Price Law of the People’s Republic of China

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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 standardizing pricing conduct, giving play to the role of price in rationally allocating resources, stabilizing the overall price level in the market, protecting the lawful rights and interests of consumers and operators, and promoting the sound development of the socialist market economy.

Article 2 — This Law shall apply to pricing conduct within the territory of the People’s Republic of China. “Pricing conduct” referred to in this Law includes pricing by operators and government pricing conduct.

Article 3 — The state shall implement and gradually improve the mechanism whereby prices are determined primarily by the market under the state’s macroeconomic regulation and control. Most goods and services shall be subject to market-regulated prices, while a very small number of goods and services shall be subject to government-set prices or government-guided prices.

Article 4 — The state shall support and promote fair, open, and lawful market competition, safeguard the normal pricing order in the market, and impose regulation and control over price activities.

Article 5 — The price department of the State Council shall be responsible for the work of pricing nationwide. Other relevant departments of the State Council shall be responsible for the relevant price work within the scope of their respective duties.

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Chapter II — Pricing of Goods and Services

Article 6 — Market-regulated prices shall be determined independently by operators through fair competition based on production and operation costs and market supply and demand.

Article 7 — When determining prices, operators shall follow the principles of fairness, lawfulness, and good faith.

Article 8 — Operators shall record and verify production and operation costs accurately. They may not make false or misleading statements about costs.

Article 9 — Operators shall determine prices based on their production and operation costs, market supply and demand, and other factors.

Article 10 — Operators shall, in accordance with the provisions of laws and administrative regulations, specify prices clearly and indicate product information truthfully.

Article 11 — Operators shall have the following rights in pricing:

(1) To set their own prices for goods and services that are subject to market-regulated prices;

(2) To set prices within the range prescribed by the government for goods and services that are subject to government-guided prices;

(3) To set prices for new products that are within the scope of government-set prices or government-guided prices, subject to relevant state provisions;

(4) To report or complain about infringement of their lawful independent pricing rights.

Article 12 — Operators shall abide by laws and administrative regulations in their pricing activities and shall subject themselves to the lawful administration, supervision, and inspection by the government pricing authorities.

Article 13 — Operators shall not engage in the following unfair pricing practices:

(1) Colluding with others to manipulate market prices, thereby harming the lawful rights and interests of other operators or consumers;

(2) Dumping goods at below-cost prices for the purpose of driving out competitors or monopolizing the market, thereby disrupting the normal order of production and operation;

(3) Creating and spreading false information about price hikes, thereby driving up prices excessively;

(4) Using false or misleading pricing methods to deceive consumers into transacting;

(5) Discriminating in price between transacting parties where the transaction conditions are identical;

(6) Selling goods or providing services at inflated prices by forcing up grades or forcing down grades;

(7) Making exorbitant profits in violation of laws and administrative regulations;

(8) Other unfair pricing practices prohibited by laws and administrative regulations.

Article 14 — Operators shall clearly mark the prices of goods and services and shall not sell goods or provide services at prices higher than the marked prices without authorization, nor may they charge any fees not clearly stated.

Article 15 — Intermediary service providers shall charge fees in accordance with the provisions of laws and administrative regulations.

Article 16 — Operators shall not force consumers to accept unreasonable pricing conditions when selling goods or providing services.

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Article 17 — Industry organizations shall abide by pricing laws and administrative regulations, shall strengthen pricing self-discipline, and shall accept the guidance of government pricing authorities.

Chapter III — Price Monitoring and Regulation

Article 18 — The government may set prices or guide prices for the following goods and services:

(1) A very small number of goods that are vital to the national economy and people's livelihood;

(2) Goods that are in short supply of resources;

(3) Goods under natural monopoly;

(4) Important public utility services;

(5) Important public welfare services.

Article 19 — The government shall determine government-set prices and government-guided prices based on the average social costs of the relevant goods or services, market supply and demand, the capacity of the national economy and society, and the requirements for social development.

Article 20 — Government-set prices and government-guided prices shall be subject to a hearing system. The government shall hear the opinions of consumers, operators, and other relevant parties when determining prices.

Article 21 — Government-set prices and government-guided prices shall be published in a timely manner. The government shall adjust the prices in a timely manner according to changes in the relevant factors.

Article 22 — The government shall investigate and monitor prices, establish a price monitoring and reporting system, and release price information to the public.

