

# **Regulatory Insights**

### **Date Released**

September 11, 2018
Agency

Standing Committee of the National People's Congress

## Notice of the implementation of Ecommerce Law

关于实施电子商务法的通知

On August 31<sup>st</sup>, President Xi Jinping signed the seventh presidential decree approving the E-commerce Law which will go into effect on January 1, 2019. The law has 89 articles. The English translation will be finalized by the end of the week and emailed out to members as well as posted on the association's website in the "Regulatory" area. For now, below are some key details:

#### Time Line

- 2013.12.7 Standing Committee of National People's Congress(NPC) established the drafting of the E-commerce Law, indicating the beginning of the E-commerce Law.
- 2014.11.24 Standing Committee of NPC, E-commerce Law drafting group held the second plenary session, deciding the guiding ideologies of the Law are promoting the industry, normalizing the order and safeguarding the rights of participants.
- 2015.1-2016.6 Drafting of the protocol
- 2016.12.19 Financial and Economic Committee of NPC submit the draft for deliberation.
- 2016.12.27-2017.1.26 Solicit public opinions

- 2018.8.31 The Standing Committee of NPC voted and approved the E-commerce Law. The
   President Xi signed the seventh Presidential Decree marking the Law was approved by NPC on
   31st August, 2018.
- 2019.1.1 The law will go into effect.

## **Key points**

- 1. The law stipulates the E-commerce platform shall take corresponding legal responsibilities of any safety issues occurring on the platform.
- 2. The law forbids platforms from offering different prices to different levels of consumers with "Big Data Analysis"
- 3. The law requires the platforms to protect personal information.
- 4. We chat sellers are classified as E-commerce participants, may need registration in the future.
- 5. Refusing to refund the deposit, bundle sale as well as other unreasonable actions may face fines up to RMB 500,000.
- \* For example,

A deposit is required before using OFO (an app helps find shared bikes). The platform is not allowed to make excuses stopping or delaying you from getting your deposit back when you decide to stop using it.

And when booking air tickets, if the XieCheng (An app which can help book airline tickets) attaches a hotel service cost automatically to your air ticket order without permission, or place this cost at an inconspicuous corner before it is read and agreed. The platform shall be fined according to the law.