



Survey on Cross-Border E-Commerce  
(Survey on Promotion of Japan's International E-Commerce including Asia –  
IT Utilization Promotion Project for the Development of Knowledge Economy in  
the Asian Region in the Fiscal 2012)  
Summary of Survey Report

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Mitsubishi Research Institute, Inc.

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# Preface

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- Amid the recent rapid economic growth of Asian countries including China, Japanese businesses have been increasingly interested in the Asian market as a part of their overseas expansion. In line with the development of internet in Asia, the electronic commerce market has been rapidly expanding. Japanese businesses, therefore, have been strengthening activities in cross-border e-commerce in the region.
- In the circumstances, the Japanese Ministry of Economy, Trade and Industry, aiming at activation of e-commerce in Asia and promotion of participation of Japanese businesses in Asian e-commerce, launched a meeting with Korea, Vietnam and Taiwan. It also concluded a MOU with the government of China for setting up a similar meeting.
- The current project is to survey the e-commerce-related legal framework and business environment of Asian countries and collect, analyze and share information with relevant parties. This will assist the above meetings and activate e-commerce between Japan and Asian countries

Following two surveys were conducted in the project.

- ① Survey on Legal Framework and Business Practice to be taken into account for Electronic Commerce in the Asian Region
- ② Survey on the Environment of Online Business including E-Commerce in Japan and Other Countries

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**1 . Survey on Legal Framework and Business Practice to be taken into account for Electronic Commerce in the Asian Region**

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## 1 . 1 Purpose of Survey

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- The survey was conducted to assist the approaches of Japanese businesses for their e-commerce with Asian countries. The survey, covered the countries where Japanese businesses have already been in place and those they are considering to do business with, analyzed their legal framework and business practice. The survey results are to be duly shared with the interested businesses.

## 1 . 2 Countries Surveyed

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- The countries to be surveyed were selected on the basis of the meeting with those business people engaged in e-commerce (Cross-Border E-Commerce Coordination Meeting) and taking into consideration of views of participating businesses, namely 4 countries ; China, Taiwan, Indonesia and Vietnam.

## 1 . 2 Countries Surveyed

### ■ Countries Surveyed and Organizations Visited for Hearing Survey

Country	Attribute	Organizations	Legal Regs. for E-Commerce	Legal Regs. for Personal Information Protection	Legal Regs for Consumer Protection	Other Business Practice
China	Government Organization	Development Research Center, State Council	○	○	○	
		Electronic Commerce Center, Ministry of Commerce	○		○	
		Telecommunications Research Institute, Ministry of Industry & Information Technology	○	○		○
	Organization	State Electronic Commerce Research Institute, China International Electronic Commerce Center	○		○	○
	Enterprise	Tmall				○
Vietnam	Government Organization	Vietnam E-Commerce & Information Technology Agency (VECITA), Ministry of Industry & Trade	○	○		
		Vietnam Competition Authority (VCA), Ministry of Industry & Trade			○	
	Organization	Vietnam E-Commerce Association (Vecom)	○			○
	Enterprise	Peace Soft (operating an e-commerce institute 'Edubis')				○
	Knowledge-able People	JETRO Hanoi				○
Taiwan	Government Organization	Commerce Department, Ministry of Economic Affairs	○			
		Knowledge Industry Office, Industrial Development Bureau, Ministry of Economic Affairs	○			
	Organization	Institute for Information Industry (III)	○	○	○	○
		Secure Online Shopping Association (SOSA), Taipei		○	○	○
Indonesia	Government Organization	Ministry of Trade	○	○		
		National Agency for Consumers' Protection			○	
	Organization	Indonesia E-Commerce Association (Asosiasi E-Commerce Indonesia)	○			○
	Enterprise	Berniaga (Major E-Commerce Web-Site)				○
	Knowledge-able People	Mr. Edmon Makarim (Faculty of Law, Indonesia University)				○

## 1 . 3 Survey Procedure

- Discussions were made on existing legal framework and business practices as well as their current and foreseeable problems at the Cross-Border E-Commerce Coordination Meeting.
- Literature surveys were also made on legal framework and business practice of the four targeted countries.
- Hearing surveys to relevant organizations in the four countries were conducted.

Business Phase in E-commerce and Description in this Document

Business Phase		China	Taiwan	Vietnam	Indonesia
①Corporation Creation	Regulations on Creation of Local Corporation	◎	◎	◎	◎
②Approval of Business	(No) Approval of E-Commerce	◎	○	◎	◎
③Website Setup	(No) Approval of Website Setup	◎	○	◎	◎
④Reg. on Sales Items	(No) Restrictions on Sales or Items	◎	◎	◎	◎
⑤Product Labelling	(No) Obligation of Posting on Website or (No) Prohibition	◎	◎	◎	◎
⑥Sales Method	Prohibited Sales Method	◎			
⑦Advertisement & PR	Restrictions on Adv'ment & PR	◎	◎	◎	◎
⑧Customers MGT	Reg. on C-MGT Information	◎	◎		
⑨Risk of Account Settlement, Transaction	Issues of Account Settlement & Credit MGT	◎	○	○	○
⑩Distribution, Delivery	Situations, Method	○	○		○
⑪Customs Clearance	Situations, Issues	○	○	○	○
⑫Customers Protection	System of Customers Protection	◎	◎	◎	◎
⑬Others	Business Practice, Cautions	◎	○		

◎ = Mentioned in Summary & Main Report ○ = Mentioned in Main Report.  
In case of non existence of any specific system for e-commerce, it is not mentioned in this summary.

# 1 . 3 Survey Procedure

- Survey results are summarized in 1) relevant legal framework and its summary, 2) procedures, obligation and points to be noted and 3) issues and important points for Japanese businesses. In this summary they are provided in a formula given below.

Targeted Country for E-Commerce	Business Phase of ①~⑬	In case of existence of regulations for doing e-commerce in the said country, ○	In case of existence of regulations for doing e-commerce in Japan and selling items to the said country, ○
Country China	Business Phase ③ Website Setup	Local Sales ○	Sales from Japan ○
<ul style="list-style-type: none"> <li>■ Relevant Legal Framework and Organizations</li> <li>■ Overview</li> </ul> <p>Description of Titles and Enactment Years of Relevant Laws &amp; Regulations for E-Commerce, Responsible Government Offices, and Outline of the Laws etc.</p>			
<ul style="list-style-type: none"> <li>■ Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</li> </ul> <p>Description of Concrete Procedures, Legal Obligations imposed on Businesses and Points to be noted for doing E-Commerce in the Said Country.</p>		<ul style="list-style-type: none"> <li>■ Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</li> </ul> <p>Description of Issues Japanese (Foreign in the Said Country) Businesses Face in doing E-Commerce and selling Items in the Said Country, or doing E-Commerce in Japan and selling Items to the Said Country.</p>	
		<ul style="list-style-type: none"> <li>■ Reference Information</li> </ul> <p>Description of references of provisions of relevant laws and regulations.</p>	



## 1 . 4 . Summary of E-Commerce System and Business Practice in Countries Surveyed

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### 1 . 4 . 1 China

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#### ■ Overview

##### ■ General

- Already Asia's biggest e-commerce market. Its business environment including legal framework has been consolidating.

##### ■ Local Sales through E-Commerce

- Local sales through e-commerce upon getting the project approval from the host country government has been allowed for foreign businesses. However, the participation in the platform business is not permitted. Sales through EC is, therefore, limited to either sales of the companies' own products on their own websites or sales making use of local EC platforms.
- The market is attractive due to its size and high local expectations to Japanese quality products. On the other hand, the price competition is tough, and efforts are needed in marketing and brand establishment.
- Chatting on the internet including inquiries and price negotiations before product purchase and after-sales claims is popular in China. Staff to respond to chatting is necessary.
- The consumers' protection has been strengthened. Due care for items for sale is necessary since not only producers but sellers are also held responsible for compensation in China.

##### ■ Sales through E-Commerce from Japan

- No specific regulations exist in terms of sales from Japan. However, there exist risks of access denial to Japanese websites for sales in case of unfavorable situations for the Chinese government.

## 1 . 4 . 1 China

Country China	Business Phase ① Corporation Creation	Local Sales	○	Sales from Japan
<p>■ <b>Relevant Legal Framework and Organizations</b></p> <ul style="list-style-type: none"> <li>• Company Law (2006) / Guidelines for Investment from Foreign Countries (Rev. 2011) : Trade Div., Foreign Investment Administration Dept., Ministry of Commerce</li> <li>• Law of Commercial Area Investment from Foreign Countries (2004) : Trade Div., Foreign Investment Administration Dept., Ministry of Commerce</li> </ul> <p>■ <b>Overview</b></p> <ul style="list-style-type: none"> <li>• Every EC project needs approval certificate. Restricted types of foreign investment are designated in “Guidelines for Investment from Foreign Countries”.</li> <li>• The establishment of local subsidiaries by foreign businesses in the areas of retail and whole sale is allowed.</li> </ul>				
<p>■ <b>Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</b></p> <ul style="list-style-type: none"> <li>• The scope of retail business is ① product retail, ② import of the company’s own sales items, ③ purchase and export of Chinese products and ④ other related businesses.</li> <li>• The scope of wholesale business is ① product wholesale, ② commissioned sale (except auction), ③ product import and export and ④ other related businesses.</li> <li>• Investment from foreign countries are pre-examined by the authorities in accordance with “Guidelines for Investment from Foreign Countries” before approval.</li> </ul>		<p>■ <b>Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</b></p> <ul style="list-style-type: none"> <li>• In addition to requirements by the Company Law, other significant amount of capital including the registration capital in accordance with the business scale (total investment amount) is required.</li> </ul>		
		<p>■ <b>Reference Information</b></p> <p>Company Law, People’s Republic of China (Chinese)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.gov.cn/flfg/2005-10/28/content_85478.htm">http://www.gov.cn/flfg/2005-10/28/content_85478.htm</a></li> </ul> <p>Guidelines for Investment from Foreign Countries (Chinese)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.jxaic.gov.cn/u/cms/www/201211/2011%E5%A4%96%E8%B5%84%E4%BA%A7%E4%B8%9A%E7%9B%AE%E5%BD%95%E4%BB%8B%E7%BB%8D.pdf">http://www.jxaic.gov.cn/u/cms/www/201211/2011%E5%A4%96%E8%B5%84%E4%BA%A7%E4%B8%9A%E7%9B%AE%E5%BD%95%E4%BB%8B%E7%BB%8D.pdf</a></li> </ul> <p>Company Law, People’s Republic of China (Japanese Translation)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.jetro.go.jp/world/asia/cn/ip/law/pdf/regulation/20051027.pdf">http://www.jetro.go.jp/world/asia/cn/ip/law/pdf/regulation/20051027.pdf</a></li> </ul> <p>Guidelines for Investment from Foreign Countries (Rev. 2011) Outline &amp; Characteristics</p> <ul style="list-style-type: none"> <li>• <a href="http://www.jetro.go.jp/world/asia/cn/reports/05001508">http://www.jetro.go.jp/world/asia/cn/reports/05001508</a></li> </ul> <p>Law of Commercial Area Investment from Foreign Countries (Chinese)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.mofcom.gov.cn/aarticle/b/f/200404/20040400209980.html?996346654=1168016647">http://www.mofcom.gov.cn/aarticle/b/f/200404/20040400209980.html?996346654=1168016647</a></li> </ul> <p>On Law of Commercial Area Investment from Foreign Countries (Japanese)</p> <ul style="list-style-type: none"> <li>• <a href="https://www.jetro.go.jp/world/asia/cn/law/invest_managae.html">https://www.jetro.go.jp/world/asia/cn/law/invest_managae.html</a></li> </ul>		

