

Presidential Order No. 22
People's Republic of China

The Advertising Law of the People's Republic of China has been amended and adopted by the Fourteenth Meeting of the Standing Committee of the Twelfth National People's Congress on April 24, 2015, and is hereby released for implementation from September 1, 2015.

Xi Jinping, President
People's Republic of China
April 24, 2015

http://www.gov.cn/xinwen/2015-04/24/content_2852812.htm

Advertising Law of the People's Republic of China

(First adopted at the Tenth Meeting of the Standing Committee of the Eighth National People's Congress on Oct 27, 1994, and amended at the Fourteenth Meeting of the Standing Committee of the Twelfth National People's Congress on April 24, 2015)

http://www.gov.cn/xinwen/2015-04/25/content_2852914.htm

Content

- Chapter 1 General provisions
- Chapter 2 Principles on content of advertising
- Chapter 3 Standards on conduct of advertising
- Chapter 4 Supervision and administration
- Chapter 5 Legal liabilities
- Chapter 6 Supplementary provisions

Chapter 1 General provisions

Article 1 This Law is enacted to standardize advertising activities, protect the lawful rights and interests of consumers, facilitate the healthy development of advertising sector, and maintain social and economic order.

Article 2 This Law applies to commercial advertising activities by commodity operators or service providers to directly or indirectly introduce the commodities or services that they promote through certain media and form in the territories of the People's Republic of China.

Advertiser in this Law shall mean natural person, legal person or other organization that designs, produces and publishes advertising on its own or by commissioning others to promote commodity or service.

Advertising Operator in this Law shall mean natural person, legal person or other organization that is commissioned to provide advertising design, production and agent services.

Advertising Publisher in this Law shall mean natural person, legal person or other organization that publishes advertising for advertiser or advertising operator that is commissioned by advertiser.

Endorser in this Law shall mean natural person, legal person or other organization, other than the advertiser, that recommends and testifies for commodity or service in their own name or image.

Article 3 Advertising should be truthful and lawful, express advertising content in healthy formats, and comply with mandates for building Socialist spiritual civilization and promoting outstanding traditional Chinese ethnic cultures.

Article 4 Advertising should not contain false or misleading content, or cheat or mislead consumers.

Advertiser shall be responsible for the truthfulness of the advertising content.

Article 5 When engaging in advertising activities, Advertiser, Advertising Operator and Advertising Publisher shall comply with laws and regulations, be honest and creditworthy, and compete fairly.

Article 6 Industry and commerce administrative authority of the State Council shall be in charge of supervision and administration of advertising in the nation, and relevant departments of the State Council shall be responsible for advertising administration related work according to their respective roles and responsibilities.

Local industry and commerce administrative authority at county and above levels shall be in charge of advertising supervision and administration in their jurisdiction, and relevant departments of local people's government at county and above levels shall be responsible for advertising administration related work according to their respective roles and responsibilities.

Article 7 Advertising sector organizations should, according to provisions of laws, regulations and charter, develop standards, strengthen self-discipline, and promote development in the sector, guide members to undertake advertising activities according to law, and promote building credibility in the sector.

Chapter 2 Principles on content of advertising

Article 8 Advertising should be accurate, clear and easy to understand when describing commodity performance, function, origin, usage, quality, ingredients/components, price, manufacturer, valid period and guarantee, among others, or service items, provider, format, quality, price and guarantee, among others, if any.

If the advertising indicates there are supplementary free offers together with the commodity or service being promoted, it should explicitly state the type, specification, quantity, period and method of supplementary freely offered commodity or service.

Content that laws and regulations require to be explicitly noted should be clear and legible.

Article 9 The following is not allowed in advertising:

- 1) Overt or covert use of national flag, anthem or emblem of People's Republic of China or military flag, anthem or emblem;
- 2) Overt or covert use of the name or image of national public institute or staff of national public institute;
- 3) Use of words such as "national-level", "the most" and "the best", among others;
- 4) Causing detriment to national dignity or interests, or disclosing national secrets;
- 5) Interfering with social stability, or causing detriment to social and public interests;
- 6) Harming personal or property safety, or disclosing privacy;
- 7) Interfering with social public order, or going against good social norm;
- 8) Containing obscene, pornographic, gambling, superstitious, terrifying, or violent content;
- 9) Containing discrimination based on nationality, race, religion, or gender;
- 10) Affecting protection of environment, natural resources or cultural heritage;
- 11) Other situations prohibited by laws and regulations.

