

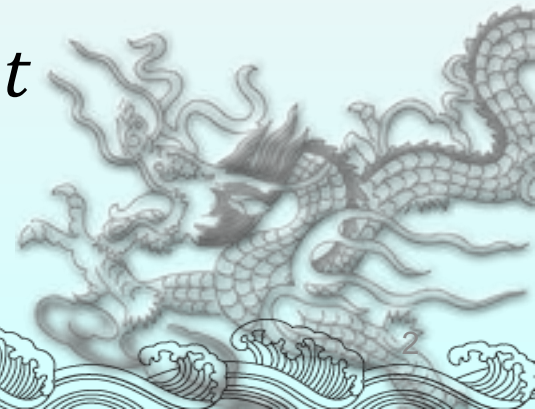
E-Commerce in Global Market & Lawmaking in China

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*Workshop on the UN Electronic Communications Convention: a
legal tool to promote cross-border electronic commerce
Bangkok 3 April 2014*

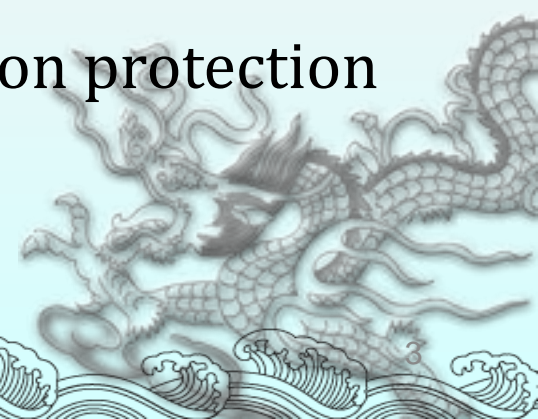
AP E-Commerce Legislation

- ◆ UNCTAD Studies on E-commerce Legislation
 - ◆ (UNCTAD E-Commerce Law Week 25-27/03/2015)
 - ◆ More than 70% of countries in AP have enacted e-commerce law
 - ◆ Largely based on UNCITRAL model laws
 - ◆ *Primarily on e-signatures*
 - ◆ *Some not technologically neutral*
 - ◆ *Lack of capacity for law enforcement*



