

# Law of the People's Republic of China on Protecting Consumers' Rights and Interests

(Text of "Law of the People's Republic of China on Protecting Consumers' Rights and Interests" adopted by the fourth meeting of the eighth National People's Congress Standing Committee on 31st October 1993)

## CHAPTER I. General Principles

**Article 1.** This law has been formulated to protect the legitimate rights and interests of consumers, maintain socioeconomic order and promote the healthy development of the socialist market economy.

**Article 2.** The rights and interests of consumers who buy or use commodities for purposes of daily consumption or those who receive services are protected by this law. In the absence of relevant provisions in this law, their rights and interests are protected by other laws and regulations governing related matters.

**Article 3.** Producers shall abide by this law when supplying consumers with the commodities they produce or market or when providing services. In the absence of relevant provisions, they shall abide by other laws and regulations governing related matters.

**Article 4.** When conducting transactions, producers and consumers shall follow the principles of voluntariness, equality, fairness, honesty and credibility.

**Article 5.** The state shall protect the legitimate rights and interests of consumers to ensure that they will not be violated.

The state shall take measures to ensure that consumers will exercise their rights in accordance with the law and to protect their legitimate rights and interests.

**Article 6.** It is the common responsibility of all strata of society to protect the legitimate rights and interests of consumers.

The state shall encourage all organizations and individuals to exercise public supervision over actions that hurt the legitimate rights and interests of consumers and shall assist them in this regard.

The mass media shall publicize the need to protect the legitimate rights and interests of consumers and shall enlist public opinion in overseeing actions that hurt such rights and interests.

## CHAPTER II. Consumers' Rights

**Article 7.** In buying or using commodities or in receiving services, consumers are entitled to personal safety and safety with regard to their property.

With respect to commodities and services provided by the producers, consumers are entitled to raise demands to ensure their personal safety and the safety of their property.

**Article 8.** Consumers are entitled to receive correct information on the commodities they buy or use or on the services they receive.

Consumers are entitled to request producers to supply relevant information as required by different commodities and services. Such information includes commodity prices, manufacturing places, manufacturers, intended uses, functions, specifications, product grades, major components or ingredients, manufacturing dates, expiration dates, inspection certificates, instructions for operation or application, after-sales services and service items, details and charges.

**Article 9.** Consumers are entitled to choose their own commodities or services.

Consumers are entitled to choose their own producers for the supply of commodities or services, as well as their preferred commodity types or service methods. They can decide independently whether to buy a certain commodity or to receive a certain type of service.

In choosing their preferred commodities or services, consumers are entitled to draw comparisons and distinctions or to exercise their options.

**Article 10.** Consumers enjoy the right of fair trade.

In purchasing commodities or receiving service, consumers have the right to quality assurance, reasonable prices and accurate measurements and other terms of fair trade, as well as the right to reject business operators' coercive trade behavior.

**Article 11.** Consumers enjoy the right to receive compensation in accordance with the law for personal and property damages incurred as a result of the purchase and use of commodities or receipt of service .

**Article 12.** Consumers enjoy the right to form social groups in accordance with the law to safeguard their legitimate rights and interests.

**Article 13.** Consumers enjoy the right to obtain knowledge related to consumption and to the protection of their rights and interests.

Consumers shall make an effort to grasp knowledge about the commodities and service they want and to acquire the skills necessary for using them; they shall correctly use commodities and raise their own awareness to protect themselves.

**Article 14.** In purchasing and using commodities and receiving service, consumers enjoy the right to demand respect of their personal dignity and national customs and habits.

**Article 15.** Consumers enjoy the right to exercise supervision over commodities and service, and over the work of protecting their rights and interests.

Consumers have the right to report and file charges over behavior infringing their legitimate rights and interests and over violations of law or derelictions of duty on the part of state

bodies and their functionaries in the course of protecting consumer rights and interests; consumers have the right to criticize and make suggestions on the work of protecting their rights and interests.

### **CHAPTER III. Business Operators' Obligations**

**Article 16.** When providing commodities or service to consumers, business operators shall fulfill their obligations in accordance with the provisions of the "Law of the People's Republic of China on Quality of Domestically Produced Products" and other relevant laws and regulations.

Business operators shall fulfill their obligations in accordance with the agreement, if any, reached with the consumers; however, such bilateral agreements shall not contravene the provisions of laws and regulations.

**Article 17.** Business operators shall listen to the views of consumers on the commodities or service provided by them and shall accept consumers' supervision.