## 1 . 4 . 1 China

Country China	Business Phase ② Approval of Business	Local Sales	○	Sales from Japan
<p>■ <b>Relevant Legal Framework and Organizations</b></p> <ul style="list-style-type: none"> <li>• Law on Internet Information Service (2000) : State Council</li> <li>• Notification on Issues of Evaluation and Approval of Foreign Investment in Internet Information Service and Sales Projects by Vending Machines. (2010) : State Council</li> </ul> <p>■ <b>Overview</b></p> <ul style="list-style-type: none"> <li>• In case of profit-making internet information service, the acquisition of value added telecommunications management license (management ICP license) for internet information service is indispensable. Notification to offices concerned is required in case of non-profit-making internet information service.</li> <li>• In case of normal EC (which does not provide any platform to others, but use its own or some other's website), the acquisition of license is unnecessary.</li> </ul>				
<p>■ <b>Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</b></p> <ul style="list-style-type: none"> <li>• Since EC platform businesses are regarded as profit-making services, they need separate management ICP licenses.</li> <li>• In case of non-profit-making online information services like corporate websites, notification to the office in charge of information industry in the State Council or offices in charge of telecommunications in the Province, Autonomous Region and centrally controlled cities is required.</li> <li>• Those businesses already registered as production type or commercial type foreign investment in China can initiate EC without further application to and approval from offices concerned.</li> </ul>		<p>■ <b>Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</b></p> <ul style="list-style-type: none"> <li>• While it is supposed to be unnecessary to get license for normal EC, the judgment of local authorities might not be in unison. It might be safe to confirm to make sure.</li> <li>• It is noted that it is extremely difficult for foreign businesses to acquire value added telecommunications management license.</li> <li>• In terms of sales from Japan, no specific approval is required.</li> </ul>		
		<p>■ <b>Reference Information</b></p> <p>Law on Internet Information Service (Chinese)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.cqcrvtv.gov.cn/Html/1/zcfg/xzfg/2009-12-22/4019.html">http://www.cqcrvtv.gov.cn/Html/1/zcfg/xzfg/2009-12-22/4019.html</a></li> </ul> <p>On Law on Internet Information Service (Japanese)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.jetro.go.jp/world/asia/cn/law/invest_036.html">http://www.jetro.go.jp/world/asia/cn/law/invest_036.html</a></li> </ul> <p>Law on Internet Information Service (Japanese Translation)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.jetro.go.jp/world/asia/cn/law/pdf/invest_036.pdf">http://www.jetro.go.jp/world/asia/cn/law/pdf/invest_036.pdf</a></li> </ul> <p>Notification on Issues of Evaluation and Approval of Foreign Investment in Internet Information Service and Sales Projects by Vending Machines. (Japanese)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.jetro.go.jp/world/asia/cn/law/invest_062.pdf">http://www.jetro.go.jp/world/asia/cn/law/invest_062.pdf</a></li> </ul>		

## 1 . 4 . 1 China

Country China	Business Phase ③ Website Setup	Local Sales	○	Sales from Japan	○
<p>■ Relevant Legal Framework and Organizations</p> <ul style="list-style-type: none"> <li>• Law on Administration of Online Commerce and Related Service (2010) : National Industrial and Commerce Administration Directorate</li> </ul> <p>■ Overview</p> <ul style="list-style-type: none"> <li>• Operation license must be posted on the Website.</li> </ul>					
<p>■ Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</p> <ul style="list-style-type: none"> <li>• Links to the relevant information described on the operation license must be posted on either the top page or conspicuous place of the website.</li> <li>• The display of operation license (in real name) is supposed to aim at prevention of sales of fake items, illegal imports, false agencies, false advertisements, infringement of trade mark rights and patent rights, etc.</li> </ul>			<p>■ Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</p> <ul style="list-style-type: none"> <li>• In case of sales from Japan, procedures based on the Chinese laws (acquisition of operation license, display on the website) are not required.</li> <li>• Chinese government wishes that foreign enterprises do business in China in accordance with laws and regulations of China.</li> <li>• There is a possibility of interception of IP by the authorities in case specific websites are against the interests of Chinese authorities.</li> </ul>		
<p>■ Reference Information</p> <p>Law on Administration of Online Commerce and Related Service (Chinese)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.saic.gov.cn/ywdt/gsyw/zjyw/xxb/201006/t20100601_88891.html">http://www.saic.gov.cn/ywdt/gsyw/zjyw/xxb/201006/t20100601_88891.html</a></li> </ul> <p>Law on Administration of Online Commerce and Related Service (Japanese Interpretation)</p> <p><a href="http://www.jetro.go.jp/world/asia/cn/law/invest_061.html">http://www.jetro.go.jp/world/asia/cn/law/invest_061.html</a></p>					

## 1 . 4 . 1 China

Country China	Business Phase ④ Regulation on Sales Items	Local Sales	○	Sales from Japan
<p>■ Relevant Legal Framework and Organizations</p> <ul style="list-style-type: none"> <li>Guidelines for Investment from Foreign Countries (Rev. 2011) : Trade Div., Foreign Investment Administration Dept., Ministry of Commerce etc.</li> </ul> <p>■ Overview</p> <ul style="list-style-type: none"> <li>Those prohibited items for EC are basically the same as those prohibited for over-the-counter sales.</li> <li>Items allowed for sales on EC by foreign businesses are required to be consistent with those specified in Guidelines for Investment from Foreign Countries.</li> </ul>				
<p>■ Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</p> <ul style="list-style-type: none"> <li>Approval for sales on EC is required for the following items. <ul style="list-style-type: none"> <li>Cigarette</li> <li>Medical Equipment, Medicine</li> <li>Alcoholic Beverage etc.</li> </ul> </li> <li>Even those items that have been allowed for sales on EC are subject to instructions of the authorities to ban the sales. <ul style="list-style-type: none"> <li>Monopoly goods (salt), VPN contract etc.</li> </ul> </li> </ul>		<p>■ Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</p> <ul style="list-style-type: none"> <li>Sales of contents in China are allowed for any foreign (including Japan) EC businesses. However, it is not allowed to produce, publish, import contents. Restrictions in the area of production and import are still in place.</li> </ul>		
		<p>■ Reference Information</p> <p>Law on Administration of Online Commerce and Related Service (Chinese)  Guidelines for Investment from Foreign Countries (Rev. 2011) (Chinese)</p> <ul style="list-style-type: none"> <li><a href="http://www.ndrc.gov.cn/zcfb/zcfbl/2011ling/W020111229379511927834.pdf">http://www.ndrc.gov.cn/zcfb/zcfbl/2011ling/W020111229379511927834.pdf</a></li> <li>Guidelines for Investment from Foreign Countries (Rev. 2011) (Japanese)</li> <li><a href="http://www.jetro.go.jp/jfile/report/05001508/translate_jl.pdf">http://www.jetro.go.jp/jfile/report/05001508/translate_jl.pdf</a></li> </ul>		

## 1 . 4 . 1 China

Country China	Business Phase ⑤ Product Labelling	Local Sales	○	Sales from Japan	
<p>■ <b>Relevant Legal Framework and Organizations</b></p> <ul style="list-style-type: none"> <li>• Law on Administration of Online Commerce and Related Service (2010) : National Industrial and Commerce Administration Directorate</li> <li>• Law on Trade Marks (2001) : Trade Mark Dept., National Industrial and Commerce Administration Directorate</li> </ul> <p>■ <b>Overview</b></p> <ul style="list-style-type: none"> <li>• It is required to disclose information of products and services to consumers, and provide them in line with the approval conditions.</li> <li>• Operators must obey Law on Trade Marks, Law on Prohibition of Unfair Competition, Regulations on Registration of Enterprise Names, and others, and must not infringe usage rights of trade mark and enterprise titles etc. of others.</li> </ul>					
<p>■ <b>Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</b></p> <ul style="list-style-type: none"> <li>• Examples of information to be disclosed to consumers prior to sales are as follows :             <ol style="list-style-type: none"> <li>① Names or titles of products and services</li> <li>② Category of products and services</li> <li>③ Volume</li> <li>④ Quality</li> <li>⑤ Price, Cost of Transportation</li> <li>⑥ Delivery Method</li> <li>⑦ Payment Method</li> <li>⑧ Method of Exchange or Return</li> </ol> </li> <li>• Trade mark rights are stipulated in the Trade Mark Law and administered by the Trade Mark Office.</li> <li>• Trade names (enterprise names) are stipulated in the Regulations on Registration of Enterprise Names, and are administered by the Industrial and Commerce Administration Offices.</li> <li>• The first-to-file system (the principle of dealing with people in the order in which they come) is adopted.</li> </ul>			<p>■ <b>Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</b></p> <ul style="list-style-type: none"> <li>• In case of sales of fake goods, false product description, falsification of product standard and production place, and violation of trade mark rights, a penalty equivalent to two times of product value is charged according to “Law on Protection of Consumers’ Rights”.</li> <li>• While well-known trade marks are protected as “brand of fame”, trade marks of Japanese firms might be difficult to be registered as “brand of fame”.</li> <li>• For remittance of loyalty from Chinese to Japanese firms upon approval of usage of Japanese trade marks, the evidence of approval by the Trade Office must be submitted to Chinese banks. The registration of trade marks in China is a requisite.</li> </ul>		
<p>■ <b>Reference Material</b></p> <p>Law on Administration of Online Commerce and Related Service</p> <ul style="list-style-type: none"> <li>• <a href="http://www.saic.gov.cn/ywdt/gsyw/zjyw/xxb/201006/t20100601_88891.html">http://www.saic.gov.cn/ywdt/gsyw/zjyw/xxb/201006/t20100601_88891.html</a></li> </ul> <p>Law on Administration of Online Commerce and Related Service (Japanese)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.jetro.go.jp/world/asia/cn/law/invest_061.html">http://www.jetro.go.jp/world/asia/cn/law/invest_061.html</a></li> </ul> <p>Law on Trade Marks (Chinese)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.customs.gov.cn/Default.aspx?TabID=433&amp;InfoID=4642&amp;SettingModuleID=4876">http://www.customs.gov.cn/Default.aspx?TabID=433&amp;InfoID=4642&amp;SettingModuleID=4876</a></li> </ul> <p>Rules for Administration of Law on Trade Marks in China (Chinese)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.customs.gov.cn/Default.aspx?TabID=433&amp;InfoID=7539&amp;SettingModuleID=4877">http://www.customs.gov.cn/Default.aspx?TabID=433&amp;InfoID=7539&amp;SettingModuleID=4877</a></li> </ul> <p>Report on Case Studies on Judgment of Trade Marks in China, JETRO</p> <ul style="list-style-type: none"> <li>• <a href="http://www.jetro.go.jp/world/asia/cn/ip/law/pdf/regulation/20011027.pdf">http://www.jetro.go.jp/world/asia/cn/ip/law/pdf/regulation/20011027.pdf</a></li> </ul>					