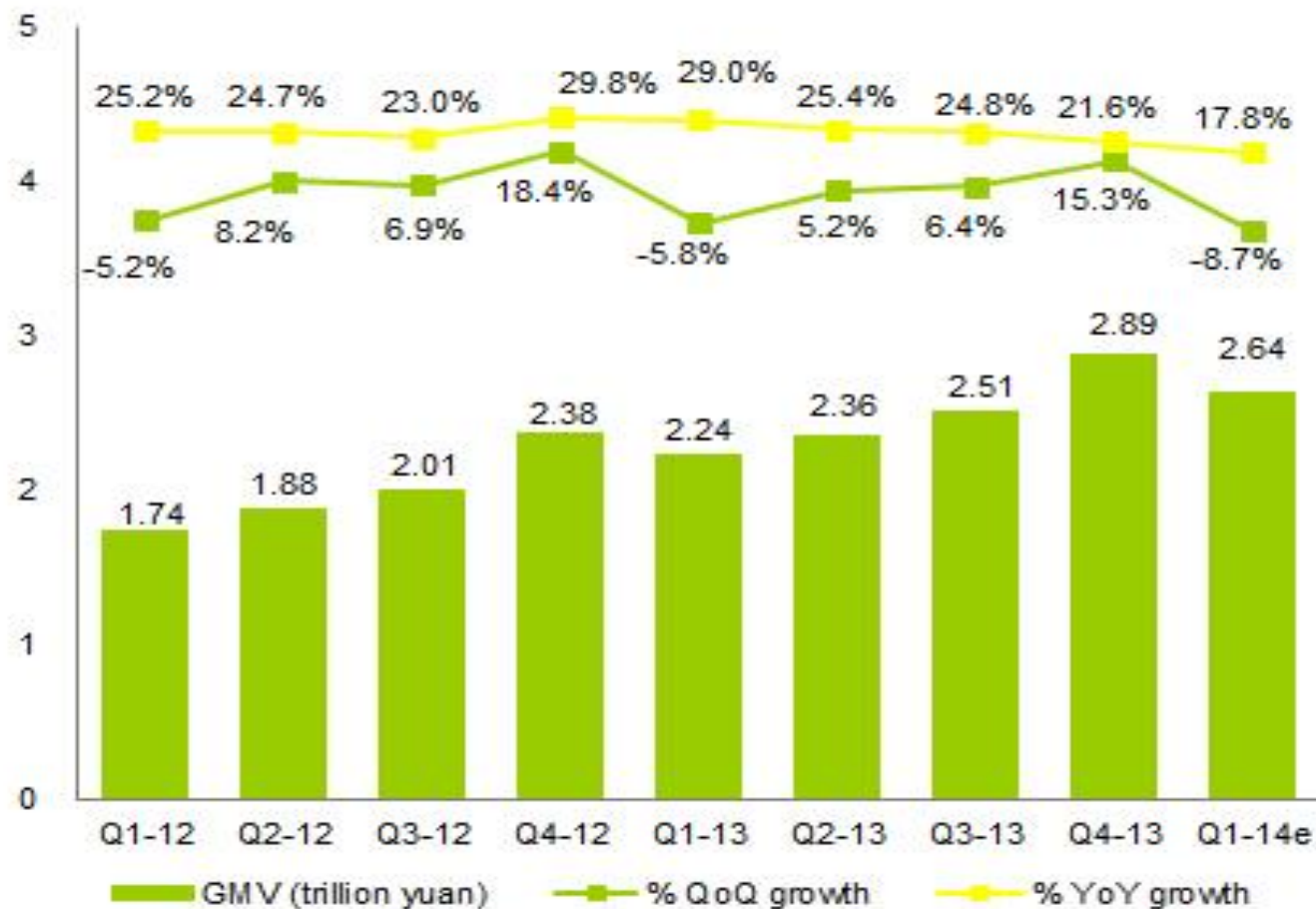
Chinese Laws: the Stay of Play

- ◆ E-Signature Law (2004)
 - ◆ Enacted in order to standardize acts of electronic signature, validate the legal effect of electronic signature, and safeguard the lawful rights and interests of the parties concerned.
- ◆ Contract Law (1999)
 - ◆ Enabling e-contracting
- ◆ Consumer Right Protection Law (2014)
 - ◆ Consumer protection on the Internet
- ◆ Criminal Law (1997) and amendments
 - ◆ Cyber-crimes
- ◆ NPC Decision and Ministerial Regulations on protection of personal information
 - ◆ Personal data protection on the Internet



Remarkable Growth

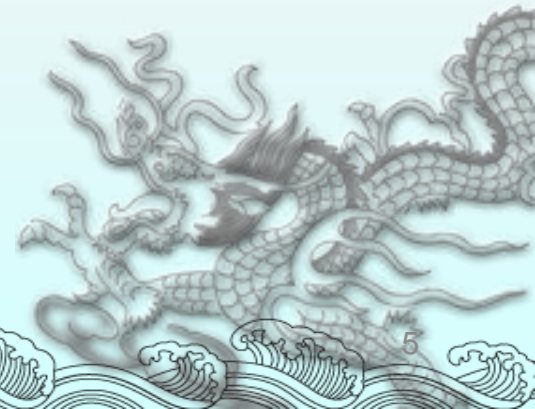
China E-commerce GMV Q1 2012-Q1 2014



Source: The financial results published by enterprises, interviews with experts, and iResearch statistical model.