**Article 18.** Business operators shall guarantee that the commodities or service provided by them are in conformity with the personal and property safety requirements. In case there is a possibility that their commodities and service may be hazardous to personal and property safety, they shall make truthful presentation and give clear warnings to consumers and shall explain and label the method of using the commodities or accepting the service, as well as the directions for preventing the occurrence of such hazards.

Upon discovering that the commodities or service provided are seriously defective and that they may cause harm to personal and property safety even under normal use of the commodities or service, business operators shall forthwith report to the relevant administrative departments and inform the consumer and they shall adopt measures to prevent the occurrence of the harm.

**Article 19.** Business operators shall provide truthful information related to commodities and service to consumers; they shall not make misleading or false propaganda.

Business operators shall truthfully, clearly respond to inquiries made by consumers regarding the quality of their commodities or service and the method of use.

Shops shall clearly mark the prices of their commodities.

**Article 20.** Business operators shall give their true names and signs and mark them accordingly.

Business operators leasing others' counters or space shall give their own true names and signs and mark them accordingly.

**Article 21.** When providing commodities or service, business operators shall issue receipts or service certificates to consumers in accordance with the relevant state regulations or business practice; business operators shall comply with consumers' request for receipts or service certificates.

**Article 22.** Business operators shall guarantee that, under normal use, the commodities or service provided by them possess the expected quality, capability and usefulness prior to the expiration date; however, this provision does not apply to commodities or services whose defects are known to consumers at the time of purchase or the commodities or receipt of the service.

Business operators shall guarantee that the actual quality of their commodities and services are compatible with what they indicate in the advertisement, product literature, samples or other forms of presentation.

**Article 23.** In selling their commodities or offering services, after promising to undertake the commitment for repair, exchange and refund in accordance with state regulations or an agreement with consumers, or promising to undertake other responsibilities, business operators shall fulfil the promise according to the state regulations or the agreement with consumers and must not deliberately resort to procrastination or refuse to comply without reasons.

**Article 24.** Business operators must not set unfair and unreasonable regulations against consumers by the use of formal contract, circular, statement, shop or store notice and other means, or try to alleviate or avoid their civil responsibility they must bear for harming the legitimate rights and interests of consumers by resorting to the above means.

Should formal contracts, circulars, statements and shop or store notices carry contents mentioned in the previous paragraph, the contents shall be null and void.

**Article 25.** Business operators must not insult and slander consumers, must not search the body of consumers and the goods they carry and must not infringe upon the personal freedom of consumers.

#### **CHAPTER IV. State Protection of Consumers' Legitimate Rights and Interests**

**Article 26.** The state shall listen to consumers' opinions and demands when formulating laws, regulations and policies relating to the legitimate rights and interests of consumers.

**Article 27.** The people's governments at all levels shall strengthen leadership over the relevant administrative departments, organize them, coordinate with them and urge them to do well their work of protecting consumers' legitimate rights and interests.

The people's governments at all levels shall strengthen supervision to prevent acts of harming the personal and property safety of consumers and to promptly check such acts.

**Article 28.** The industry and commerce administrations and other relevant administrative departments of the people's governments at all levels shall adopt measures within the scope of their authority in accordance with the provisions of laws and regulations to protect consumers' legitimate rights and interests.

Relevant administrative departments shall listen to the opinions of consumers and their organizations regarding the business conduct of business operators and the quality of their commodities and services, and promptly conduct investigations to handle the matter.

**Article 29.** In providing commodities and services, if business operators commit the law-breaking and criminal act of harming consumers' legitimate rights and interests, relevant state bodies shall punish them according to the provisions of laws and regulations .

**Article 30.** The people's courts shall adopt measures that will make it simple for consumers to file a lawsuit. Disputes over consumers' rights and interests that meet the litigation conditions set by the Civil Procedure Law of the People's Republic of China must be accepted and promptly handled.

## **CHAPTER V. Consumers' Organizations**

**Article 31.** Consumers' associations and other consumers' organizations are social organizations formed according to law to supervise commodities and services and protect consumers' legitimate rights and interests.

**Article 32.** Consumers' associations exercise the following functions:

- (1) Providing consumers with consumer information and consultation services;
- (2) Assisting relevant administrative departments in supervising and checking commodities and services;
- (3) Informing relevant administrative departments of problems pertaining to consumers' legitimate rights and interests, inquiring the departments and making suggestions to them about these problems; (4) Accepting consumers' complaints and conducting investigations and mediation in connection with the complaints;
- (5) If the complaints involve the quality of commodities and services, a verification department, when asked to verify the quality, shall provide the verification conclusion;
- (6) Supporting victimized consumers in taking legal proceedings against acts of harming consumers' legitimate rights and interests;
- (7) Exposing and criticizing, through mass media, acts of harming consumers' legitimate rights and interests;

People's governments at all levels shall support consumers' associations in exercising their functions.