Article 10 Advertising should not cause harm to the physical and mental health of minors and the disabled.

Article 11 In case any content in the advertising requires administrative permission, such content should match the permission.

Where the advertising cites data, statistics, survey, excerpt or quotation, among others, such citation should be truthful and accurate and include sources. If scope of usage or valid period applies to the citation, such scope or period should be explicitly noted.

Article 12 Where the advertising mentions patented product or method, the patent number and type should be noted.

If no patent is obtained, the advertising should not lie about obtaining patent.

It is forbidden to use unapproved application for patent, or terminated, withdrawn or invalid patent in advertising.

Article 13 Advertising should not devalue the commodity or service of other manufacturer or operator.

Article 14 Advertising should be identifiable, so that consumers can see it is an advertisement.

Mass media should not publish covert advertising by means of news report. Advertising published in mass media should be clearly noted as “Advertising”, to differentiate it from other non-advertising content and avoid misleading consumers.

Advertising on radio and television should abide by regulations on length and method of advertising promulgated by relevant department of the State Council, and carry obvious prompt on length of advertising.

Article 15 No advertising is allowed for special drugs such as narcotic, psychotropic, medicinal toxic and radioactive drugs, pharmaceutical chemical substances that can be easily turned into toxins, and drugs, medical devices and therapy for treating addiction to drugs.

Prescribed drugs not covered by the previous paragraph can only be advertised in medical and pharmaceutical professional publications jointly named by health and drug supervision and administration departments of the State Council.

Article 16 The following content is not allowed in advertising for medical, pharmaceutical and medical devices:

- 1) Assertion or guarantee on efficacy or safety;
- 2) Rate of cure or efficacy;
- 3) Comparing efficacy or safety with other drug or medical device, or with other medical organization;
- 4) Using Endorser to recommend or testify;
- 5) Other content prohibited by laws and regulations.

Content of advertising for drugs should be consistent with the instruction approved by drug supervision and administration department of the State Council, and should clearly note contraindications and adverse effects.

Advertising for prescribed drugs should clearly note “This advertisement is only intended for medical and pharmaceutical professionals”, and advertising for non-prescription drugs should clearly note “Please purchase and use as per drug instruction or pharmaceutical guidance”.

Advertising for medical device that is recommended for personal use should clearly note “Please read product manual carefully, or purchase and use under the guidance of medical professional”. Where the registration and certificate documentation of medical device contains contraindications or cautions, its advertising should clearly note “For details of contraindications and cautions, please see product manual”.

Article 17 With the exception of advertising for medical service, drug and device, no advertising should mention efficacy in curing diseases, or use medical jargon or use words that are prone to cause consumers to confuse the commodity being promoted with medical drug or device.

Article 18 The following content is not allowed in advertising for functional food:

- 1) Assertion or guarantee on efficacy and safety;
- 2) Mention of functions in preventing or curing diseases;

3) Claiming or implying the advertised commodity is essential for ensuring health;

4) Comparing it with drug or other functional food;

5) Use Endorser to recommend or testify;

6) Other content prohibited by laws and regulations.

Advertising for functional foods should clearly note "This product is not intended to replace drugs".

Article 19 Radio, television, newspaper and audio/video publishing house and Internet information providers should not publish covert advertising for medical service, drug and device and functional food by means of presenting health and regimen knowledge, among others.

Article 20 It is prohibited to publish advertising for infant milk products, drinks or other foods that claim to fully or partially substitute breast milk in mass media or public places.

Article 21 The following content is not allowed in advertising for pesticide, veterinary drug, feed and feed additives:

1) Assertion or guarantee for efficacy and safety;

2) Using the name or image of scientific research, academic, technology promotion organization, industry association, professional or user;

3) Indication of rate of efficacy;

4) Text, language or picture that violates safe usage procedures;

5) Other content prohibited by laws and regulations.

Article 22 It is prohibited to publish tobacco advertising in mass media, public place, means of public transport, or outdoors. It is prohibited to distribute any form of tobacco advertising to minors.