Booming Market

- ◆ According to China Ministry of Commerce, total e-commerce (B2B+B2C+C2C) gross merchandise volume (GMV) exceed **US\$ 2.1 trillion** in 2014
 - ◆ Expected to be more than US\$ 3 trillion by 2015;
- ◆ B2B remained as the dominant e-commerce sector, which made up 80% of total e-commerce GMV.
 - ◆ SME B2B accounted for more than 50% share;
 - ◆ Over 80% of large enterprises use e-commerce services
- ◆ More than 10% of consumer retail sales are with online retail (B2C+C2C).
 - ◆ 649 million Internet users
 - ◆ 557 million mobile Internet users
 - ◆ 361 million online shoppers

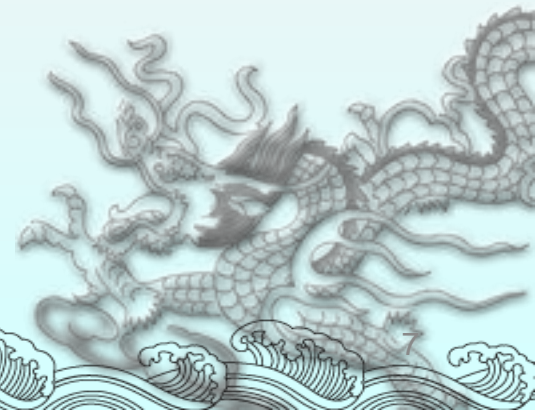


National Strategy: “Internet+”

- ◆ Chinese Premier Mr. Li’s Governmental Report at NPC March 2015
 - ◆ National strategic focuses on mobile Internet, cloud computing, big data, etc.
 - ◆ Action Plan for “Internet +”
 - ◆ Internet as cross-cutting stimulus for national economy
- ◆ Acceleration of lawmaking for e-commerce
 - ◆ Creating enabling law environment

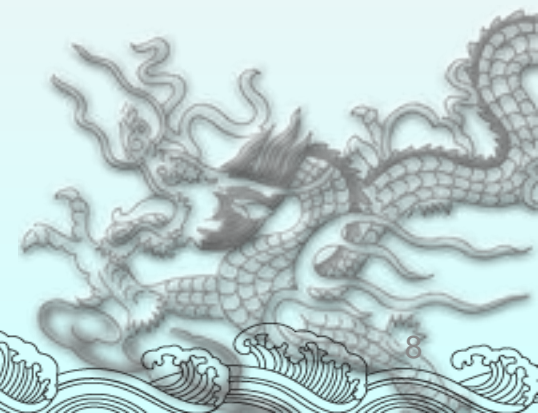
E-Commerce Lawmaking

- ◆ General timetable
 - ◆ NPC decision on October 2013
 - ◆ NPC leader group
 - ◆ Expert supporting platform
 - ◆ Cross-ministerial working group
 - ◆ Initial Draft by October 2015
 - ◆ Expert Draft
 - ◆ Other Proposals (Alibaba, etc.)
 - ◆ Public consultation by June 2016
 - ◆ Finalization targeting to 2018



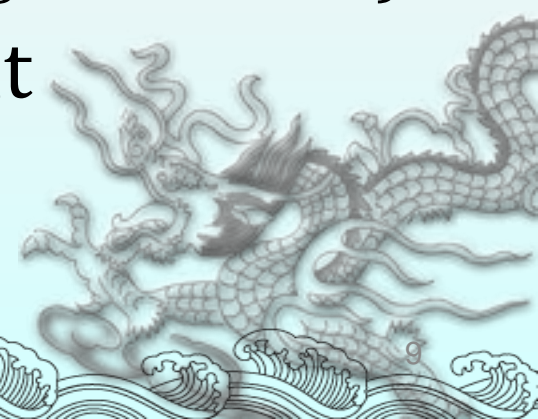
Draft Framework (24/03/2015)

- ◆ 1. General Rules
- ◆ 2. E-Contracts
- ◆ 3. Subjects and Objects of E-Transactions
- ◆ 4. Transactional Platform and Supporting Services
- ◆ 5. Consumer Protection and Market Competition
- ◆ 6. Policy to Stimulate E-commerce
- ◆ 7. Cross-border E-commerce
- ◆ 8. Dispute Resolution Mechanisms
- ◆ 9. Governmental Regulation
- ◆ 10. Legal Liability
- ◆ 11. Miscellaneous



