Provisions on Online Trading Supervision and Administration 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 — These Provisions are formulated in accordance with the E-Commerce Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Consumer Rights and Interests, the Product Quality Law of the People's Republic of China, and other relevant laws and regulations for the purpose of regulating online trading activities, protecting the lawful rights and interests of consumers and online trading operators, maintaining the order of online trading, and promoting the sustainable and healthy development of the digital economy.

Article 2 — These Provisions apply to online trading activities conducted within the territory of the People's Republic of China through information networks such as the internet. Online trading activities within the territory of China as specified in the preceding paragraph include the sale of goods or provision of services through e-commerce platforms, other network service providers, self-built websites, or other online means. These Provisions do not apply to the provision of news information, audio and video programs, publishing,

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and cultural products through the internet, which shall be governed by separate laws and regulations.

Article 3 — Online trading operators shall conduct business in compliance with laws, regulations, and rules, adhere to the principles of voluntariness, equality, fairness, and good faith, comply with commercial ethics, and maintain fair competition and market order. Online trading operators shall fulfill their obligations to protect consumer rights and interests, protect personal information, protect intellectual property rights, and maintain network security in accordance with the law.

Chapter II — Obligations of Online Trading Operators

Article 4 — Online trading operators shall, in a prominent position on their homepages or main pages, continuously publicize information such as their business license, relevant administrative permits, or links to such information, in accordance with the law. Where online trading operators are not required to register as market entities in accordance with the law, they shall, in accordance with the relevant provisions, continuously publicize information such as the fact that they are not required to register as market entities.

Article 5 — Online trading operators shall not engage in false or misleading commercial promotions to deceive or mislead consumers. Online trading operators shall not use fictitious transactions, fabricated user reviews, or other means to engage in false or misleading commercial promotions. Online trading operators shall not tamper with, fabricate, or conceal user reviews.

Article 6 — Online trading operators shall collect and use consumers' personal information in accordance with the provisions of laws and regulations on personal information protection, shall not collect personal information beyond the scope of authorization, and shall not use personal information by means of forced consent, bundled authorization, or other improper means. Online trading operators shall not send commercial information to consumers without their consent or request.

Article 7 — Online trading operators selling goods or providing services shall provide consumers with truthful information such as the quality, performance, use, and shelf life of the goods or services, and shall not make false or misleading representations. Online trading operators shall expressly indicate or explain to consumers the methods and standards for calculating prices, and shall not charge additional fees without providing a clear explanation.

Article 8 — Online trading operators shall protect consumers' rights to know, self-selection, and fair trade in accordance with the law, and shall not set unreasonable trading conditions such as binding sales or compulsory tie-in sales, or infringe upon consumers' rights to self-selection or fair trade through technical means.

Article 9 — Online trading operators shall provide consumers with invoices and other purchase vouchers or service documents for goods sold or services provided in accordance with the law. Electronic invoices shall have the same legal effect as paper invoices.

Article 10 — Online trading operators selling goods shall provide consumers with return and exchange services in accordance with the law, and shall not refuse to accept returns or refunds without valid reasons. Online trading operators shall expressly indicate the conditions and methods for returns and exchanges of goods.

Article 11 — Online trading operators shall not use standard terms, notices, statements, store announcements, customer service communications, or other means to make unfair or unreasonable provisions for consumers, such as excluding or restricting consumers' rights, reducing or exempting their own liabilities, or increasing consumers' liabilities. Standard terms and conditions that are in the nature of exclusion or restriction of consumer rights shall be void.

Chapter III — Special Obligations of Platform Operators

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Article 12 — Online trading platform operators shall require operators on their platforms to submit their true identity information, verify and register such information, and establish registration files. Where operators on platforms are market entities, online trading platform operators shall verify their business licenses or other administrative permits. Online trading platform operators shall verify and update the verification information of operators on their platforms at least once every six months.

Article 13 — Online trading platform operators shall sign service agreements with operators on their platforms specifying the rights and obligations of both parties, the rules for maintaining order on the platform, and other content. Online trading platform operators shall publicize service agreements and trading rules on their homepages in a prominent position or make them easily accessible to operators and consumers.

Article 14 — Online trading platform operators shall establish and improve the credit evaluation system. The system shall record consumers' evaluations of goods or services provided by operators on the platform. Online trading platform operators shall not delete consumers' evaluations of goods or services provided by operators on the platform without cause.

Article 15 — Online trading platform operators shall record and preserve information on goods, services, and trading released on their platforms, and shall ensure the integrity, confidentiality, and availability of such information. The retention period for the information specified in the preceding paragraph shall be no less than three years from the date of completion of the transaction.

Article 16 — Online trading platform operators shall establish effective complaint and reporting mechanisms, publicize information such as complaint and reporting methods, and accept and handle complaints and reports in a timely manner. Where online trading platform operators discover that operators on their platforms have committed acts that violate laws, regulations, or rules, they shall take necessary measures such as warning, suspending, or terminating services in accordance with the law, and shall publicize such information in a timely manner.

Chapter IV — Supervision and Administration

Article 17 — The market regulation departments of the people's governments at or above the county level shall be responsible for the supervision and administration of online trading activities within their respective administrative regions. The market regulation departments at the provincial level shall be responsible for coordinating and guiding the supervision and administration of online trading within their respective administrative regions, and may directly investigate and handle major and complex cases of online trading violations.

Article 18 — Market regulation departments shall strengthen the monitoring and inspection of online trading activities, comprehensively use means such as random inspections and targeted inspections to investigate and handle illegal acts in online trading, and publicize the results of supervision and inspection to the public in accordance with the law. Market regulation departments shall adopt necessary measures to protect the trade secrets of online trading operators that are learned in the course of performing their duties.

Article 19 — Where market regulation departments discover in the course of monitoring online trading that online trading operators are suspected of committing illegal acts, they may take measures such as online evidence preservation and sampling inspection of online trading goods. Market regulation departments may entrust qualified inspection and testing institutions to conduct inspections and tests on goods sold online.

Article 20 — Market regulation departments shall strengthen inter-departmental information sharing and collaborative supervision, establish mechanisms for sharing information on illegal acts in online trading and transferring case leads, and enhance the effectiveness of comprehensive governance of the online market.

Chapter V — Legal Liability

Article 21 — Where online trading operators violate the relevant provisions of these Provisions, the market regulation departments shall handle the matter in accordance with the E-Commerce Law, the Law on the Protection of Consumer Rights and Interests, the Product Quality Law, and other relevant laws and regulations.

Article 22 — Where online trading operators fail to publicize information such as their business licenses as required, or fail to indicate that they are not required to register as market entities, the market regulation department shall order them to make corrections within a prescribed time limit and may impose a fine of not more than 10,000 yuan. Where online trading platform operators fail to fulfill their obligations to verify and register operators on their platforms as required, the market regulation department shall order them to make corrections within a prescribed time limit and may impose a fine of not less than 10,000 yuan but not more than 100,000 yuan.

Chapter VI — Supplementary Provisions

Article 23 — These Provisions do not apply to online transactions of financial products or services.

Article 24 — SAMR shall be responsible for the interpretation of these Provisions.

Article 25 — These Provisions shall come into force on May 1, 2021. The Measures on the Administration of Online Trading issued by the former State Administration for Industry and Commerce on January 26, 2014, shall be repealed simultaneously.

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