It is prohibited to use advertising and public interest announcement for other commodity or service to promote tobacco product name, trademark, package, design and similar content.

Announcement for change of address, name and job opening, among others, published by tobacco product manufacturer or seller, should not contain tobacco product name, trademark, package, design or similar content.

Article 23 Advertising for alcohol should not contain the following content:

1) Seducing or enticing people to drink, or promote uncontrolled drinking;

2) Depiction of drinking behavior;

3) Showing driving vehicle, operating vessel, or piloting airplane, among others;

4) Explicitly or implicitly indicating drinking has the efficacy of mitigating tension and anxiety, or improving physical vitality, among others;

Article 24 Advertising for education and training should not include the following content:

1) Explicit or implicit guarantee on admission to higher level of school, passing exam, obtaining academic degree or qualification diploma, or effect of education or training;

2) Explicit or implicit indication that relevant exam organization or its staff or exam preparation staff is involved in the education or training;

3) Use the name or image of scientific research, academic or education organization, industry association, professional or beneficiary to recommend or testify.

Article 25 Advertising for commodity or service that has expectation for investment returns such as invitation to investors should include reasonable reminder or warning on potential risk and bearing liabilities thereof, and should not include the following content:

1) Making guarantee on future outcome, returns or other relevant aspects, explicitly or implicitly indicating guaranteed return of principal, risk free, or guaranteed returns, among others, except where the State may stipulate otherwise;

2) Use the name or image of academic organization, industry association, professional or beneficiary to recommend or testify.

Article 26 Advertising for real estate should contain truthful housing source information, note whether the stated area is floor or carpet area, and should not contain the following content:

1) Promise on value increase or return on investment;

2) Indicating location by stating the time needed to reach a specific landmark;

3) Violation of State provisions on pricing;

4) Misleading statements on transport, commercial, cultural, and educational facilities and other urban administration aspects, planned or in construction.

Article 27 Advertising for seeds of agricultural crops, trees and grass, breeder livestock and poultry, aquatic breeding, farming and culture on name of type, growth performance, production volume, quality, resistance, special use value, economic value, appropriate scope or conditions for growing, among others, should be true, clear and easy to understand, and should not contain the following:

1) Assertion that cannot be verified scientifically;

2) Assertion or guarantee on efficacy;

3) Analysis, forecast or guarantee on economic benefit;

4) Using the name or image of scientific, academic or technology promotion organization, industry association, professional or user to recommend or testify.

Article 28 An advertising is a false one when it cheats or misleads consumers using false or misleading content.

An advertising is a false one in any of the following cases:

1) The commodity or service does not exist;

2) Commodity performance, function, origin, usage, quality, specifications, ingredients/components, price, manufacturer, valid period, sales and awards, among others, or service items, provider, format, quality, price, sales and

awards, among others, or promise related to the commodity or service, among others, does not match the actual situation and has a material influence on the purchase decision;

3) Using fictional, falsified, or unsubstantiated scientific research, statistics, survey, excerpt or quotation, as supporting material;

4) Fabricating efficacy of using the commodity or service;

5) Other situations in which false or misleading content is used to cheat or mislead consumers.

Chapter 3 Standards on conduct of advertising

Article 29 If a radio, television, or newspaper or periodical publishing house is engaged in publishing of advertising, it should have an organization dedicated to advertising business, appoint necessary staff, have premise and equipment appropriate for publishing advertising, and register for publishing advertising with local industry and commerce administration department at county or above levels.

Article 30 Advertiser, Advertising Operator and Advertising Publisher should enter into written contract between each other in an advertising activity.

Article 31 Advertiser, Advertising Operator and Advertising Publisher should not engage in any form of unfair competition in an advertising activity.

Article 32 When Advertiser commissions others to design, produce and publish advertising, it should commission Advertising Operator and Advertising Publisher with legal operation qualifications.

Article 33 When an Advertiser or Advertising Operator uses another person's name or image in the advertising, prior written consent should be obtained; when the name or image of a person who has no or limited civil act capacity, prior written consent should be obtained from the person's guardian.

Article 34 Advertising Operator and Advertising Publisher should establish and perfect registration, approval and filing for advertising business according to relevant State provisions.