## 1 . 4 . 1 China

Country China	Business Phase ⑥ Sales Method	Local Sales	○	Sales from Japan	○
<p>■ <b>Relevant Legal Framework and Organizations</b></p> <ul style="list-style-type: none"> <li>• Law on Contract (1999)</li> <li>• Law on Prohibition of Unfair Competition (1993): National Industrial and Commerce Administration Directorate</li> <li>• Law on Administration of Online Commerce and Related Service (2010): National Industrial and Commerce Administration Directorate</li> </ul> <p>■ <b>Overview</b></p> <ul style="list-style-type: none"> <li>• Law on Contract is applicable to any domestic trade in China irrespective of types such as : company to company, company to person, person to person.</li> <li>• Illegal deeds stipulated in Act on Prohibition of Unfair Competition and Act on Prohibition of Monopoly of Japan are likewise prohibited in Law on Prohibition of Unfair Competition of China.</li> <li>• Law on Administration of Online Commerce and Related Service stipulates conditions of electronic contracts.</li> </ul>					
<p>■ <b>Points to be noted</b></p> <ul style="list-style-type: none"> <li>• Contracts include “Contracts through E-Mails”. Concluding contract through E-mail is possible.</li> <li>• Followings are acts prohibited by Law on Prohibition of Unfair Competition. <ul style="list-style-type: none"> <li>• Plagiarism of trade marks, unauthorized use of firm names</li> <li>• False advertisement to cheat on product quality</li> <li>• Defamation of reputation and products of competitors without grounds</li> <li>• Sales at prices lower than cost except special occasions</li> <li>• Tie-in sale, price designation, limitations on areas for sale, sales designation only to specific customers</li> </ul> </li> <li>• Premium sales with gift on lottery with the maximum value over 5,000 yuans.</li> <li>• In electronic contract, stipulating unfair or unreasonable conditions for consumers, exemption or reduction of firm’s responsibilities, and elimination or restriction of consumers’ due rights is prohibited.</li> <li>• If consumers request for the issuance of evidence of product purchase or relevant documents etc., the firm must issue them.</li> </ul>			<p>■ <b>Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</b></p> <ul style="list-style-type: none"> <li>• Unless you specify Japanese laws as governing law in the contract, Chinese laws govern.</li> <li>• For prevention of abuse of power of firms against person, in case of conclusion of agreement, the initiator of the agreement (firm) is required to bear the larger responsibility.</li> </ul>		
			<p>■ <b>Reference Information</b></p> <p>Law on Contract (Chinese)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.gov.cn/banshi/2005-07/11/content_13695_6.htm">http://www.gov.cn/banshi/2005-07/11/content_13695_6.htm</a></li> </ul> <p>Law on Contract (Japanese Translation Summary)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.jetro.go.jp/world/asia/cn/ip/law/pdf/regulation/19990315.pdf">http://www.jetro.go.jp/world/asia/cn/ip/law/pdf/regulation/19990315.pdf</a></li> </ul> <p>Law on Prohibition of Unfair Competition (Chinese)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.gov.cn/banshi/2005-08/31/content_68766.htm">http://www.gov.cn/banshi/2005-08/31/content_68766.htm</a></li> </ul> <p>Law on Prohibition of Unfair Competition (Japanese Translation)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.jetro.go.jp/world/asia/cn/ip/law/pdf/regulation/19930902.pdf">http://www.jetro.go.jp/world/asia/cn/ip/law/pdf/regulation/19930902.pdf</a></li> </ul> <p>China Business Laws, Practical Textbook Q 6 A (Japanese)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.kuroda-law.gr.jp/pdf/china/ils_082.pdf">http://www.kuroda-law.gr.jp/pdf/china/ils_082.pdf</a></li> </ul> <p>Law on Administration of Online Commerce and Related Service (2010)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.saic.gov.cn/ywdt/gsyw/zjyw/xxb/201006/t20100601_88891.html">http://www.saic.gov.cn/ywdt/gsyw/zjyw/xxb/201006/t20100601_88891.html</a></li> </ul> <p>Law on Administration of Online Commerce and Related Service (Japanese)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.jetro.go.jp/world/asia/cn/law/invest_061.html">http://www.jetro.go.jp/world/asia/cn/law/invest_061.html</a></li> </ul>		

## 1 . 4 . 1 China

country China	Business Phase ⑦ Advertisement & PR	Local Sales	○	Sales from Japan	○
<p>■ Relevant Legal Framework and Organizations</p> <ul style="list-style-type: none"> <li>• Law on Advertisement (1994) : Provincial Industrial and Commercial Administration Directorate</li> </ul> <p>■ Overview</p> <ul style="list-style-type: none"> <li>• There exist regulations on advertisement sponsors, advertising agencies and media.</li> </ul>					
<p>■ Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</p> <ul style="list-style-type: none"> <li>• Followings are prohibited items in advertisement.               <ol style="list-style-type: none"> <li>① Usage of national flag, national emblem, national anthem of the People's Republic of China.</li> <li>② Usage of names or titles of government organizations and their staff</li> <li>③ Usage of specific words including "national level", "top-of-the-world", "supreme" etc.</li> <li>④ Contents that might damage stability of society, obstruct personal liberty and security of property, and undermine the interests of society.</li> <li>⑤ Contents that might harm the social order.</li> <li>⑥ Contents of obscenity, superstition, horror, violence and ugliness.</li> <li>⑦ Expressions of ethnicity, race, religion and gender discrimination.</li> <li>⑧ Contents that might disrupt protection of environment and natural resources.</li> <li>⑨ Contents prohibited by other laws and regulations.</li> </ol> </li> <li>• Online advertisement of medicines is subject to further examination.</li> </ul>			<p>■ Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</p> <ul style="list-style-type: none"> <li>• The aforementioned restrictions are believed to be applicable even to advertisement activities undertaken in China by foreign businesses based outside of China. Therefore, the advertisement delivery from outside of China seems to be subject to restriction (IP interception).</li> <li>• In case of false advertisement of products or services, the advertisement sponsor will be ordered to halt the advertisement concerned and to make corrective advertisement with the cost equivalent to that of the initial advertisement. In addition, the sponsor will be charged penalty more than initial advertisement cost and less than 5 times of it.</li> </ul>		
<p>■ Reference Information</p> <p>Law on Advertisement (Chinese)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.saic.gov.cn/zcfg/fl/199410/t19941027_45767.html">http://www.saic.gov.cn/zcfg/fl/199410/t19941027_45767.html</a></li> </ul> <p>Law on Advertisement (Japanese Translation)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.jetro.go.jp/world/asia/cn/ip/law/pdf/regulation/19941027.pdf">http://www.jetro.go.jp/world/asia/cn/ip/law/pdf/regulation/19941027.pdf</a></li> </ul>					



## 1 . 4 . 1 China

Country China	Business Phase ⑧ Customers Management	Local Sales	○	Sales from Japan	
<p>■ Relevant Legal Framework and Organizations</p> <ul style="list-style-type: none"> <li>• Notification on Issues of Evaluation and Approval of Foreign Investment in Internet Information Service and Sales Projects by Vending Machines. (2010) : State Council</li> <li>• Guidelines for Public Information Security Technology and Protection of Personal Information on Commercial Information Systems (2013): Ministry of Industry &amp; Information Technology</li> </ul> <p>■ Overview</p> <ul style="list-style-type: none"> <li>• Stipulation on sales record preservation of foreign businesses</li> <li>• Prepared as guidelines for protection of personal information to be independently implemented by businesses</li> </ul>					
<p>■ Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</p> <ul style="list-style-type: none"> <li>• Those foreign investors engaged in online sales must preserve sales record and strictly protect consumers' personal information and trade secret.</li> <li>• It is required to notify followings for collection of personal information.             <ol style="list-style-type: none"> <li>① Purpose of collection</li> <li>② Nature of information to be collected, and its preservation period</li> <li>③ Scope of usage of personal information, and scope of disclosure and provision to others</li> <li>④ Measures to be taken for protection of personal information</li> <li>⑤ Name, address and contact of responsible person for collection</li> <li>⑥ Risks when the information user provides personal information to others</li> </ol> </li> </ul>			<p>■ Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</p> <ul style="list-style-type: none"> <li>• Guidelines for Personal Information Protection has just been enacted only in February 2013. It is advised that foreign businesses be careful since details of guidelines' application are yet to be clear.</li> </ul>		
			<p>■ Reference Information</p> <p>Notification on Issues of Evaluation and Approval of Foreign Investment in Internet Information Service and Sales Projects by Vending Machines (Japanese)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.jetro.go.jp/world/asia/cn/law/invest_062.pdf">http://www.jetro.go.jp/world/asia/cn/law/invest_062.pdf</a></li> </ul> <p>Government announcement "Implementation of Personal Information Security from February 1" (Chinese)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.gov.cn/jrzq/2013-01/21/content_2316909.htm">http://www.gov.cn/jrzq/2013-01/21/content_2316909.htm</a></li> </ul>		

## 1 . 4 . 1 China

Country China	Business Phase ⑨ Risk of Account Settlement	Local Sales	○	Sales from Japan
<p>■ <b>Relevant Legal Framework and Organizations</b></p> <ul style="list-style-type: none"> <li>• Law on Administration of Account Settlement through Non-Financial-Institutions (2010) : People’s Bank of China</li> </ul> <p>■ <b>Overview</b></p> <p>The account settlement through the third party organizations like Alipay is more popular than that through credit cards in China.</p> <ul style="list-style-type: none"> <li>• Those non-financial-institutions engaged in surrogate payment service must obtain “License for Payment Service” from the People’s Bank of China.</li> <li>• In the payment service business in China, in 2011, three institutions represented more than 70% share (Alipay of Ali Baba Group 46.0%, TenPay of Ten Cents Holdings 21.2%, ChinaPay of China Union Pay 10.8%) of the total sales.</li> </ul>				
<p>■ <b>Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</b></p> <ul style="list-style-type: none"> <li>• It is said payment collection risk is low due to the control of the third party payment service providers.</li> <li>• It is also said EC platform service providers share blacklists of defaulters, and they provide necessary information to retailers who use the platform.</li> <li>• Qualifications for being surrogate payment servicers are as follows: <ul style="list-style-type: none"> <li>• Legally established enterprise in China</li> <li>• Minimum registered capital of 100 million yuans (national level) or 30 million yuans (provincial level)</li> <li>• Anti-money-laundering measures are in place.</li> <li>• Proper payment service facilities are in place.</li> <li>• Sound organization, internal control system and risk management system are in place.</li> </ul> </li> </ul>		<p>■ <b>Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</b></p> <ul style="list-style-type: none"> <li>• Requirements for foreign firms for establishing surrogate payment service company include getting approval of the State Council, acquisition of value added telecommunications management license (management ICP license) for internet information service. It seems extremely difficult for foreign firms.</li> <li>• In connection with sales from China to other countries, there are cases of fraudulence through credit cards and inability of payment collection etc. as in the cases of Japan.</li> </ul>		
		<p>■ <b>Reference Information</b></p> <p>Law on Administration of Account Settlement through Non-Financial-Institutions (Chinese)</p> <ul style="list-style-type: none"> <li>• <a href="http://wenku.baidu.com/view/b0aa06df6f1aff00bed51eb9.html">http://wenku.baidu.com/view/b0aa06df6f1aff00bed51eb9.html</a></li> </ul> <p>Law on Administration of Account Settlement through Non-Financial-Institutions (Japanese Translation)</p> <ul style="list-style-type: none"> <li>• <a href="http://wenku.baidu.com/view/1f49d6610b1c59eef8c7b463.html">http://wenku.baidu.com/view/1f49d6610b1c59eef8c7b463.html</a></li> </ul> <p>Alipay</p> <ul style="list-style-type: none"> <li>• <a href="https://www.alipay.com/">https://www.alipay.com/</a></li> </ul> <p>Tenpay</p> <ul style="list-style-type: none"> <li>• <a href="http://www.tenpay.com/">http://www.tenpay.com/</a></li> </ul> <p>Chinapay</p> <ul style="list-style-type: none"> <li>• <a href="http://www.chinapay.com/">http://www.chinapay.com/</a></li> </ul>		