Article 23 — The government may, when the overall price level in the market rises significantly or the prices of important goods or services may rise significantly, take intervention measures.

Article 24 — When severe fluctuation occurs in the overall market price level, the State Council may adopt emergency measures such as temporarily setting prices for certain goods and services on a national or regional basis.

Article 25 — The government may establish a price adjustment fund to regulate prices and stabilize the market.

Article 26 — Government pricing authorities shall, in accordance with law, supervise and inspect prices and shall have the right to impose administrative penalties for illegal pricing acts.

Chapter IV — Obligations of Operators

Article 27 — When accepting government pricing supervision and inspection, operators shall truthfully provide information and materials required for supervision and inspection such as account books, invoices, vouchers, and documents.

Article 28 — Operators shall not refuse to accept or obstruct the lawful supervision and inspection conducted by government pricing authorities.

Article 29 — Operators shall keep records of pricing activities for inspection by government pricing authorities.

Article 30 — Operators shall implement government-set prices and government-guided prices in accordance with law.

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Article 31 — When the government takes price intervention measures, operators shall implement such intervention measures.

Article 32 — Operators shall not fabricate or disseminate price hike information to disrupt market price order.

Article 33 — Operators shall not hoard goods for speculation or engage in profiteering.

Article 34 — Operators shall not force consumers to accept unreasonable pricing conditions when selling goods or providing services.

Chapter V — Legal Liability

Article 35 — Where an operator engages in unfair pricing practices in violation of Article 13 of this Law, the government pricing authority shall order the operator to take corrective action, confiscate the illegal gains, and may impose a fine of up to five times the illegal gains; where there are no illegal gains, a warning shall be given and a fine may be imposed; where the circumstances are serious, the business license shall be revoked by the administrative department for industry and commerce.

Article 36 — Where an operator, in violation of the provisions of Article 14 of this Law, sells goods or provides services at prices higher than the marked prices or charges fees not clearly stated, the government pricing authority shall order the operator to take corrective action, confiscate the illegal gains, and may impose a fine of up to five times the illegal gains.

Article 37 — Where an operator fails to implement government-set prices, government-guided prices, or statutory price intervention measures or emergency measures, the government pricing authority shall order the operator to take corrective action, confiscate the illegal gains, and may impose a fine of up to five times the illegal gains; where there are no illegal gains, a fine may be imposed; where the circumstances are serious, the business license shall be revoked.

Article 38 — Where an operator refuses to provide the information and materials required for supervision and inspection in accordance with the provisions of this Law, the government pricing authority may impose a fine.

Article 39 — Where an operator refuses to accept or obstructs the lawful supervision and inspection conducted by the government pricing authority, the operator shall be penalized by the public security authority in accordance with the provisions of the Law on Penalties for Administration of Public Security; where a crime is constituted, criminal liability shall be pursued in accordance with law.

Article 40 — Where a local people’s government at any level or a relevant department of a people’s government at any level violates the provisions of this Law by exceeding its authority or scope in setting prices or adjusting prices, the government at a higher level or the relevant department of the government at a higher level shall order it to take corrective action and may circulate a notice of criticism; the directly responsible person in charge and other directly liable persons shall be subject to administrative sanctions in accordance with law.

Article 41 — Where an operator causes damage to consumers or other operators due to illegal pricing activities, the operator shall bear civil liability for compensation in accordance with law.

Article 42 — The government pricing authority may, in the course of performing its duties, request the public security authority or the administrative department for industry and commerce to provide assistance.

Article 43 — Where a staff member of a government pricing authority abuses power, neglects duty, or engages in malpractice for personal gain, and a crime is constituted, criminal liability shall be pursued in accordance with law; where a crime is not constituted, administrative sanctions shall be imposed in accordance with law.

Article 44 — Government pricing authorities shall publish the basis and results of administrative penalties imposed for illegal pricing acts.

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Article 45 — Where a party refuses to accept an administrative penalty decision made by a government pricing authority, it may apply for administrative reconsideration or institute an administrative lawsuit in accordance with law.

Chapter VI — Supplementary Provisions

Article 46 — The State Council may formulate specific measures for the implementation of this Law.

Article 47 — This Law shall not apply to the pricing of interest rates, exchange rates, insurance rates, securities, and futures prices, which shall be governed by other relevant laws and administrative regulations.

Article 48 — This Law shall come into force on May 1, 1998.

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