Advertising Operator and Advertising Publisher should check relevant supporting documentation according to laws and regulations, and verify the advertising content. If the content does not match or there is insufficient documentation, Advertising Operator should not provide design, production and agent service, and Advertising Publisher should not publish the advertising.

Article 35 Advertising Operator and Advertising Publisher should announce its charge standards and methods.

Article 36 Information provided by Advertising Publisher to Advertiser and Advertising Operator on coverage, rating, number of clicks and circulation should be accurate.

Article 37 Where laws and regulations prohibit the production and sale of a commodity, or offering of a service, or publishing of advertising for certain

commodity or service, no organization or individual is allowed to design, produce, act as agent, or publish advertising.

Article 38 When an Endorser recommends or testifies for a commodity or service in an advertising, he or she should refer to facts, comply with provisions of this Law and other laws and regulations, and should not recommend or testify for commodity or service that he or she has not used.

A minor under the age of 10 should not be used as Endorser.

A natural person, legal person, or other organization that received administrative penalty for recommending or testifying in a false advertising in the last three years should not be hired as Endorser.

Article 39 No advertising activity should be conducted in kindergarten, primary and middle schools, and no overt or covert advertising should be published in textbook, supplementary material, exercise book, stationary, school uniform and school bus, among others, of kindergarten, primary and middle school students, except public interest advertisement.

Article 40 No medical, pharmaceutical, functional food, medical device, cosmetic, alcohol and beauty treatment advertisement, and advertisement for Internet game not appropriate for the physical and mental health of minors should be published in mass media aimed at minors.

Advertising for commodity or service aimed at minors under the age of fourteen should not include the following:

- 1) Persuading or seducing the minor to ask his or her parents to purchase the commodity or service being advertised;
- 2) May cause him or her to imitate unsafe behavior.

Article 41 Local people's government at county and above levels should organize relevant departments to strengthen supervision and administration of publishing outdoor advertising in outdoor place, space or facility, among others, and promulgate plan and safety requirements for posting outdoor advertising.

Administration methods for outdoor advertising should be promulgated by local regulations and local government rules.

Article 42 Outdoor advertising should not be posted in the following cases:

- 1) Using traffic safety facility or traffic signs;
- 2) Affecting urban administration public facility, traffic safety facility, traffic sign, fire-fighting facility, or fire-fighting safety sign;
- 3) Hindering production or people's life, or causing detriment to city appearance;
- 4) Located in architecture control zone of government office, relic preservation organization, or scenic spot, among others, or areas that local people's government at county and above levels prohibit outdoor advertising.

Article 43 No organization or individual should distribute advertising to a person's housing or means of transport, among others, without his or her consent or request, or through electronic means.

If the advertising is sent electronically, the sender's true identity and contact methods should be explicitly stated, and the receiver be provided with option of rejecting to continue to receive such advertising.

Article 44 The provisions of this Law shall apply to advertising activity using the Internet.

When advertising is published or distributed using the Internet, user's normal use of the Internet should not be affected. Advertising published as pop-up on Internet page, among others, should include obvious sign for turning it off to ensure it is turned off with one click.

Article 45 Administrator of public place, telecom business operator, and Internet information service provider should stop distributing or publishing illegal advertisement in its public place or on information transmission or distribution platform that it knows and should know.

Chapter 4 Supervision and administration

Article 46 Publishing medical, pharmaceutical, medical device, pesticide, veterinary drug and functional food advertising or other advertising that laws and regulations require approval should have relevant department(s) (hereinafter referred to as Advertising Approval Authority) review and approve the content before publishing; no publishing is allowed before approval.

Article 47 When Advertiser applies for approval of its advertising, it should submit relevant supporting documentation to Advertising Approval Authority according to laws and regulations.

Advertising Approval Authority should make its decision on approval according to laws and regulations, and copy the approval document to the same level of industry and commerce administration department. Advertising Approval Authority should release to the public the advertising it has approved in a timely manner.

Article 48 No organization or individual should falsify, alter or transfer approval document for the advertising.