## 1. 4. 1 China

Country China	Business Phase ⑫ Consumers Protection	Local Sales	○	Sales from Japan	
<p>■ <b>Relevant Legal Framework and Organizations</b></p> <ul style="list-style-type: none"> <li>• Law on Product Quality (2000) : Industrial and Commercial Administration Directorate over Provincial Level</li> <li>• Law on Protection of Consumers' Rights (1994) : Industrial and Commercial Administration Directorate</li> <li>• Law on Rights Infringement Liability (2010)</li> </ul> <p>■ <b>Overview</b></p> <ul style="list-style-type: none"> <li>• Law on Product Quality is equivalent to Product Liability Act of Japan. In addition to product liability, defect liability is also stipulated.</li> <li>• Law on Protection of Consumers' Rights is equivalent to Consumer Protection Act of Japan. It stipulates consumers' rights, obligation of business proprietors, dispute settlement etc.</li> <li>• Established for protection of individual's rights, Law on Rights Infringement Liability stipulates liability for reparation for rights infringement.</li> </ul>					
<p>■ <b>Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</b></p> <ul style="list-style-type: none"> <li>• Those who are held responsible are not only producers but also sellers.</li> <li>• Sellers are required, as an obligation, to certify the approval of product quality, to check marks and tags, and to maintain the product quality.</li> <li>• Sellers are liable for reparation for damages incurred to consumers resulting from defect products etc.</li> <li>• In case of fraudulence in product provision, sellers must compensate consumers amounting to twice of the product price.</li> <li>• If sellers are unable to clarify the producers of defect products and suppliers of products, sellers are solely liable for reparation.</li> </ul>			<p>■ <b>Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</b></p> <ul style="list-style-type: none"> <li>• Seller's liability for reparation is strictly stipulated. In case the product does not meet the described function or does not meet the standard, the seller is liable for repair, exchange, return, or compensation for damages.</li> <li>• If judged as false product description, there is a possibility of being charged for compensation amounting to twice of the product price. Sellers have to be extra-cautious of product authenticity and product defects.</li> </ul>		
			<p>■ <b>Reference Information</b></p> <p>Law on Product Quality (Chinese)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.cnca.gov.cn/rjwzcf/flfg/fl/495.shtml">http://www.cnca.gov.cn/rjwzcf/flfg/fl/495.shtml</a></li> </ul> <p>Law on Product Quality (Japanese Translation)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.jetro.go.jp/world/asia/cn/ip/law/pdf/regulation/20000708.pdf">http://www.jetro.go.jp/world/asia/cn/ip/law/pdf/regulation/20000708.pdf</a></li> </ul> <p>Law on Protection of Consumers' Rights</p> <ul style="list-style-type: none"> <li>• <a href="http://www.gov.cn/ziliao/flfg/2005-08/31/content_27884.htm">http://www.gov.cn/ziliao/flfg/2005-08/31/content_27884.htm</a></li> </ul> <p>Regulations of "Consumers' Rights" in Foreign Countries, National Diet Library</p> <ul style="list-style-type: none"> <li>• <a href="http://www.ndl.go.jp/jp/data/publication/issue/0448.pdf">http://www.ndl.go.jp/jp/data/publication/issue/0448.pdf</a></li> </ul> <p>Law on Rights Infringement Liability</p> <ul style="list-style-type: none"> <li>• <a href="http://www.gov.cn/flfg/2009-12/26/content_1497435.htm">http://www.gov.cn/flfg/2009-12/26/content_1497435.htm</a></li> </ul> <p>Law on Rights Infringement Liability (Japanese Translation)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.jetro.go.jp/world/asia/cn/ip/law/pdf/regulation/20100701.pdf">http://www.jetro.go.jp/world/asia/cn/ip/law/pdf/regulation/20100701.pdf</a></li> </ul>		

## 1 . 4 . 1 China

Country China	Business Phase ⑬ Others	Local Sales ○	Sales from Japan ○
<p>■ Relevant Legal Framework and Organizations</p> <ul style="list-style-type: none"> <li>• Provision of chat system for e-commerce</li> </ul> <p>■ Overview</p> <ul style="list-style-type: none"> <li>• Business talks between buyers and sellers over products or deals are common in Chinese business practice. Therefore, inquiries about products and price negotiations are also made through chat system in e-commerce in China.</li> <li>• Negotiations over after-sales claims are also made through chat system.</li> </ul>			
<p>■ Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</p> <ul style="list-style-type: none"> <li>• Staff in charge of chat are assigned in online shopping service providers to deal with inquiries and negotiations with customers. Those staff are commissioned to do the job of chat and are authorized to decide the price.</li> </ul>	<p>■ Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</p> <ul style="list-style-type: none"> <li>• It is necessary to assign the staff in charge of chat and build a system of flexible price setting.</li> <li>• Even in the case of sales from website in Japan to consumers in China, Chinese consumers definitely demand price negotiation as practiced in China.</li> </ul>		
<p>■ Reference Information</p> <p>E-Commerce Report 2011, Ministry of Economy, Trade and Industry</p>			

## 1 . 4 . 2 Taiwan

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### ■ Overview

#### ■ General

- E-commerce system and infrastructure are well consolidated in Taiwan, and the environment suitable for e-commerce is available as in Japan with a few exceptions in the system.
- Consumers in Taiwan generally purchase products from e-commerce service providers of Taiwan.

#### ■ Local Sales through EC

- No particular approval is required except a few specific products. Establishing a corporate is the only necessary procedure for participation in EC market.
- Plural laws and regulations exist for the protection of consumers. The most noteworthy is the cooling-off system stipulated in the Law on Protection of Consumers. Care needs to be taken since there exist virtually no items (including digital equipment etc.) to which cooling-off system is not applicable.

#### ■ Sales from Japan through EC

- Taiwan's regulations are not applied to sales from overseas websites to Taiwan.
- Purchase of products from foreign websites is not common in Taiwan due to frequently happening troubles and high cost of delivery.
- Credit cards are commonly used for account settlement for EC in Taiwan. However, since Taiwanese credit cards are not accepted by foreign EC websites (in Japan in particular), Taiwanese consumers do not usually use foreign EC websites.

## 1. 4. 2 Taiwan

Country Taiwan	Business Phase ① Corporation Creation	Local Sales	○	Sales from Japan
<p>■ <b>Relevant Legal Framework</b></p> <ul style="list-style-type: none"> <li>• “Regulations on Investment by Foreign Businesses” : Investment Council, Ministry of Economic Affairs : “Law on Company” : Commerce Dept., International Trade Dept., Ministry of Economic Affairs</li> </ul> <p>■ <b>Overview</b></p> <ul style="list-style-type: none"> <li>• For setting up companies in Taiwan, foreign companies are required to apply to the Investment Council of the Ministry of Economic Affairs for approval of investment by foreigners, and apply for company registration in accordance with the amount of capital and the place of the company.</li> <li>• For setting up branches, it is required to apply for preliminary review, prior to the application for approval of foreign investment, to the Commerce Dept., Ministry of Economic Affairs.</li> </ul>				
<p>■ <b>Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</b></p> <ul style="list-style-type: none"> <li>• Application for preliminary review to the Commerce Dept., Ministry of Economic Affairs <ul style="list-style-type: none"> <li>• Review of Company Name and Sales Items</li> <li>• Trade Names are administered by municipal authorities.</li> </ul> </li> <li>• Application to the Investment Council of the Ministry of Economic Affairs for approval of investment by foreigners <ul style="list-style-type: none"> <li>• Designation of application agent and entrusting the application work</li> <li>• Opening the account in a bank of Taiwan, and sending capital to the account, and confirmation by the bank</li> </ul> </li> <li>• Company Registration <ul style="list-style-type: none"> <li>• Offices in charge are different by capital amount, location of the company.</li> <li>• Application to the Commerce Dept., Ministry of Economic Affairs if the capital is over 500 million Taiwan yuans.</li> </ul> </li> <li>• Application for Operation Registration to the Tax Office concerned. <ul style="list-style-type: none"> <li>• For import &amp; export operation, registration for international trade operation to the International Trade Dept., Ministry of Economic Affairs is also necessary.</li> </ul> </li> </ul>	<p>■ <b>Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</b></p> <ul style="list-style-type: none"> <li>• The letter of attorney and the certified copy of company registry need to be certified by the overseas diplomatic establishment of Taiwan.</li> <li>• The application agent must be a Taiwanese national or a foreigner with a Certificate of Foreign Residence (usually certified accountant or lawyer)</li> <li>• Types of industry forbidden or restricted for investment by foreigners are included in the negative list which is posted on the website of the Investment Council, Ministry of Economic Affairs</li> <li>• Investment by Chinese enterprises are limited to those industries listed in the positive list. The definition of Chinese enterprises is enterprises with more than 30 % of its capital is owned by the Chinese firms.</li> </ul>			
<p>■ <b>Reference Information</b></p> <ul style="list-style-type: none"> <li>• <a href="http://investtaiwan.org/">http://investtaiwan.org/</a></li> <li>• <a href="http://www.moeaic.gov.tw/system_external/ctrl?PRO=LawsLoad&amp;id=3">http://www.moeaic.gov.tw/system_external/ctrl?PRO=LawsLoad&amp;id=3</a></li> <li>• <a href="http://www.jetro.go.jp/jfile/country/tw/invest_02/pdfs/taiwan_gaishikisei_negativelist0903.pdf">http://www.jetro.go.jp/jfile/country/tw/invest_02/pdfs/taiwan_gaishikisei_negativelist0903.pdf</a> (Japanese)</li> <li>•</li> </ul>				