**Article 33.** Consumers' organizations are not permitted to engage in business operations and provide profit-generating services, nor are they allowed to recommend commodities and services to society with the aim of making profits.

## **CHAPTER VI. Settlement of Disputes**

**Article 34.** In the event of disputes with producers regarding their rights and interests, consumers may pursue the following avenues in settling the disputes:

- (1) Holding reconciliation talks with the producers;

- (2) Requesting consumers' associations to help in mediation;
- (3) Filing petitions with relevant administrative departments;
- (4) Applying to arbitration bodies for arbitration proceedings pursuant to relevant agreements reached with the producers; and
- (5) Instituting legal proceedings in people's courts.

**Article 35.** Consumers may demand compensation from the sellers if their legitimate rights and interests are hurt as a result of buying or using the sellers' commodities. If the responsibility falls upon the producers or other sellers who provide the commodities to the affected sellers, the latter are in turn entitled to seek compensation from the former after making their own indemnities.

Consumers or other victims who suffer personal injuries or property damage as a result of defective commodities may demand compensation from the sellers or producers. If the producers are at fault, the sellers may seek compensation from them after making their own indemnities. If the sellers are at fault, the producers may have recourse to similar action. Consumers may demand compensation from the service providers if their legitimate rights and interests are hurt as a result of receiving services.

**Article 36.** In the event of spin-offs or mergers of the original enterprises, consumers whose legitimate rights and interests are hurt as a result of buying or using commodities or receiving services may seek compensation from the enterprises which have taken over the rights and obligations of the original enterprises following the reorganization.

**Article 37.** In the case of producers who hurt the legitimate rights and interests of consumers because they provide commodities or services using the business licences of other people in violation of the law, the consumers may demand compensation from them or from the holders of the business licences.

**Article 38.** Consumers may seek compensation from the sellers or service providers if their legitimate rights and interests are hurt as a result of buying commodities or receiving services at trade fairs and sales counters operated by concessionaires. If the trade fairs have ended or the leases on the counters have expired, the consumers may demand compensation from the sponsors of the trade fairs or the lessors of the counters, who in turn are entitled to seek compensation from the sellers or service providers after making their own indemnities.

**Article 39.** Consumers may seek compensation from the producers if their legitimate rights and interests are hurt because the producers use false advertisements to provide commodities or services. If the advertising agents run false advertisements, the consumers may request administrative departments to mete out punishment. The advertising agents shall be responsible for making compensation if they cannot provide the producers' true names and addresses.

## **CHAPTER VII. Legal Liabilities**

**Article 40.** Unless otherwise provided for in this law, producers shall bear civil liabilities pursuant to the "Law of the People's Republic of China on Product Quality" and other

pertinent laws and regulations should any of the following circumstances arise in connection with the commodities or services they provide:

- (1) Where the commodities are defective;
- (2) Where the commodities cannot function as expected and are presented without any explanation at the time of their sale;
- (3) Where the commodity standards do not match those specified on the commodities or their packages;
- (4) Where the quality does not match that stated in product descriptions, on samples, or through other means;
- (5) Where the commodities are produced or sold although their elimination has been clearly mandated by the state, or they have lost their efficacy or undergone property changes;
- (6) Where the commodities are not sold in sufficient quantities;
- (7) Where service items and charges violate the agreements;
- (8) Where consumers' requests for repairing, reworking, replacing, or returning the commodities; for supplying shortfalls; for refunding the commodity prices or service charges; or for compensating for losses are deliberately shelved or unjustifiably rejected; and
- (9) Where consumers' rights and interests are hurt in other circumstances provided for in laws and regulations.

**Article 41.** Business operators who provide commodities or services and whose products or services have caused physical injury to consumers or other victims, shall pay for the latter's medical fees, nursing charges during treatment period and loss of income due to absence from work; and also - when disability results therefrom - expenses in acquiring aiding apparatus needed by the victims, the victims' living subsidies, disability compensations and the necessary living expenses of the victims' dependents and - when a crime is committed - have their criminal liabilities investigated according to law.

**Article 42.** Business operators who provide commodities or services and whose products or services have caused death of the consumers or other victims, shall pay for the latter's funeral expenses, death compensation and the necessary living expenses of the victims' dependents and when a crime is committed have their criminal liabilities investigated according to law.

**Article 43.** Business operators who, in violation of article 25 of this law, have infringed on the consumers' personal dignity or personal freedom shall stop such infringements, restore the latter's reputation, eliminate influences against the latter, offer apologies and pay damages.