Article 49 The industry and commerce administration department carries out supervision and administration duties, and can exercise the following power:

1) Conduct on-site inspection of premise that is suspected of engaging in illegal advertising activity;

2) Enquire party that is suspected of offence, or its legal person, key executive and other relevant personnel, and investigate relevant organization or individual;

3) Demand party that is suspected of offence to provide supporting documentation within a deadline;

4) Review and duplicate contract, voucher, bookkeeping, advertisement and other relevant material that relates to the suspected illegal advertising;

5) Close down and seize financial and material resources that are directly related to the suspected illegal advertising, such as commodity being advertised, operation tools and equipment;

6) Demand temporary cease to publish suspected illegal advertising that has the potential to cause severe consequences;

7) Other powers as provided in laws and regulations.

Industry and commerce administration department should establish and perfect advertising monitoring system and improve monitoring measures to promptly identify and process illegal advertising conduct according to law.

Article 50 The industry and commerce administration department of the State Council shall, jointly with the departments of the State Council, promulgate the norm of conduct for mass media to publish advertising.

Article 51 The industry and commerce administration department shall carry out its power according to this Law, parties should assist and collaborate, and should not reject or interfere.

Article 52 The industry and commerce administration department and relevant departments and their staff have confidentiality obligation for the trade secrets they learn during their advertising supervision and administration activities.

Article 53 All and any organization or individual is entitled to complain and report conduct in violation of this Law to the industry and commerce administration department and relevant departments. The industry and commerce administration department and relevant departments should announce to the public their telephone number, P.O Box or Email address for receiving complaints and reports, and the department that receives the complaint or report should, within seven work days, process the complaint or report, and inform the person who complained or reported the violation.

In case the industry and commerce administration department and relevant departments do not carry out duties according to law, all and any organization or individual is entitled to report to its higher level authority or supervisory department. The authority or department that receives the report should process it according to law, and inform the person who reported on the result in a timely manner.

Departments concerned should keep confidential identify of the person who complained or reported.

Article 54 Consumers' associations and other consumers organizations can monitor according to law any conduct that violates this Law, publishes false advertising that infringes upon the lawful rights and interests of consumers, and other conduct that causes detriment to the public interests of the society.

Chapter 5 Legal liabilities

Article 55 In case an Advertiser publishes false advertising in violation of this Law, the industry and commerce administration department shall demand cease to publish the advertising, demand the Advertiser to mitigate influence within a due scope, and issue a fine ranging from three to five times of the advertising cost, and in case the advertising cost is hard to calculate or is obviously low, issue a fine ranging from RMB200,000 to 1,000,000. In case the Advertiser has three times or more violations within two years, or has other serious violation(s), issue a fine ranging from five to ten times of the advertising cost, and in case the advertising cost is hard to calculate or is obviously low, issue a fine ranging from RMB1,000,000 to 2,000,000, and the Advertiser can be cancelled of its business license, and the Advertising Approval Authority can revoke the approval document, and does not process its application for advertising approval within a year.

If a medical organization has violation described in the above paragraph, for serious cases, in addition to penalties issued by the industry and commerce administration department according to this Law, the health administration department can cancel its diagnosis and treatment item(s) or cancel its license to operate as a medical organization.

In case an Advertising Operator or Advertising Publisher knows or should know the advertising is false, but still designs, produces, acts as an agent, or publishes the advertising, the industry and commerce administration department should confiscate the advertising cost, and issue a fine ranging from three to five times of the advertising cost, and in case the advertising cost is hard to calculate or is obviously low, issue a fine ranging from RMB200,000 to 1,000,000. In case it has three or more violations or other serious violations within two years, issue a fine ranging from five to ten times of the advertising cost, and in case the advertising cost is hard to calculate or is obviously low, issue a fine ranging from RMB1,000,000 to 2,000,000, and relevant departments can close down temporarily its advertising publishing business, cancel its business license, and registration certificate to publish advertising.

In case the Advertiser, Advertising Operator or Advertising Publisher has conduct described in paragraph 1 and/or 3 of this Article, and the conduct constitutes crime, criminal charges shall be sought according to law.

Article 56 In case an Advertiser publishes false advertising in violation of this Law to cheat and mislead consumers and cause detriment to the lawful rights and interests of consumers who purchased the commodity or received the service, the Advertiser should bear civil liabilities. In case the Advertising Operator and/or Advertising Publisher cannot provide the true name, address and valid contact method of the Advertiser, consumers can demand the Advertising Operator and/or Advertising Publisher to make the compensation first.