## 1 . 4 . 2 Taiwan

Country Taiwan	Business Phase ④ Regulation on Sales Items	Local Sales	○	Sales from Japan
<p>■ Relevant Legal Framework</p> <ul style="list-style-type: none"> <li>• Criminal Law, Child Welfare Law, Regulations on Arms Control, Regulations on Protection from Poisonous Items, Law on Control of Cigarette and Alcoholic Drinks, Law on Pharmaceutical Affairs : Offices in charge are different according to each law.</li> </ul> <p>■ Overview</p> <ul style="list-style-type: none"> <li>• There exist items forbidden for online sales or allowed for sales upon approval by the authorities. These are administered by plural laws.</li> <li>• There exist items forbidden both for online sales and non-online sales. Those items that require buyers' age verification on over-the-counter sales such as liquor, tobacco, pornographic articles are not allowed for online sales on the reason that it is not possible to confirm the age of buyers online.</li> </ul>				
<p>■ Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</p> <ul style="list-style-type: none"> <li>• Prohibited items for online sales are given below. <ul style="list-style-type: none"> <li>• Publications with sexual or violent expressions</li> <li>• Arms and bullets, drugs</li> <li>• Certificates of Consulting Engineers</li> <li>• Liquor, tobacco</li> <li>• Items violating intellectual property rights</li> <li>• Lottery tickets</li> <li>• Certificates of tax payment</li> <li>• Garbage bags for Taipei City Authorities</li> <li>• Others</li> </ul> </li> <li>• Restricted items for online sales are as follows : <ul style="list-style-type: none"> <li>• Medicine (Prohibited in principle. A few of medical equipment are allowed upon the approval of the Office of Medicine and Hygiene.)</li> </ul> </li> </ul>		<p>■ Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</p> <ul style="list-style-type: none"> <li>• It is noted online sales of alcoholic drinks, which is allowed in Japan, is prohibited in Taiwan.</li> <li>• The approval of the Office of Medicine and Hygiene is necessary for sales of medicine and medical equipment. Their online sales is furthermore difficult, and the scope of saleable items are extremely limited.</li> </ul>		
		<p>■ Reference Information</p> <ul style="list-style-type: none"> <li>• Online Commerce Handbook Q &amp; A</li> <li>• List of Prohibited Items for Online Sales <a href="http://gcis.nat.gov.tw/EClaw/tjk/chinese/tjk_tw_HotNewsView.asp?sno=OX]R">http://gcis.nat.gov.tw/EClaw/tjk/chinese/tjk_tw_HotNewsView.asp?sno=OX]R</a></li> <li>• Rules for Online Sales of Medical Equipment <a href="http://www.fda.gov.tw/TC/siteNews.aspx?sid=39&amp;id=44&amp;chk=fde07aa2-ed64-40a6-8144-4bdd94a51ca5">http://www.fda.gov.tw/TC/siteNews.aspx?sid=39&amp;id=44&amp;chk=fde07aa2-ed64-40a6-8144-4bdd94a51ca5</a></li> </ul>		

## 1 . 4 . 2 Taiwan

Country Taiwan	Business Phase ⑤ Product Labelling	Local Sales	○	Sales from Japan
<p>■ <b>Relevant Legal Framework</b></p> <ul style="list-style-type: none"> <li>• “Standard Contract for Online Retail Service – Items to be Included and Not to be Included”</li> <li>• “Standard Contract for Online Sales of Food”</li> <li>• “Law on Merchandise Labelling” : Consumers Protection Committee, Executive Yuan</li> </ul> <p>■ <b>Overview</b></p> <ul style="list-style-type: none"> <li>• EC business proprietors have to post the necessary information on their websites as required by the “Standard Contract for Online Retail Service – Items to be Included and Not to be Included” and must not post those specific things as instructed by it.</li> <li>• There exist various rules and regulations on posting on websites in terms of many items including food, point cards of online games etc.</li> <li>• Law on Merchandise Labelling stipulates different obligations of posting on websites for each sales item.</li> </ul>				
<p>■ <b>Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</b></p> <ul style="list-style-type: none"> <li>• “Standard Contract for Online Retail Service – Items to be Included and Not to be Included” stipulates obligations of posting followings on websites. <ul style="list-style-type: none"> <li>• Name of business proprietor, name of the responsible person, phone number, e-mail address and business office address</li> <li>• In case of uncertainty or doubts in contract articles, the interpretation favorable for consumers prevails.</li> <li>• The product name, price, contents, specifications, model number and other relevant information posted on the website page are a part of the contact.</li> </ul> </li> <li>• “Law on Merchandise Labelling” stipulates the obligation of posting following information on the websites. <ul style="list-style-type: none"> <li>• Name of producer, place of production, ingredients and components etc.</li> </ul> </li> </ul>		<p>■ <b>Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</b></p> <ul style="list-style-type: none"> <li>• When you set up EC websites in Taiwan, those items mentioned here must be posted on them in Chinese (Taiwanese characters).</li> <li>• As for products to be sold in Taiwan, necessary information must be posted in Chinese (in Taiwanese characters) as required by Law on Merchandise Labelling. Therefore, it is impossible to import goods from Japan and directly sell them in Taiwan.</li> </ul>		
		<p>■ <b>Reference Information</b></p> <ul style="list-style-type: none"> <li>• Online Commerce Handbook Q &amp; A</li> <li>• <a href="http://www.ey.gov.tw/news4.aspx?n=306E238316B5F61E&amp;sms=C111DF90EDBE5FE7">http://www.ey.gov.tw/news4.aspx?n=306E238316B5F61E&amp;sms=C111DF90EDBE5FE7</a> (Standard Contract for Online Retail Service – Items to be Included and Not to be Included, Chinese Language)</li> </ul>		



## 1 . 4 . 2 Taiwan

Country Taiwan	Business Phase ⑦ Advertisement and PR	Local Sales	○	Sales from Japan	
<p>■ Relevant Legal Framework</p> <ul style="list-style-type: none"> <li>• “Law on Fair Trade” : Fair Trade Commission</li> <li>• Law on Pharmaceutical Affairs and other individual laws</li> </ul> <p>■ Overview</p> <ul style="list-style-type: none"> <li>• Law on Fair Trade regulates fraudulent and false advertisements. It regulates not only fraud, falsehood and exaggeration, but also misleading advertisements that might confuse consumers.</li> <li>• Medicines are separately regulated by Law on Pharmaceutical Affairs and other relevant individual laws.</li> </ul>					
<p>■ Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</p> <ul style="list-style-type: none"> <li>• No specific procedures are required.</li> <li>• Regulations are basically the same as in Japan. Avoiding exaggerated or misleading advertisements is advised.</li> </ul>			<p>■ Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</p> <ul style="list-style-type: none"> <li>• There are no specific problems. If necessary, consultations with the Fair Trade Commission is advised.</li> <li>• While it has yet to be legislated, there have been arguments over the issue of control of e-mail advertisement. If enacted, there might be possibilities of being charged penalty in case of violation of specific articles. Paying due attention to the progress of the situation is necessary.</li> </ul>		
			<p>■ Reference Information</p> <ul style="list-style-type: none"> <li>• Online Commerce Handbook Q &amp; A</li> </ul>		

## 1 . 4 . 2 Taiwan

Country Taiwan	Business Phase ⑧ Customers Management	Local Sales	○	Sales from Japan
<p>■ Relevant Legal Framework</p> <ul style="list-style-type: none"> <li>• Law on Personal Information Protection : Ministry of Justice</li> </ul> <p>■ Overview</p> <ul style="list-style-type: none"> <li>• Upon the revision of Law on Personal Information Protection in 2012, target entities were expanded to “all the business entities who collect, deal with or use personal information”.</li> <li>• Although it is said the management of personal information is basically the same as in Japan, it has yet to be confirmed regarding the actual practice.</li> </ul>				
<p>■ Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</p> <ul style="list-style-type: none"> <li>• No specific procedures are required.</li> <li>• While small scale businesses in Japan are not regarded as the entities handling personal information, small businesses are also personal information handling entities in Taiwan. Therefore, any Japanese firms destined to do EC business in Taiwan must introduce a system for protection of personal information.</li> <li>• It is necessary to get consent from individuals regarding the collection and usage of personal information. There is a lawsuit going on in Taiwan over the ways of gaining the consent. <ul style="list-style-type: none"> <li>• The point of issue is if e-mail consent is enough or they need electronic signature.</li> <li>• Taiwanese business proprietors are currently doing their business on the condition that e-mail consent is enough.</li> </ul> </li> </ul>		<p>■ Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</p> <ul style="list-style-type: none"> <li>• It is noted any firms to operate EC websites in Taiwan are, without any exception, entities handling personal information as specified in the Law on Personal Information Protection.</li> <li>• Paying due attention to the progress of the aforementioned lawsuit over ways of getting “consent” is also necessary. If the decision to get e-signature for getting consent is made, the cost of collection of personal information might skyrocket.</li> </ul>		
		<p>■ Reference Information</p> <ul style="list-style-type: none"> <li>• Compendium of E-Commerce Laws</li> </ul>		

## 1 . 4 . 2 Taiwan

Country Taiwan	Business Phase ⑫ Consumers Protection	Local Sales	○	Sales from Japan	
<p>■ Relevant Legal Framework</p> <ul style="list-style-type: none"> <li>• Law on Consumers Protection : Consumers Protection Committee, Executive Yuan</li> <li>• Guidelines on Consumers Protection in E-Commerce</li> </ul> <p>■ Overview</p> <ul style="list-style-type: none"> <li>• In Taiwan, online sales must accommodate cooling-off system since online sales is regarded equivalent to mail-order business. Therefore, contract dissolution is possible if the buyer returns the goods or inform in writing within 7 days after the purchase</li> <li>• Articles regarding product liability are included in the Law on Consumers Protection</li> </ul>					
<p>■ Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</p> <ul style="list-style-type: none"> <li>• If EC business proprietors receive cooling-off requests from Taiwanese consumers within 7 days after the goods reached the consumers, they have to consent the request.               <ul style="list-style-type: none"> <li>• At present, there are no limitations on product kinds to which cooling-off system is applicable. Therefore, they have to take measures even if the products are digital contents or food.</li> <li>• If articles of non-compliance with requirements of cooling-off system are included in the contract at the time of sales, the contract is nullified by the Law on Consumers Protection.</li> </ul> </li> <li>• If the product bears the risks of posing threat to life and body of consumers, business proprietor is required to clearly mention the warning and measures to be taken at emergency. (Product Liability)</li> </ul>			<p>■ Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</p> <ul style="list-style-type: none"> <li>• Even if EC business proprietors sell products on the condition of “non-returnable”, the cooling-off system is still effective. However, the law is applicable only if the proprietors have their offices in Taiwan. If they sell their products from foreign countries without any offices in Taiwan, the law is not applicable.</li> <li>• It is noted the cooling-off system is applied even to products with the price of small amount or digital products. In fact, there was a lawsuit between Taipei City and Google, and the decision was made that the cooling-off system is applied to even sales in the online application market.</li> </ul>		
			<p>■ Reference Information</p> <ul style="list-style-type: none"> <li>• Compendium of E-Commerce Laws</li> <li>• Secure Online Shopping Association (SOSA), Taipei <a href="http://www.sosa.org.tw/index.asp">http://www.sosa.org.tw/index.asp</a></li> </ul>		

## 1 . 4 . 3 Vietnam

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### ■ Overview

#### ■ General

- The development of e-commerce system and relevant infrastructure have been in progress. The volume of EC, however, is still small.

#### ■ Local Sales through EC

- It is required to obtain the Investment Certificate at the time of setting up the corporation in Vietnam. It is noted if the investment amount is large, it takes many days for business registration.
- The registration to VECITA prior to the inauguration of the business and the annual report of business to VECITA are other requirements.
- In terms of advertisement, there are restrictions on product category and methods allowed for advertisement, as well as prohibition of comparative advertisement. It is noted there exist practices different from those of Japan.
- Cares must be taken as significant number of products are in the restricted category for sales or imports.

#### ■ Sales from Japan through EC

- In case of the sales of products from overseas EC websites to Vietnamese consumers, the restriction of the Vietnamese side is not applied.
- For making advertisement in Vietnam, the presence of a business office in Vietnam is a requirement. In case there are no business bases in Vietnam, it is necessary to engage local advertisement agents.

