

Summary of the 2019 Publicity Materials of Credit Investigation Industry

The material firstly introduces some key concepts regarding China's credit investigation system, including social credit system, credit investigation system, credit investigation market, supervision and administration of credit investigation, credit investigation culture, and the core culture values.

Besides the basic concepts concerning credit investigation, the material also contains several regulations and Q&A regarding this topic, aiming to provide a comprehensive idea of the credit investigation in China. Please be noted that all the information contained in the material are from official sources.

Below are the summaries of the main points for each file.

“Column of Regulation on the Administration of Credit Investigation Industry”

The column is more of a digest of the Regulation. It explained what are credit investigation industry, and main contents and scope of the Regulation. It also elaborates on questions like:

1. What the specific provisions the Regulation have on protecting the rights of personal credit information subjects?
2. Why the Regulation sets the retention time of the bad information of individuals as 5 years?
3. What are the regulations regarding the collection and process of enterprises' credit information?
4. What are the management duties of the PBOC as the supervision and management department of the State Council's credit investigation industry?
5. What are the positive impact the Regulation has on regulating and promoting the healthy and rapid development of China's credit investigation industry?
6. How could the Regulation promote the construction of the social credit system?

“Individual credit investigation Q&A”

The Q&A mainly focuses on individual credit investigation that our clients may find helpful. It explained what individual credit report is, and what information is usually included in the report (personal information, credit transaction record, other social management information, inquiry records and explanation of the report). It also explained some key terms in the report such as demurs, credit rating, and bad information. This part also provides answers to how the credit investigation system could avoid the violation of personal privacy and the leakage of personal information, and three ways to erase the bad information from the credit report.

“Planning Outline for the Construction of a Social Credit System (2014-2020)”

The Outline contains six parts, and in the first part it explained the overall line of thinking for the construction of a social credit system that introduced the current situation, circumstances and requirements and guiding ideology and target principles. In the second part it stressed the focus areas that require the credit constructions, which are government affairs sincerity, commercial sincerity (in

areas of production, logistics sector, finance, taxation, pricing, project construction, government procurement, tendering and bidding, traffic and transportation, e-commerce, statistics, intermediary services, exhibitions and advertising, and enterprises), social sincerity (in areas of healthcare, social security, labor and employment, education and scientific research, culture, sports and tourism, intellectual property rights, environmental protection and energy saving, social organizations and internet applications and services) and judicial credibility (in areas of public security, judicial credibility, prosecutorial credibility, judicial and administrative systems and credit construction among judicial law enforcement and employed personnel).

For the third part the Outline stresses to strengthen the construction of sincerity education and a sincerity culture through popularizing sincerity education, strengthening the construction of the sincerity culture, and accelerating the training of specialized credit talents.

The fourth part is about the construction and application of the credit information systems. It explained the key points regarding the construction of sectoral credit information systems, local information systems, credit investigation systems, uniform credit investigation platforms in the financial sector, and the credit information exchange and sharing.

The fifth part is about the operational mechanisms for the social credit systems with rewards as the focus point; it mentioned the construction of some key systems such as the uniform social credit coding systems and categorized credit information management systems, and how to protect the rights and interest of credit information subjects.

The last part talks about the implementation for the construction of credit investigation systems such as through implementing Rural Credit System Construction Project and the Small and Micro-Enterprise Credit System Construction Project. It also stressed the importance of organizational guarantees in aspects of organizational coordinating mechanisms, local government promotion mechanisms, and work reporting and coordination systems.

“Regulation on the Administration of Credit Investigation Industry”

The Regulation contains 8 chapters and 47 articles in total. It clarifies the requirements to form a credit investigation institution and the application procedures and materials. It also proposes the rules that need to follow regarding the credit investigation in aspects of the collection of personal information, retention time of bad information of individuals, how to inquire personal information and how to avoid the leakage of personal information in the process. It also suggested how to handle demurs and complaints.

As for the basic financial credit information database, the Regulation talks about how the data base should be established, how the database provide inquiry services, and how the institutions could provide credit information to the database.

The last two parts talk about the supervision and administration of the industry, and legal liabilities if the institution conducted any crime such as stealing information or otherwise illegally acquiring information,

collecting individual information whose collection is prohibited or without the consent of information subjects, illegally providing or selling information, failing to delete bad information of individuals upon the expiration of the prescribed retention period and so on.