In case the false advertisement for a commodity or service that matters to the life and health of the consumers causes harm to the consumers, the Advertising Operator, Advertising Publisher and Endorser should bear joint liabilities with the Advertiser.

In case a false advertisement for a commodity or service other than those described in the above paragraph causes detriment to the consumers, and the Advertising Operator, Advertising Publisher and Endorser knows or should know advertising is false but still designs, produces, acts as agent, publishes, or recommends or testifies for it, the Advertising Operator, Advertising Publisher and Endorser should bear joint liabilities with the Advertiser.

Article 57 For any of the following conduct, the industry and commerce administration department shall demand cease to publish advertising, issue a fine to the Advertiser ranging from RMB200,000 to 1,000,000, and in case the violation is serious, the Advertiser can be canceled of its business license, and the Advertising Approval Authority can revoke its advertising approval document, and does not process its application for advertising approval within one year. For Advertising Operator and Advertising Publisher, the industry and commerce administration shall confiscate the advertising cost, issue a fine ranging from RMB200,000 to 1,000,000, and in case the violation is serious, the Advertising Operator and Advertising Publisher can be canceled its business license and registration certificate to publish advertising:

- 1) Publishes an advertisement that is prohibited in Article 9 or 10 of this Law;
- 2) Publishes advertisement for prescribed drug, pharmaceutical chemical that can be easily turned into toxins, medical devices and therapy for treating addiction to drugs in violation of Article 15 of this Law;
- 3) Publishes advertisement for infant milk product, drinks and other food that claim to fully or partially replace breast milk in violation of Article 20 of this Law;
- 4) Publishes tobacco advertising in violation of Article 22 of this Law;
- 5) Using advertising to promote a commodity that is prohibited from manufacturing or sale or a service that is prohibited to provide, or for which publishing advertising is prohibited, in violation of Article 37 of this Law;
- 6) Publishes medical, pharmaceutical, functional food, medical device, cosmetic, alcohol and beauty treatment advertisement, or advertisement for Internet game not appropriate for the physical and mental health of minors in mass media aimed at minors in violation of paragraph 1 of Article 40 of this Law.

Article 58 For any of the following conduct, the industry and commerce administration department shall demand cease to publish advertising, demand the Advertiser to mitigate influence within a due scope, issue a fine to the Advertiser ranging from one to three times of the advertising cost, and in case the advertising cost is hard to calculate or is obviously low, issue a fine ranging from RMB100,000 to 200,000; and in case the violation is serious, issue a fine

ranging from three to five times of the advertising cost, and in case the advertising cost is hard to calculate or is obviously low, issue a fine ranging from RMB200,000 to 1,000,000, and the Advertiser can be canceled of its business license, and the Advertising Approval Authority can revoke its advertising approval document, and does not process its application for advertising approval within one year.

1) Publishes medical, pharmaceutical, or medical device advertising in violation of Article 16 of this Law;

2) Publishes an advertising that mentions efficacy in curing diseases, or uses medical jargon, or use words that are prone to cause consumers to confuse the commodity being promoted with medical drug or device, in violation of Article 17 of this Law;

3) Publishes advertising for functional food in violation of Article 18 of this Law;

4) Publishes advertising for pesticide, veterinary drug, feed and feed additives in violation of Article 21 of this Law;

5) Publishes alcohol advertising in violation of Article 23 of this Law;

6) Publishes advertising on education and/or training in violation of Article 24 of this Law;

7) Publishes advertising for a commodity or service that has expectation for investment returns such as invitation to investors in violation of Article 25 of this Law;

8) Publishes real estate advertising in violation of Article 26 of this Law;

9) Publishes advertising for seeds of agricultural crops, trees and grass, breeder livestock and poultry, aquatic breeding, farming and culture in violation of Article 27 of this Law;

10) Uses minors under the age of ten as Endorser in violation of paragraph 2 of Article 38 of this Law;

11) Uses natural person, legal person, or other organization as Endorser in violation of paragraph 3 of Article 38 of this Law;

12) Publishes advertising in kindergarten, primary and middle schools, or on items related to kindergarten, primary and middle school students in violation of Article 39 of this Law;

13) Publishes advertising for commodity or service aimed at minors under the age of fourteen in violation of paragraph 2 of Article 14 of this Law;

14) Publishes unapproved advertising in violation of Article 46 of this Law;

If a medical organization has violation described in the above paragraph, for serious cases, in addition to penalties issued by the industry and commerce administration department according to this Law, the health administration department can cancel its diagnosis and treatment item(s) or cancel its license to operate as a medical organization.