## 1 . 4 . 3 Vietnam

Country Vietnam	Business Phase ① Corporation Creation	Local Sales	○	Sales from Japan
<p>■ Relevant Legal Framework and Organizations</p> <ul style="list-style-type: none"> <li>• “Common Investment Law” (No.59/2005/QH11) ( 2006 ) and its Detailed Enforcement Regulations No.108/2006/ND-CP : Ministry of Planning and Investment</li> <li>• “Unified Enterprise Law” (No.60/2005/QH11) (2006) : Ministry of Planning and Investment</li> </ul> <p>■ Overview</p> <ul style="list-style-type: none"> <li>• For setting up a business operation base, it is required to apply for investment registration or request for the issuance of Investment Certificate upon the examination by the government office in charge of investment. The Investment Certificate works as the certificate of business registration.</li> </ul>				
<p>■ Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</p> <ul style="list-style-type: none"> <li>• Obtaining the Investment Certificate after submission of necessary documents for setting up a business base <ul style="list-style-type: none"> <li>• In addition to documents required by Common Investment Law, the company’s statute that includes location of the company, business activities and capital amount etc. must be submitted to the Foreign Investment Agency.</li> </ul> </li> <li>• Company registration after obtaining the Investment Certificate.</li> </ul>		<p>■ Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</p> <ul style="list-style-type: none"> <li>• If the investment amount is over 300 billion dong or the business category corresponds to the one restricted by the government, the examination by the local office of the Foreign Investment Agency takes nearly 30 days.</li> </ul>		
		<p>■ Reference Information</p> <ul style="list-style-type: none"> <li>• <a href="http://www.jetro.go.jp/world/asia/vn/qa/03/04J-010451">http://www.jetro.go.jp/world/asia/vn/qa/03/04J-010451</a></li> <li>• Investment Environment Vietnam 2011, JBC</li> </ul>		

## 1 . 4 . 3 Vietnam

Country Vietnam	Business Phase ② Approval of Business	Local Sales	○	Sales from Japan
<p>■ Relevant Legal Framework and Organizations</p> <ul style="list-style-type: none"> <li>“Government Ordinance on Activities of Online Sales and Service Provision (No.46/2010/TT-BCT)” : Ministry of International Trade</li> </ul> <p>■ Overview</p> <ul style="list-style-type: none"> <li>Obligation of business registration for inauguration of EC</li> <li>Obligation of annual report for business continuation</li> </ul>				
<p>■ Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</p> <ul style="list-style-type: none"> <li>Notification of followings at the time of business registration to VECITA for EC business inauguration is required. <ul style="list-style-type: none"> <li>Name of the firm</li> <li>Name of EC Platform</li> <li>Certificate of Business Registration</li> <li>Domain Name</li> <li>Products or Services to be provided</li> <li>Number of Staff</li> <li>Contacts of the Firm etc.</li> </ul> </li> <li>Items to be reported annually to VECITA include followings. <ul style="list-style-type: none"> <li>Number of Clients</li> <li>Transactions</li> <li>Benefit</li> <li>Cost of Advertisement etc.</li> </ul> </li> </ul>		<p>■ Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</p> <ul style="list-style-type: none"> <li>Since it is not approval but notification, firms simply need to notify the necessary information to the office concerned.</li> </ul>		
		<p>■ Reference Information</p> <ul style="list-style-type: none"> <li><a href="http://mic.gov.vn/vbqpl/Lists/Vn%20bn%20QPPL/DispForm.aspx?ID=7730">http://mic.gov.vn/vbqpl/Lists/Vn%20bn%20QPPL/DispForm.aspx?ID=7730</a> (Forms for notification are included as attachment. Vietnamese )</li> </ul>		

## 1 . 4 . 3 Vietnam

Country Vietnam	Business Phase ③ Website Setup	Local Sales	○	Sales from Japan	
<p>■ Relevant Legal Framework and Organizations</p> <ul style="list-style-type: none"> <li>• “Government Ordinance on E-Commerce (No.57/2006/NĐ-CP)”</li> <li>• “Government Ordinance on Activities of Online Sales and Service Provision (No.46/2010/TT-BCT)” : Ministry of International Trade</li> <li>• “Information Technology Law (No.67/2006/AH11)”</li> <li>• “Telecommunications Law (No.41/2009/QH12)” : Ministry of Information and Communications</li> </ul> <p>■ Overview</p> <ul style="list-style-type: none"> <li>• Different from the past practice, even foreign enterprises are now allowed to get domain in Vietnam.</li> </ul>					
<p>■ Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</p> <ul style="list-style-type: none"> <li>• No specific procedures are required.</li> </ul>		<p>■ Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</p> <ul style="list-style-type: none"> <li>• There are no major issues since foreign firms are now able to get vn domain.</li> <li>• The government is currently revising the Ordinance on E-Commerce to be enacted in March 2013. If enacted, there might be a possibility of obligation of reporting to the government even with or without the EC functions on foreign firms’ websites.</li> </ul>			
		<p>■ Reference Information</p> <ul style="list-style-type: none"> <li>• <a href="http://chinhphu.vn/portal/page/portal/English/legaldocuments/Policies?categoryId=886&amp;articleId=10001393">chinhphu.vn/portal/page/portal/English/legaldocuments/Policies?categoryId=886&amp;articleId=10001393</a> (Government Ordinance on E-Commerce : English)</li> </ul>			

## 1 . 4 . 3 Vietnam

Country Vietnam	Business Phase ④ Regulation on Sales Items	Local Sales	○	Sales from Japan	○
<p>■ Relevant Legal Framework and Organizations</p> <ul style="list-style-type: none"> <li>• “Government Ordinance on Elaboration of Prohibited or Restricted Sale of Items and Services (No.59/2006/ND-CP)”</li> <li>• “Government Ordinance on Elaboration of International Trade of Goods (No.12/2006/ND-CP)” : Ministry of International Trade</li> <li>• “Government Ordinance on List of Import-Prohibited Information Technology Products (No.11/2012/TT-BTTTT)” : Ministry of Information and Communications</li> </ul> <p>■ Overview</p> <ul style="list-style-type: none"> <li>• The selection of products for sale must be in accordance with the provisions stipulated in the Commerce Law.</li> <li>• Restricted items for import are stipulated in ordinances of relevant ministries governing those items.</li> </ul>					
<p>■ Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</p> <ul style="list-style-type: none"> <li>• Restricted items for sale are stipulated in the government ordinance No. 59/2006/ND-CP, which include followings : <ul style="list-style-type: none"> <li>• Weapons</li> <li>• Narcotic Drugs</li> <li>• Firecrackers</li> <li>• Toys (including game software) harmful to the youth etc.</li> </ul> </li> <li>• Restricted items for import are stipulated in the ordinance No. 12/2006/ND-CP for instance. Similar ordinances are increasing. For example, restricted information technology products are stipulated in the ordinance No. 11/2012/TT-BTTTT.</li> </ul>			<p>■ Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</p> <ul style="list-style-type: none"> <li>• While restricted items for sale or import are increasing, relevant ordinances have been newly enacted each time. You have to be always alert for it.</li> <li>• New ordinances on restriction on used items are particularly many. For export of used items such as clothes, vehicles and PCs to Vietnam, you have to be extra-cautious.</li> </ul>		
			<p>■ Reference Information</p> <ul style="list-style-type: none"> <li>• <a href="http://www.dncustoms.gov.vn/web_english/english/ngchi_dinh/59_ND_CP_12_06_2006.htm">http://www.dncustoms.gov.vn/web_english/english/ngchi_dinh/59_ND_CP_12_06_2006.htm</a> (59/2006/ND-CP, English)</li> <li>• <a href="http://www.customs.gov.vn/English/Lists/Documents/ViewDetails.aspx?List=889a92fd-e7a0-4c8e-b800-80ff1158ebaf&amp;ID=863">http://www.customs.gov.vn/English/Lists/Documents/ViewDetails.aspx?List=889a92fd-e7a0-4c8e-b800-80ff1158ebaf&amp;ID=863</a> (12/2006/ND-CP, Vietnamese)</li> <li>• <a href="http://mic.gov.vn/vbqpl/Lists/Vn%20bn%20QPPL/DispForm.aspx?ID=7864">http://mic.gov.vn/vbqpl/Lists/Vn%20bn%20QPPL/DispForm.aspx?ID=7864</a> (11/2012/TT-BTTTT, Vietnamese)</li> <li>• Customs <a href="http://www.customs.gov.vn/Lists/VanBanPhapLuat/Newest.aspx">http://www.customs.gov.vn/Lists/VanBanPhapLuat/Newest.aspx</a></li> <li>• <a href="http://www.jetro.go.jp/world/asia/vn/business/pdf/VN_TT09_20070717.pdf">http://www.jetro.go.jp/world/asia/vn/business/pdf/VN_TT09_20070717.pdf</a> (Reference Materials in Japanese)</li> </ul>		



## 1 . 4 . 3 Vietnam

Country Vietnam	Business Phase ⑤ Product Labelling	Local Sales	○	Sales from Japan
<p>■ <b>Relevant Legal Framework and Organizations</b></p> <ul style="list-style-type: none"> <li>• “Government Ordinance on Online Information Provision (No. 09/2008/TT-BCT)”</li> <li>• “Government Ordinance on Product Labelling (No.89/2006/ND-CP)” : Ministry of International Trade</li> <li>• “Government Ordinance on Implementation of Ordinance No.89/2006/ND-CP (No.09/2007/TT-BHKCN)” : Ministry of Science and Technology</li> </ul> <p>■ <b>Overview</b></p> <ul style="list-style-type: none"> <li>• Labelling of products in general is stipulated in the Commerce Law. The product description on websites, in particular, is stipulated in ordinances of No. 09/2008/TT-BCT and No. 46/2010/TT-BCT.</li> <li>• Labelling for food is stipulated in the Ordinance on Product Labelling (No.89/2006/ND-CP). Names of organizations or individuals responsible for specific food, their addresses and places of production must be described.</li> </ul>				
<p>■ <b>Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</b></p> <ul style="list-style-type: none"> <li>• The ordinance No. 09/2008/TT-BCT stipulates the obligation of posting of following information on websites. <ul style="list-style-type: none"> <li>• Information on products or services</li> <li>• Price (including product price, tax, packing charge, delivery charge etc.)</li> <li>• Sales conditions (conditions of return, obligations of the buyer and the seller)</li> <li>• Conditions of delivery (ways and time of delivery, geographical conditions etc.)</li> <li>• Means of payment (choices of payment means)</li> <li>• Information of the website owner</li> </ul> </li> <li>• Ordinances of No. 89/2006/ND-CP, No. 09/2007/TT-BHKCN stipulate the obligation of product description of followings : <ul style="list-style-type: none"> <li>• Description in Vietnamese language</li> <li>• Product name, name and address of the seller, place of production etc.</li> </ul> </li> </ul>		<p>■ <b>Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</b></p> <ul style="list-style-type: none"> <li>• It is necessary to post the information required by the ordinance No. 46/2010/TT-BCT on websites.</li> <li>• It is noted the detailed description of the requirements related to food labelling is available in ordinances of No. 89/2006/ND-CP and No. 09/2007/TT-BKHCN.</li> </ul>		
		<p>■ <b>Reference Information</b></p> <ul style="list-style-type: none"> <li>• <a href="http://lawfirm.vn/?a=doc&amp;id=2050">http://lawfirm.vn/?a=doc&amp;id=2050</a> (09/2008/TT-BCT, English)</li> <li>• <a href="http://qppl.quangngai.gov.vn/congbao.nsf/9e6a1e4b64680bd24725680100a8614/365829d665b225d4472572d400365409?OpenDocument">http://qppl.quangngai.gov.vn/congbao.nsf/9e6a1e4b64680bd24725680100a8614/365829d665b225d4472572d400365409?OpenDocument</a> (09/2007/TT-BKHCN)</li> <li>• <a href="http://www.jetro.go.jp/world/asia/vn/qa/01/04J-110302">http://www.jetro.go.jp/world/asia/vn/qa/01/04J-110302</a> (reference : Information in Japanese language on food export to Vietnam)</li> </ul>		