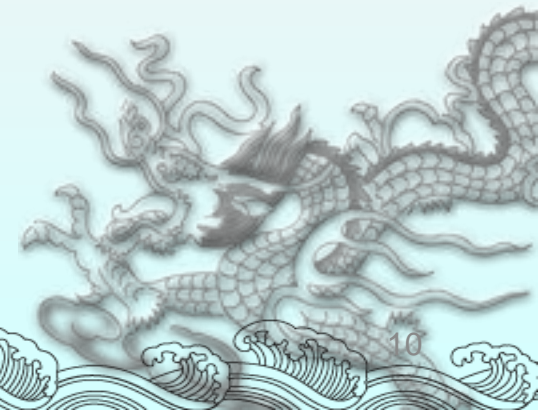
Ambition, Purpose and Scope

- ◆ 21st Century basic economic law
 - ◆ Not confined to any industry or area
 - ◆ Applicable to e-commerce in the territory of China and/or involving Chinese parties
- ◆ Correlation with existing laws
 - ◆ Not to duplicate
 - ◆ Coherence, improvement (e.g. E-Signature Law)
- ◆ Flexibility for future development
 - ◆ Framework and specific rules



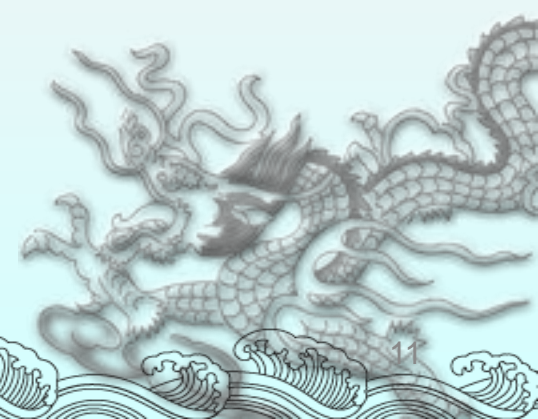
Principles

- ◆ Basic principles
 - ◆ Simulation of innovation
 - ◆ Minimization of governmental intervention
 - ◆ Multi-stakeholder governance
 - ◆ Free flow of information
 - ◆ Improvement of regulatory regime
- ◆ Normative principles
 - ◆ Technological neutrality
 - ◆ Functional equivalence
 - ◆ Non-discrimination



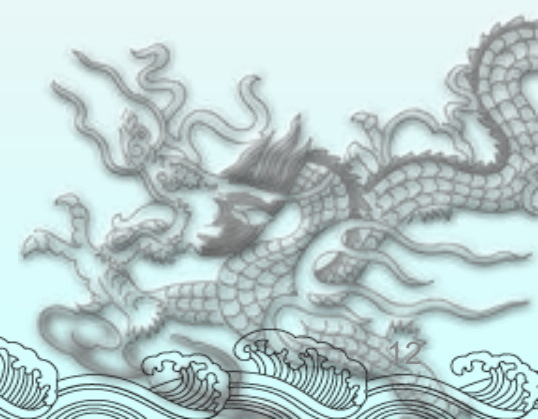
Facilitation of Cross-Border E-Commerce

- ◆ International cooperation
 - ◆ Accession to UNECC
 - ◆ Mutual recognition of e-sign, certificates and validity of e-contracts
- ◆ Working for national Single Window
 - ◆ Commitment to NSW in October 2014
 - ◆ Administrative coordination among customs, MoC, AICs, Taxation, Quality Inspection, Post
 - ◆ Building e-customs
- ◆ Data sharing and protection
- ◆ Tax benefit
- ◆ FDI



Conclusion

- ◆ Ambitious goal to establish a comprehensive e-commerce legal framework
- ◆ Holistic approach for strategic economic development



THANK YOU!