In case an Advertising Operator or Advertising Publisher knows or should know there is violation as described in paragraph 1 of this Article, but still designs, produces, acts as an agent, or publishes the advertising, the industry

and commerce administration department should confiscate the advertising cost, and issue a fine ranging from one to three times of the advertising cost, and in case the advertising cost is hard to calculate or is obviously low, issue a fine ranging from RMB100,000 to 200,000. In serious cases, issue a fine ranging from three to five times of the advertising cost, and in case the advertising cost is hard to calculate or is obviously low, issue a fine ranging from RMB200,000 to 1,000,000, and relevant departments can close down temporarily its advertising publishing business, cancel its business license, and registration certificate to publish advertising.

Article 59 For the following conduct, the industry and commerce administration department should demand cease to publish advertising, and issue a fine to the advertiser in an amount less than RMB100,000.

- 1) Content of advertising violates Article 8 of this Law;
- 2) Citation in the advertising violates Article 11 of this Law;
- 3) Advertising that mentions patent violates Article 12 of this Law;
- 4) Advertising devalues the commodity or service of other manufacturer or operator in violation of Article 13 of this Law.

If Advertising Operator or Advertising Publisher knows or should know the violation exists as described in the above paragraph but still designs, produces, acts as agent or publishes the advertising, the industry and commerce administration department should issue a fine under RMB100,000.

If an advertising is not identifiable as an advertising, which is in violation of Article 14 of this Law, or an advertising is an covert advertising for medical, pharmaceutical, medical device or functional food, which is in violation of Article 19 of this Law, the industry and commerce administration department should demand rectification, and issue a fine to the Advertising Publisher in an amount under RMB100,000.

Article 60 If a radio, television, newspaper or periodical publishing house engages in publishing advertising without registering for publishing advertising, which is in violation of Article 29 of this Law, the industry and commerce administration department shall demand rectification, confiscate illegal income, and if the illegal income is more than RMB10,000, issue a fine ranging from one to three times of the illegal income, and if the illegal income is less than RMB10,000, issue a fine ranging from RMB5,000 to 30,000.

Article 61 If an Advertising Operator or Advertising Publisher does not establish or perfect advertising business management system, or verify advertising content, as required by relevant national provisions, which is in violation of Article 34 of this Law, the industry and commerce administration department should demand rectification, and issue a fine in an amount less than RMB50,000.

If an Advertising Operator or Advertising Publisher does not announce its charge standard or methods, which is in violation of Article 35 of this Law, the pricing regulation department should demand rectification, and can issue a fine under RMB50,000.

Article 62 If there is any of the following case for the Endorser, the industry and commerce administration department should confiscate the illegal income, and issue a fine ranging from one to two times of the illegal income.

1) Recommends or testifies in medical, pharmaceutical or medical device advertising, which is in violation of Item 4, paragraph 1, Article 16 of this Law;

2) Recommends or testifies in functional food advertising, which is in violation of Item 5, paragraph 1, Article 18 of this Law;

3) Recommends or testifies for a commodity or service that he or she has not used, which is in violation of paragraph 1, Article 38 of this Law;

4) Recommends or testifies for a commodity or service in an advertising that he or she knows or should know is false.

Article 63 For Advertisers who distribute advertising in violation of Article 43 of this Law, relevant departments shall demand cease of illegal conduct, and issue a fine ranging from RMB5,000 to 30,000.

For using the Internet to publish advertising which does not obviously note turning off sign to ensure turning off with one click, which is in violation of paragraph 2 of Article 44 of this Law, the industry and commerce administration department shall demand rectification, and issue a fine to the Advertiser ranging from RMB5,000 to 30,000.