## 1 . 4 . 3 Vietnam

Country Vietnam	Business Phase ⑦ Advertisement and PR	Local Sales	○	Sales from Japan	○
<p>■ <b>Relevant Legal Framework and Organizations</b></p> <ul style="list-style-type: none"> <li>• “Advertisement Law (No.16/2012/QH13)”</li> <li>• “Competition Law (No.27/2004/QH11)”</li> <li>• “Government Ordinance on Prohibition of Spam (No.90/2008/ND-CP)”</li> </ul> <p>■ <b>Overview</b></p> <ul style="list-style-type: none"> <li>• The advertisement by e-mail must be made through the designated server of VNCERT.</li> <li>• There are items prohibited to post in the advertisement by the Advertisement Law.</li> <li>• Foreign firms have to engage authorized local commercial advertisement agents on their behalf.</li> </ul>					
<p>■ <b>Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</b></p> <ul style="list-style-type: none"> <li>• The advertisement by e-mail must be made on the consent of addressees in principle. Senders have to obey the followings. <ul style="list-style-type: none"> <li>• Sending only mails provided with VNCERT management code through only VNCERT-designated servers.</li> <li>• Immediate suspension of mail transmission at the indication of refusal by addressees</li> </ul> </li> <li>• The online advertisement agencies have to apply to the Ministry of Information and Communications for the issuance of the management code number. <ul style="list-style-type: none"> <li>• The agencies need to possess .vn websites.</li> </ul> </li> <li>• Products prohibited by the Advertisement Law include followings : <ul style="list-style-type: none"> <li>• Tobacco, beverages with alcoholic content over 15 %.</li> <li>• Dairy products substituting breast milk for infants below age 24 months.</li> <li>• Nutritional supplement for infants under 6 months etc.</li> </ul> </li> </ul>			<p>■ <b>Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</b></p> <ul style="list-style-type: none"> <li>• The Advertisement Law prohibits those advertisements with comparison with products of other firms or usage of superlative expressions. Care must be taken since some advertisement expressions prevalent in Japan are not allowed in Vietnam.</li> <li>• Representative offices of foreign firms are not allowed to do commercial advertisement by themselves in Vietnam. For doing advertisement in Vietnam, foreign firms without any business bases in Vietnam have to engage local authorized commercial advertisement agents on their behalf.</li> </ul>		
			<p>■ <b>Reference Information</b></p> <ul style="list-style-type: none"> <li>• <a href="http://thuvienphapluat.vn/archive/Luat-Quang-cao-2012-vb142541.aspx">http://thuvienphapluat.vn/archive/Luat-Quang-cao-2012-vb142541.aspx</a> (Advertisement Law 16/2012/QH13, Vietnamese Language)</li> <li>• <a href="http://www.vietnamlaws.com/jp/vlu/August2012.pdf">http://www.vietnamlaws.com/jp/vlu/August2012.pdf</a> (Reference for Advertisement Law)</li> <li>• Guidebook on Legal Affairs in Vietnam for Japanese Businesses 2010 , JETRO</li> <li>• JETRO Legal Advisory Office, JETRO Vietnam, 2012</li> </ul>		

## 1 . 4 . 3 Vietnam

Country Vietnam	Business Phase ⑫ Consumers Protection	Local Sales	○	Sales from Japan	
<p>■ Relevant Legal Framework and Organizations</p> <ul style="list-style-type: none"> <li>“Consumers Protection Law (No.59/2010/QH12)” : Ministry of International Trade, VCA</li> </ul> <p>■ Overview</p> <ul style="list-style-type: none"> <li>The Consumers Protection Law stipulates the cooling-off system. If the seller did not provide information stipulated in the Consumers Protection Law to consumers at the time of the deal, consumers are entitled to the cooling-off of 10 days.</li> </ul>					
<p>■ Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</p> <ul style="list-style-type: none"> <li>If the seller did not provide the required information to consumers at the time of the deal, consumers are entitled to the cooling-off of 10 days. (Since this is conditional, if following information was provided to the purchasers, they are not entitled to the cooling-off.)</li> <li>Necessary information to be provided are as follows : <ul style="list-style-type: none"> <li>Name and contact of the seller</li> <li>Quality of products and services</li> <li>Cost of delivery (if necessary)</li> <li>Method of payment and delivery</li> <li>Other miscellaneous charges (transaction cost, communications cost etc.)</li> </ul> </li> <li>In case of door-to-door sales, purchasers are entitled to the unconditional cooling-off, and they can cancel the contract if it is within 3 working days from the purchase.</li> </ul>			<p>■ Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</p> <ul style="list-style-type: none"> <li>While the Consumers Protection Law was enacted in 2011, particulars of its operation are still under discussion. Due care needs to be taken for the progress of the situations.</li> </ul>		
			<p>■ Reference Information</p> <ul style="list-style-type: none"> <li><a href="http://www.customs.gov.vn/Lists/VanBanPhapLuat/ViewDetails.aspx?List=b83d2062-3090-4797-af61-7498eff47f51&amp;ID=5927">http://www.customs.gov.vn/Lists/VanBanPhapLuat/ViewDetails.aspx?List=b83d2062-3090-4797-af61-7498eff47f51&amp;ID=5927</a> (59/2010/QH12, Vietnamese Language)</li> <li>Vietnamese Consumers Association, “Overview Law on ProtEction of Consumer Rights of Vietnam”</li> <li>Guidebook on Legal Affairs in Vietnam for Japanese Businesses 2010 , JETRO</li> </ul>		

### ■ Overview

#### ■ General

- Which government office is responsible for e-commerce is ambiguous. Since the Ministry of Trade and the Ministry of Communication and Information Technology are basically supposed to be responsible, it is advised to confirm with both of the two.
- At the time of enactment of laws, relevant government ordinances are created, and minister's orders are also established by plural Ministries. Therefore, the law enforcement at the practical level is highly complicated.
- As additions and revisions are also frequent, keeping abreast of the progress and changes of procedures and regulations is important.

#### ■ Local sales through EC

- Since the legal framework of EC is still developing, constant confirmation is necessary.
- Offices to confirm are plural and clear replies are sometimes not available. Laws and regulations are also revised frequently. Continuous follow-ups of the latest information is essential.
- Indonesia is a vast archipelagic nation with different local characteristics. It is multi-religious and multi-ethnic country with the Muslim majority. Thoughtful business activities with due consideration of these backgrounds like Friday prayer, Ramadan and lunar New Year etc. are advised.

#### ■ Sales from Japan through EC

- In case of sales of items from overseas websites to Indonesia, Indonesian regulations are not applied.
- Since the credit card payment is not the prevailing payment settlement method in Indonesia, the choice of account settlement is always a problem. Cash-on-delivery is dogged with the reliability of the forwarding agents concerned.

## 1 . 4 . 4 Indonesia

Country Indonesia	Business Phase ① Corporation Creation	Local Sales	○	Sales from Japan
<p>■ <b>Relevant Legal Framework and Organizations</b></p> <ul style="list-style-type: none"> <li>• Law on Investment (No. 25, 2007)</li> <li>• Law on Indonesian Companies</li> <li>• Presidential Decree No. 36 ( May 25, 2010) “Negative List for Investment” (Daftar Negative Investasi : DNI)</li> </ul> <p>■ <b>Overview</b></p> <ul style="list-style-type: none"> <li>• Since opening of branches in Indonesia is restricted in some categories of business, the establishment of local subsidiaries or opening of representative offices is common in Indonesia.</li> </ul>				
<p>■ <b>Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</b></p> <ul style="list-style-type: none"> <li>• Confirmation of business category with prohibition or restriction of investment from foreign firms. <ul style="list-style-type: none"> <li>• As per Presidential Decree No. 36, 2010.</li> </ul> </li> <li>• Registration of investment plan at the Indonesia Investment Coordinating Board (BKPM). <ul style="list-style-type: none"> <li>• Submission of Investment Registration Form (MODEL1/PMA).</li> <li>• Issuance of Investment Approval (SP/PMA) in case of no defects in the registration form.</li> </ul> </li> <li>• Registration for the establishment of the corporation. <ul style="list-style-type: none"> <li>• Application for corporation name (more than 2 candidates).</li> <li>• Preparation of corporation statute and notarization by the Indonesian notary.</li> <li>• Lease contract of the office followed by the registered domicile certificate application to the local office concerned.</li> <li>• Application for registered tax-payer’s number (NPWP) and identification number of tax-paying corporation (PKP) at the tax office.</li> <li>• Opening of the bank account.</li> <li>• Application for corporation registration to the Ministry of Justice and Human Rights.</li> <li>• Application for corporation registration to the Ministry of Trade for issuance of corporation registration certificate (TDP) .</li> </ul> </li> </ul>		<p>■ <b>Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</b></p> <ul style="list-style-type: none"> <li>• In case the corporation is established with 100 per cent share-holding by foreign capital, it is required to yield a part of its stocks to Indonesian corporations or individuals within 15 years.</li> </ul>		
		<p>■ <b>Reference Information</b></p> <ul style="list-style-type: none"> <li>• <a href="http://www.bkpm-jpn.com/">http://www.bkpm-jpn.com/</a> (Indonesia Investment Coordinating Board, Japan Office)</li> <li>• <a href="https://www5.jetro.go.jp/newsletter/jkt/20100610.pdf">https://www5.jetro.go.jp/newsletter/jkt/20100610.pdf</a></li> </ul>		

## 1 . 4 . 4 Indonesia

Country Indonesia	Business Phase ② Approval of Business	Local Sales	○	Sales from Japan
<p>■ Relevant Legal Framework and Organizations</p> <ul style="list-style-type: none"> <li>• Presidential Decree No. 112 ( Dec. 27, 2007) “Regulations on Foreign Capital – Restricted and Prohibited Business Categories (Commercial Facilities)”</li> <li>• Presidential Decree No. 36 ( May 25, 2010) “Negative List for Investment” (Daftar Negative Investasi : DNI)</li> </ul> <p>■ Overview</p> <ul style="list-style-type: none"> <li>• There exist no procedures for approval of EC business. If you start the EC business incidental to the main business, it is required to get approval in accordance with relevant regulations.</li> </ul>				
<p>■ Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</p> <ul style="list-style-type: none"> <li>• If you start normal retail sale or service provision business in Indonesia, you are required to go through the normal procedures for getting approval. <ul style="list-style-type: none"> <li>• In case of inauguration of EC business in Indonesia, it is advised to confirm with the Ministry of Trade about the necessity of getting approval.</li> </ul> </li> <li>• It is advised to get in touch with the Business Support Director (Director Bima Usaha Pedagangan), International Trade Directorate-General (Dirjen Perdagangan dalam negeri).</li> </ul>		<p>■ Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</p> <ul style="list-style-type: none"> <li>• In case you do retail sale or service provision in Indonesia, it is necessary to get approval and set up a corporation as a normal practice.</li> <li>• In case of inauguration of EC business in Indonesia, since the responsible office is ambiguous (either the Ministry of Communication and Information Technology or the Ministry of Trade), it is advised to confirm with both of the two.</li> </ul>		
		<p>■ Reference Information</p> <ul style="list-style-type: none"> <li>• <a href="http://www.bkpm-jpn.com/">http://www.bkpm-jpn.com/</a> (Indonesia Investment Coordinating Board, Japan Office)</li> <li>• <a href="http://www6.bkpm.go.id/">http://www6.bkpm.go.id/</a></li> </ul>		

