

Draft e-commerce law highlights safe trade, consumer rights

The latest draft law on e-commerce, submitted for the second reading on Tuesday, further clarifies liabilities of e-commerce operators and punishment over infringement of consumer rights.

The bill, submitted at a six-day bimonthly session of the National People's Congress (NPC) Standing Committee, classifies e-commerce operators into three entities: "those doing business on their own websites, e-commerce platform operators, and stores on e-commerce platforms."

According to the draft, e-commerce operators should be registered with the industry and commerce administrations, except for those who sell homegrown farm produce or handmade products and others who by law do not need to be registered.

Operators should not infringe consumers' rights by posting false advertisements, fabricating transaction information or user comments.

They should deliver products and services as promised and bear the risk and liabilities of transportation.

Consumers should be informed of how to cancel their accounts without unreasonable conditions.

When e-commerce platform operators offer search services for consumers, they may display the results according to indicators such as price, sales volume and credit but the results of "paid listings" should be clearly labeled as advertisements.

Platform operators are also required to respond to intellectual property right (IPR) violation. They must cancel, block, disconnect or close transactions of business operators who violate IPRs when they are aware of or should be aware of the offences. Those who do not take necessary actions shall bear joint liabilities.

The bill also paid great attention to dispute settlement. It requires e-commerce operators to establish convenient and efficient channels to handle complaints. During disputes with consumers, they shall provide original transaction information to the court, arbitration authority and other mediation agencies. They will be punished for faking, destroying, tampering with or refusing to hand in such information.

China has the world's largest e-commerce market with online retail sales reaching nearly 5.2 trillion yuan (755.3 billion U.S. dollars) in 2016, a year-on-year increase of 26.2 percent.

The draft was first read by the top legislature in December 2016.