**Article 44.** Business operators who provide commodities or services and whose products or services have caused damage to the consumers' properties, shall, as demanded by the consumers, take such civil liabilities as repair, rebuild, change, return of goods, full supply of

short items, refund of payments for goods or services and compensations for losses. If there is an agreement between the business operators and the consumers, the agreement should be enforced accordingly.

**Article 45.** With respect of sales of commodities with warranty stipulations on repair, change, or return of goods either under state regulations or an agreement between the business operators and the consumers, the business operators should be responsible for the change or return of such goods when the consumers find them not in normal working conditions after two repairs during the warranty period.

When the consumers demand a repair, change, or return of large commodities under a warranty clause, the business operators should be responsible for the transportation charges reasonably incurred.

**Article 46.** When business operators supply goods through mail service, they should do so according to agreement. If they fail to fulfill the agreement, they should, as demanded by the consumers, enforce the agreement or refund payments and reimburse the consumers with costs reasonably incurred.

**Article 47.** When business operators supply goods or services on a prepayment basis, they should do so according to agreement. If they fail to fulfill the agreement, they should, as demanded by the consumers, enforce the agreement or refund prepayments, pay interest derived therefrom and reimburse the consumers with costs reasonably incurred.

**Article 48.** Business operators whose commodities have been certified by the relevant departments as substandard according to law shall accept return of such commodities as demanded by the consumers.

**Article 49.** Business operators found to have committed fraud in providing goods or services shall, as demanded, compensate the consumer with a sum doubling what the consumers have paid for such commodities or services.

**Article 50.** When business operators commit one of the acts described in the following paragraph, the provisions of the "Law of the People's Republic of China on Qualities of Domestically Produced Products" and other relevant laws and regulations concerning the organs and methods of punishment shall apply. Where there are no applicable provisions of laws and regulations, the department in charge of industrial and commercial administration shall order the business operators to rectify their acts and shall, based on the circumstances, issue a warning, confiscate their illegal earnings and or impose a fine at an amount equivalent to one to five times the amount of their illegal earnings. Where there are no illegal earnings, a fine of up to 10,000 yuan shall be imposed. The department in charge of industrial and commercial administration shall order the business operators to suspend operations for rectification or rescind their business licences if the circumstances of their offenses are serious:

- (1) Producing or selling commodities not in conformity with the personal and property safety requirements;
- (2) Putting impure or fake materials in the commodities, selling fake and inferior goods as genuine and quality goods, or passing substandard commodities as qualified ones;



- (3) Producing commodities which have been ordered stopped by the state, or selling commodities that have expired and deteriorated in quality;
- (4) Falsifying place of production; falsifying or using other's factory name and address; or falsifying or using certification, brand name, and other quality marks;
- (5) Selling products that fail to go through necessary inspection and vaccination or falsifying the result of inspection and vaccination;
- (6) Making misleading, false propaganda on commodities or service;
- (7) Deliberately procrastinate or reject without reason consumers' request for repair, reprocessing, replacing, returning, replenishing the commodities; their request for refund; and their request for compensation;
- (8) Infringing on consumers' personal dignity or encroaching on their personal freedom;
- (9) Other acts that infringe on consumers' rights and interests punishable under the provisions of laws and regulations.

**Article 51.** Business operators who do not agree with the administrative penalties may, within 15 days of the receipt of the penalty decision, petition the body at the higher level for reconsideration. Business operators who do not agree with the decision made after reconsideration may, within 15 days of the receipt of the decision, bring suits at the people's court. They may also go directly to the people's court to file suits.

**Article 52.** Those who obstruct, by acts or threats of violence, the performance of duties by functionaries of relevant administrative departments in accordance with law shall be investigated in accordance with law to determine their criminal responsibility. Those who obstruct or prevent functionaries of relevant administrative departments from performing their duties in accordance with the law, without acts or threats of violence, shall be punished in accordance with the provisions of the "Regulations of the People's Republic of China Governing Punishment for Offenses Against Public Order" .

**Article 53.** State functionaries who are guilty of dereliction of duty or who shelter business operators to infringe on the legitimate rights and interests of consumers shall be given administrative penalties by other units or the organ at the higher level; when the circumstances of their offense are serious and constitute a crime, investigation shall be conducted to determine their criminal responsibilities.

## **CHAPTER VIII. Supplementary Provisions**

**Article 54.** The purchase of capital goods by peasants for use directly in agricultural production shall be handled with reference to this law.

**Article 55.** This law shall take effect on 1st January 1994.