Article 64 If administrator of a public place, telecom business operator or Internet information provider knows or should know an advertising activity is illegal and yet does not stop it, which is in violation of Article 45 of this Law, the industry and commerce administration department should confiscate illegal income, and if the illegal income is more than RMB50,000, issue a fine ranging from one to three times of the illegal income, and if the illegal income is less than RMB50,000, issue a fine ranging from RMB10,000 to 50,000. If the violation is serious, relevant department(s) shall cease its operation according to law.

Article 65 If an applicant hides the truth, or provides false material, when applying for advertising approval, which is in violation of this Law, Advertising Approval Authority should ignore the application, or does not approve it, give warning, and does not accept its application for advertising approval within one year. If advertising approval is obtained through cheating or bribery means, among others, the Advertising Approval Authority should cancel the approval, issue a fine ranging from RMB100,000 to 200,000, and does not accept its application for advertising approval within three years.

Article 66 For cases of falsifying, altering or transferring advertising approval document, which is in violation of this Law, industry and commerce administration department should confiscate illegal income, and issue a fine ranging from RMB10,000 to 100,000.

Article 67 For illegal conduct described in this Law, the industry and commerce administration department should enter into credibility files, and disclose to the public according to relevant laws and regulations.

Article 68 In case a radio, television, newspaper, periodical, or audio/video publishing house publishes illegal advertising, or publishes covert advertising in the form of news report, or publishes covert medical, pharmaceutical, drug, medical device, or functional food advertising in the form of introducing health or regimen knowledge, and the industry and commerce administration department should issue penalty according to this Law, such penalty should be copied to press, publishing and state radio, film and television departments and other relevant departments. Press, publishing, state radio, film and television departments and other relevant departments should issue penalty to responsible supervisor and directly responsible staff; and if the violation is serious, the advertising publishing business of this media entity can be suspended.

If press, publishing, state radio, film and television departments and other relevant departments fail to penalize the radio, television, newspaper, periodical, or audio/video publishing house, responsible supervisor and directly responsible staff shall be penalized according to law.

Article 69 If an Advertiser, Advertising Operator or Advertising Publisher has the following infringement conduct, which is in violation of this Law, it should bear civil liabilities:

- 1) The advertising causes detriment to the physical or mental health of minors or disabled persons;
- 2) Impostor of another's patent;
- 3) Devalues the commodity or service of other manufacturer or operator;
- 4) Uses other person's name or image without consent in the advertising;
- 5) Other conduct of infringing others' lawful civil rights and interests.

Article 70 If the legal person of company or enterprise whose business license was cancelled because of publishing false advertising, or has other illegal conduct described by this Law, and who is personally responsible for the illegal conduct, such legal person cannot assume director, supervisory board member, or executive of any company or enterprise within three years from the date the company or enterprise business license is cancelled.

Article 71 For refusal or interference in supervision and inspection by industry and commerce administration department, which is in violation of this Law, or there is any other conduct that constitutes violation of security administration, issue security administration penalty; and if the conduct constitutes crime, criminal charges shall be sought according to law.

Article 72 If Advertising Approval Authority approves illegal advertising content, the appointing agency or supervisory department should issue penalty according to law on responsible supervisors and directly responsible staff, and if the conduct constitutes crime, criminal charges shall be sought according to law.

Article 73 If the industry and commerce administration department does not process according to law illegal advertising conduct identified when carrying out advertising monitoring duty, or illegal advertising conduct as

complained or reported, penalty should be issued according to law on responsible supervisors and directly responsible staff.

If industry and commerce administration department or staff of relevant departments responsible for advertising administration related work neglect their duty, abuse their power, or play favoritism and commit irregularities, penalty shall be sought according to law.

If the above two conduct constitutes crime, criminal charge shall be sought.

Chapter 6 Supplementary provisions

Article 74 The State encourages and supports public interest advertising campaigns, communication of Socialist core values, and advocacy of civilized norm.

Mass media have the obligation to publish public interest advertising. Radio, television, newspaper and periodical publishing house should publish public interest advertising in page, hours and length as required. Administration of public interest advertising shall be promulgated by industry and commerce administration department of the State Council with relevant departments.

Article 75 This law shall be effective from September 1, 2015.