with the people's court.

Article 40 — Where consumers' legitimate rights and interests are harmed when purchasing or using commodities, they may claim compensation from the sellers. If the sellers are not liable and the liability lies with the producers or other sellers who provided the commodities to the sellers, the sellers shall, after providing compensation to the consumers, have the right to recover the compensation from the producers or other sellers. Consumers or other victims sustaining personal or property damage due to defects in commodities may claim compensation from the sellers or the producers. If the liability lies with the producers and the sellers provide compensation, the sellers shall have the right to recover the compensation from the producers. If the liability lies with the sellers and the producers provide compensation, the producers shall have the right to recover the compensation from the sellers.

Article 41 — Where consumers' legitimate rights and interests are harmed when receiving services, they may claim compensation from the service providers.

Article 42 — Where consumers' legitimate rights and interests are harmed when purchasing or using commodities or receiving services, and the original enterprise has been divided or merged, they may claim compensation from the enterprise that succeeds to its rights and obligations after the division or merger.

Article 43 — Where an unlicensed business operator using another's business license provides commodities or services that harm consumers' legitimate rights and interests, consumers may claim compensation from such business operator or from the holder of the business license.

Article 44 — Where consumers purchase commodities or receive services through online trading platforms and their legitimate rights and interests are harmed, they may claim compensation from the sellers or service providers. Where the online trading platform provider is unable to provide the true name, address and valid contact details of the sellers or service providers, consumers may also claim compensation from the online trading platform provider. Where the online trading platform provider makes a commitment that is more favorable to consumers, it shall honor its commitment. After providing compensation, the online trading platform provider shall have the right to recover the compensation from the sellers or service providers. Where the online trading platform provider knows or should know that sellers or service providers are using its platform to infringe upon consumers' legitimate rights and interests but fails to take necessary measures, it shall assume joint and several liability with the sellers or service providers in accordance with the law.

Article 45 — Where consumers' legitimate rights and interests are harmed as a result of false advertising or other false publicity by a business operator when providing commodities or services, consumers may claim compensation from the business operator. Where an advertising agent or publisher that designs, produces or publishes false advertising relating to consumers' lives and health, thereby causing harm to consumers, shall assume joint and several liability with the business operator providing the commodities or services. Social groups or other organizations or individuals that recommend commodities or services to consumers through false advertising or other false publicity, thereby causing harm to consumers' legitimate rights and interests, shall assume joint and several liability with the business operator providing the commodities or services.

Article 46 — Consumers' complaints to the relevant administrative departments shall be handled within seven working days from the date of receipt, and the consumers shall be notified of the handling result.

Chapter VII — Legal Liability

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Article 47 — Where business operators provide commodities or services by any of the following means, they shall bear civil liability in accordance with the provisions of the Law of the People's Republic of China on Product Quality and other relevant laws and regulations, unless otherwise provided for in this Law:

(1) commodities have defects;

(2) commodities lack the functions they should have, and no explanation is given at the time of sale;

(3) the State has ordered the elimination of the commodities, but they are still sold;

(4) the quantity of commodities sold is insufficient;

(5) commodities or services infringe upon consumers' legitimate rights and interests through false advertising, false publicity or other means;

(6) the quality of commodities or services, price or other relevant information does not match the relevant instructions;

(7) other circumstances provided for by laws or regulations.

Article 48 — Where business operators cause personal injury to consumers or other victims by providing commodities or services, they shall compensate for medical expenses, nursing expenses, transportation expenses and other reasonable expenses for treatment and rehabilitation, as well as for loss of income due to missed work. Where disability is caused, they shall also compensate for disability compensation and the expenses for disability living aids. Where death is caused, funeral expenses and death compensation shall also be compensated, and the living expenses of the dependents of the deceased shall also be paid. Where serious mental damage is caused, the victim shall have the right to claim compensation for mental damage.

Article 49 — Where business operators cause property damage to consumers by providing commodities or services, they shall bear civil liability by means of repair, redoing, replacement, return of goods, making up for the shortfall in quantity, refund of the purchase price and service fees, or compensation for losses, as agreed upon by the parties. In the absence of agreement, the compensation shall be determined in accordance with the provisions of laws and regulations or by means recognized by the parties.