## 1 . 4 . 4 Indonesia

Country Indonesia	Business Phase ③ Website Setup	Local Sales	○	Sales from Japan	
<p>■ Relevant Legal Framework and Organizations</p> <ul style="list-style-type: none"> <li>• “Information and E-Commerce Law” Law No. 11, 2008</li> <li>• Government Ordinance No. 82, Ministry of Communication and Information Technology</li> </ul> <p>■ Overview</p> <ul style="list-style-type: none"> <li>• It is required to register at the Ministry of Communication and Information Technology for the operation of public service. The registration is needless in case of non-profit or non-public services. However, if applied for the registration, it will be registered.</li> </ul>					
<p>■ Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</p> <ul style="list-style-type: none"> <li>• Website registration at the Ministry of Communication and Information Technology in case of public service provision.</li> <li>• The registration is needless in case of non-public service. If applied, it will be registered.</li> <li>• In case of delinquency in the registered website, the website owner will receive warnings from the authorities within 6 months.</li> <li>• The public service here means followings :             <ul style="list-style-type: none"> <li>• Services for the public</li> <li>• Services for the government or government organizations</li> <li>• Account settlement service</li> </ul> </li> </ul>			<p>■ Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</p> <ul style="list-style-type: none"> <li>• Website registration is indispensable for the provision of the public service in Indonesia.</li> <li>• For the provision of the public service, it is required to notify the details of the software for use in the service to the Indonesian government.</li> </ul>		
			<p>■ Reference Information</p> <ul style="list-style-type: none"> <li>• <a href="http://zaico.nl/files/RUU-ITE_english.pdf">http://zaico.nl/files/RUU-ITE_english.pdf</a> (Law No. 11)</li> </ul>		

## 1 . 4 . 4 Indonesia

Country Indonesia	Business Phase ④ Regulation on Sales Items	Local Sales	○	Sales from Japan	○
<p>■ Relevant Legal Framework and Organizations</p> <ul style="list-style-type: none"> <li>• “Information and E-Commerce Law” Law No. 11, 2008</li> <li>• Presidential Decree No. 36 ( May 25, 2010) “Negative List for Investment” (Daftar Negative Investasi : DNI)</li> <li>• Trade Minister’s Order No. 57/M-DAG/PER/12/2010</li> </ul> <p>■ Overview</p> <ul style="list-style-type: none"> <li>• There exist prohibited items for sales on e-commerce.</li> <li>• There exist prohibited items even for ordinary business deal. Many of EC business dealers, therefore, independently identify prohibited items and refrain from posting them on websites in compliance with regulations.</li> </ul>					
<p>■ Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</p> <ul style="list-style-type: none"> <li>• Confirmation of prohibited items for sales and import in Indonesia</li> <li>• Followings are import-prohibited items : <ul style="list-style-type: none"> <li>• Dangerous &amp; Poisonous Raw Materials and Wastes</li> <li>• Used Clothes &amp; Textile-related Wastes</li> <li>• Prawns</li> <li>• Mozzarella Cheese</li> <li>• Dangerous Fish (Blowfish, Catfish, Piranha etc.)</li> </ul> </li> <li>• Followings are prohibited items for sales on EC. <ul style="list-style-type: none"> <li>• Weapons</li> <li>• Narcotic Drugs</li> <li>• Explosives</li> <li>• Pornography</li> </ul> </li> </ul>			<p>■ Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</p> <ul style="list-style-type: none"> <li>• There are prohibited items for sales and import in Indonesia even if they are not prohibited in Japan. Careful confirmation is advised.</li> </ul>		
			<p>■ Reference Information</p> <ul style="list-style-type: none"> <li>• Laws and regulations related to international trade are available in the following websites. While provisional translation, English version is also available.</li> <li>• <a href="http://rulebook-jica.ekon.go.id/">http://rulebook-jica.ekon.go.id/</a></li> <li>• <a href="http://www.bkpm-jpn.com/">http://www.bkpm-jpn.com/</a> (Indonesia Investment Coordinating Board, Japan Office)</li> <li>• <a href="http://zaico.nl/files/RUU-ITE_english.pdf">http://zaico.nl/files/RUU-ITE_english.pdf</a> (Law No. 11)</li> <li>• <a href="http://www.jetro.go.jp/jfile/country/idn/invest_02/pdfs/indonesia_list.pdf">http://www.jetro.go.jp/jfile/country/idn/invest_02/pdfs/indonesia_list.pdf</a></li> <li>• <a href="http://www.jetro.go.jp/world/asia/idn/qa/">http://www.jetro.go.jp/world/asia/idn/qa/</a></li> </ul>		



## 1 . 4 . 4 Indonesia

Country Indonesia	Business Phase ⑤ Product Labelling	Local Sales	○	Sales from Japan
<p>■ Relevant Legal Framework and Organizations</p> <ul style="list-style-type: none"> <li>• “Consumers Protection Law” Law No. 8, 1999 specifies the product tag.</li> <li>• Trade Minister’s Order on Obligation of Label Description No.62/M-DAG/PER/12/2009</li> <li>• Trade Minister’s Order on Revision of the Order No. 62 No.22/M-DAG/PER/5/2010</li> </ul> <p>■ Overview</p> <ul style="list-style-type: none"> <li>• Label types by product are stipulated. It is required to print in Indonesian language. False description is illegal.</li> <li>• Products without halal marks are not regarded as halal compliant products.</li> </ul>				
<p>■ Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</p> <ul style="list-style-type: none"> <li>• Requirements on Product Labels <ul style="list-style-type: none"> <li>• Product name, size, volume, ingredients and components, ways of use, date of production, side-effects, name and address of sales agent, and other necessary information must be described.</li> </ul> </li> <li>• For electronic devices, vehicle parts, footwear and leather goods, following information must be described in Indonesian language. <ul style="list-style-type: none"> <li>• Name of Product or Brand</li> <li>• Name and Address of Producer</li> <li>• Name and Address of Importer</li> <li>• Country of Origin etc.</li> </ul> </li> </ul>		<p>■ Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</p> <ul style="list-style-type: none"> <li>• As the description in Indonesian is a requirement, product labelling used in Japan cannot be directly diverted to Indonesia.</li> <li>• Authenticated halal marks are required on meat and meat-processed food for their sales in Indonesia.</li> </ul>		
		<p>■ Reference Information</p> <p>Trade Minister’s Order on Obligation of Label Description</p> <ul style="list-style-type: none"> <li>• No.62/M-DAG/PER/12/2009, No.22/M-DAG/PER/5/2010</li> </ul> <p>Consumers Protection Law (English)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.cipatent.com/consumersprotectionlaw.pdf">http://www.cipatent.com/consumersprotectionlaw.pdf</a></li> <li>• Information of Halal Certification Body in Indonesia is available here. <a href="http://www.e-lppommui.org/certification/">http://www.e-lppommui.org/certification/</a></li> </ul>		

## 1 . 4 . 4 Indonesia

Country Indonesia	Business Phase ⑦ Advertisement and PR	Local Sales	○	Sales from Japan	○
<p>■ Relevant Legal Framework and Organizations</p> <ul style="list-style-type: none"> <li>Rules on prohibited items stipulated in the Consumers Protection Law, (Law No 8, 1999)</li> </ul> <p>■ Overview</p> <ul style="list-style-type: none"> <li>Risk-hiding explanations, false explanations, revealing personal information and illegal advertisement are prohibited.</li> <li>EC business proprietors, as a matter of fact, self-restrain exaggerated advertisement, expressions of violence, advertisement of prohibited services etc.</li> </ul>					
<p>■ Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</p> <ul style="list-style-type: none"> <li>Specific examples of prohibited advertisement are given below : <ul style="list-style-type: none"> <li>Disclosure of personal information including e-mail address, mobile phone number etc.</li> <li>Sound record of radio, TV and internet.</li> <li>Alcoholic drinks.</li> <li>Tobacco and its derivatives.</li> <li>Personal messages.</li> <li>Loan and finance-related matters.</li> <li>Prohibited services (dating service etc.)</li> </ul> </li> <li>Some EC business proprietors impose their own restrictions on advertisement contents of their site-participating agents.</li> </ul>			<p>■ Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</p> <ul style="list-style-type: none"> <li>The scope of prohibition in advertisement is wider in Indonesia compared to Japan. It is advised to be careful in the transfer of PR expressions prevailing in Japan to Indonesia.</li> </ul>		
			<p>■ Reference Information</p> <p>Consumers Protection Law (English)</p> <ul style="list-style-type: none"> <li><a href="http://www.cipatent.com/consumersprotectionlaw.pdf">http://www.cipatent.com/consumersprotectionlaw.pdf</a></li> </ul>		

## 1 . 4 . 4 Indonesia

Country Indonesia	Business Phase ⑫ Consumers Protection	Local Sales	○	Sales from Japan
<p>■ Relevant Legal Framework and Organizations</p> <ul style="list-style-type: none"> <li>• “Consumers Protection Law” Law No. 8</li> </ul> <p>■ Overview</p> <ul style="list-style-type: none"> <li>• The law stipulates the scope and the level of consumers protection.</li> <li>• The Consumers Dispute Resolution Agency (BPSK : Badan Penyelesaian Sengketa Konsumen) is the responsible government office in charge of the dispute settlement.</li> </ul>				
<p>■ Required Procedures, Obligations for the Enterprises Concerned and Points to be noted</p> <ul style="list-style-type: none"> <li>• “153 Call Center” to be established on March 15, 2013 will directly receive claims and complaints from consumers. <ul style="list-style-type: none"> <li>• 153 Call Center will inform complaints to the BPSK local office nearest to the complaining consumers.</li> <li>• BPSK will take actions (inquiries, giving guidance for replacement with alternative goods or returning money to consumers etc. ) .</li> </ul> </li> <li>• BPSK is responsible for seeking resolution for each claim or complaint.</li> </ul>		<p>■ Issues Japanese (Foreign) Businesses Face in doing E-Commerce in the Said Country</p> <ul style="list-style-type: none"> <li>• Since there are no set rules, the BPSK’s resolutions will be made on case-by-case basis.</li> <li>• It may be difficult to foresee the BPSK’s resolution, as BPSK judges at their discretion.</li> </ul>		
		<p>■ Reference Information</p> <p>Consumers Protection Law (English)</p> <ul style="list-style-type: none"> <li>• <a href="http://www.cipatent.com/consumersprotectionlaw.pdf">http://www.cipatent.com/consumersprotectionlaw.pdf</a></li> </ul> <p>BPSK</p> <ul style="list-style-type: none"> <li>• <a href="http://bpsk-jakarta.blogspot.jp/">http://bpsk-jakarta.blogspot.jp/</a></li> </ul>		

IT Utilization Promotion Project for the Development of Knowledge  
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