Article 50 — Where business operators provide prepaid commodities or services, they shall perform as agreed. Where they fail to perform as agreed, they shall perform the agreement or refund the prepaid amount at the request of consumers, and shall also bear the interest on the prepaid amount and the reasonable expenses incurred by consumers.

Article 51 — Where business operators are ordered by the relevant administrative departments to cease selling commodities or providing services or to recall commodities or services, but fail to do so, consumers may claim compensation of two times the price of the commodities or services from the business operators.

Article 52 — Where business operators engage in fraudulent practices when providing commodities or services, they shall, at the request of consumers, increase the compensation for the losses suffered by consumers. The amount of the increase in compensation shall be three times the price of the commodities purchased by consumers or the fees for the services received. Where the amount of the increase in compensation is less than 500 yuan, it shall be 500 yuan. Where laws provide otherwise, those provisions shall apply. Where business operators knowingly provide consumers with defective commodities or services, causing death or serious damage to the health of consumers or other victims, the victims shall have the right to claim compensation from the business operators in accordance with the provisions of Article 48 and Article 49 (1) of this Law and other relevant laws, and shall have the right to claim punitive damages of not more than two times the losses suffered.

Article 53 — Where business operators fall under any of the following circumstances, the administrative departments for industry and commerce or other relevant administrative departments shall order rectification and may, in light of the circumstances, issue a warning or impose a fine; confiscate the illegal gains and

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impose a fine of not less than one time but not more than ten times the illegal gains; if there are no illegal gains, impose a fine of not more than 500,000 yuan; if the circumstances are serious, order the suspension of business for rectification; and revoke the business license:

(1) providing commodities or services that do not meet the requirements for safeguarding personal and property safety;

(2) adulterating commodities, passing off counterfeit commodities as genuine, passing off substandard commodities as standard commodities, or passing off unqualified commodities as qualified commodities;

(3) producing commodities that have been officially declared by the State to be obsolete, or selling commodities that are no longer effective or have deteriorated;

(4) forging the place of origin of commodities, forging or falsely using another's factory name or address, altering the date of production, or forging or falsely using quality marks such as certification marks;

(5) selling commodities that have not passed inspection, quarantine, or are marked as having passed inspection or quarantine by forgery;

(6) making false or misleading publicity regarding commodities or services;

(7) refusing or delaying the adoption of measures such as stopping sales, giving warnings, recalling or destroying commodities or stopping production or services by the relevant administrative departments for defective commodities or services;

(8) deliberately delaying or unreasonably refusing consumers' requests for repair, redoing, replacement, return of goods, making up for shortfall in quantity, refund of purchase price or service fees, or compensation for losses;

(9) infringing upon consumers' personal dignity, personal freedom or the right to protection of personal information in accordance with the law; or

(10) other circumstances provided for by laws and regulations.

Where business operators commit any of the acts specified in the preceding paragraph, their punishment shall be recorded in their credit files and made public in accordance with the provisions of laws and regulations.

Article 54 — Where business operators refuse or obstruct the relevant administrative departments in conducting supervision and inspection in accordance with the law, and fail to make rectification, the relevant administrative departments shall impose administrative penalties in accordance with the provisions of laws and regulations. Where laws and regulations do not provide for penalties, the relevant administrative departments shall impose penalties in accordance with the provisions of this Law.

Article 55 — Where staff members of State organs neglect their duties or shield business operators that infringe upon consumers' legitimate rights and interests, their units or higher-level organs shall impose administrative sanctions. Where the circumstances are serious and a crime is constituted, criminal liability shall be pursued in accordance with the law.

Chapter VIII — Supplementary Provisions

Article 56 — Where farmers purchase or use production materials directly used for agricultural production such as seeds, chemical fertilizers, pesticides, agricultural film, agricultural machinery and tools, which are provided by business operators, the provisions of this Law shall apply by reference.

Article 57 — This Law shall come into force on January 1, 1994. The amendment shall come into force on March 15, 2014.

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