

COUNTRY: CHINA

SCORE: 47.89 | RANK: 23/24

Information technology (IT) innovation and development in China have been hindered by poor enforcement of intellectual property rights and the continued promotion of indigenous development policies that discriminate against foreign technology companies.

Indeed, in 2015, China’s ranking is 23rd, down from 19th in the 2013 Scorecard.

China still has major gaps in areas like privacy law and cybercrime law, but its poorest results are in relation to promoting free trade.

This year’s report notes that China imposes a range of onerous local certification and accreditation requirements that are in addition to (and often inconsistent with)

international cybersecurity standards and general IT standards. The Chinese government regularly publishes lists of approved products for cybersecurity, including encryption products, anti-virus software and even basic operating systems. These lists exclude some organizations and products that have met international standards. China also imposes local testing requirements for telecommunications and IT products that include cybersecurity products.

Extensive regulation of Internet content, including mandatory Internet filtering and censorship, remains a key issue in China.

China’s poor results in relation to laws and regulation were partly offset by strong progress in IT infrastructure.

Q CHINA	RESPONSE	EXPLANATORY TEXT
DATA PRIVACY (SCORE: 4.7/10 RANK: 21/24)		
<p>1. Are there laws or regulations governing the collection, use, or other processing of personal information?</p>	<p>●</p>	<p>Some limited “freedom and privacy of correspondence” exists in the Chinese constitution as a fundamental right, but there is no consolidated national data protection legislation at this stage. Some provisions in relation to the protection of personal information are dispersed in the Criminal Law (Article 7 of the 7th Amendment), Social Insurance Law (Article 92), and Tort Liability Law (Article 2).</p> <p>In December 2012, the Standing Committee of the National People’s Congress published the Decision on Strengthening the Protection of Information on the Internet (2012). The decision applies to the collection and processing of electronic personal information via the Internet and introduces some basic privacy and security principles. The decision has the legal authority of law, and forms the basis of China’s data privacy framework.</p> <p>The decision has led to the adoption of sectoral regulations, which have instituted a number of data protection requirements. These include the Telecom and Internet Users’ Personal Data Protection Regulations (2013), a revision of the Consumer Protection Act (2013), and the Internet Trading Administrative Measure (2014), all of which closely reflect the wording of the original decision and largely do not go beyond the general principles the decision outlines.</p> <p>In October 2014, the Supreme People’s Court issued the Provisions on Several Issues concerning the Application of Law to Trial of Civil Disputes Concerning Infringement of Personal Rights over Information Networks. The provisions state that, in some circumstances, Internet users or Internet service providers (ISPs) publishing personal information that causes harm can be liable in tort law. Potential sanctions include apologies and compensation.</p> <p>Work is continuing on the development of a more comprehensive national law. In addition, a draft cybersecurity law released in August 2015 contains some basic data protection provisions (Articles 35 and 36) that require network operators to protect personal information. The draft law is the subject of ongoing consultation.</p>

Q CHINA	RESPONSE	EXPLANATORY TEXT
2. What is the scope and coverage of privacy law?	Sectoral	There is no comprehensive privacy law. The December 2012 resolution on Strengthening the Protection of Information on the Internet and the October 2014 Provisions on Several Issues concerning the Application of Law to Trial of Civil Disputes Concerning Infringement of Personal Rights over Information Networks both target ISPs and organizations that process information online.
3. Is the privacy law compatible with the Privacy Principles in the EU Data Protection Directive?	✘	To date, China's draft law has been closely aligned with the EU Data Protection Directive. The development of data protection laws is being driven and supported by the EU-China Information Society Project (EUCISP).
4. Is the privacy law compatible with the Privacy Principles in the APEC Privacy Framework?	✘	China is likely to consider the APEC Privacy Framework in the development of its future privacy legislation.
5. Is an independent private right of action available for breaches of data privacy?	Available	A constitutional right to privacy is theoretically available. However, it is not used in practice. Plaintiffs may also have a limited right of action based in tort law, following the introduction of the Supreme People's Court's Provisions on Several Issues concerning the Application of Law to Trial of Civil Disputes Concerning Infringement of Personal Rights over Information Networks in October 2014.
6. Is there an effective agency (or regulator) tasked with the enforcement of privacy laws?	None	A regulator is not in place at this time.
7. What is the nature of the privacy regulator?	Not applicable	
8. Are data controllers free from registration requirements?	✔	There are no registration requirements in Chinese law.
9. Are cross-border transfers free from registration requirements?	✔	There are no registration requirements in Chinese law. Some restrictions are in place on the overseas transfer of data in specific sectors (financial services and health).
10. Is there a breach notification law?	✘	There is no data breach notification law in China.
SECURITY (SCORE: 2.4/10 RANK: 22/24)		
1. Is there a law or regulation that gives electronic signatures clear legal weight?	✔	The Electronic Signature Law 2005 gives electronic signatures the same legal standing as handwritten signatures and seals. The law supplements Article 11 of the Contract Law of the People's Republic of China, which provides that contracts made via email or electronic data interchange are considered to be "in writing."
2. Are ISPs and content service providers free from mandatory filtering or censoring?	✘	China has a large and complex legal and technical regime in place to restrict access to certain online content. ISPs are inevitably caught up in some of these restrictions. A wide variety of content is regulated or prohibited in some form. Citizens are prohibited from disseminating certain categories of content. These prohibitions appear consistently in a number of regulations and include: <ul style="list-style-type: none"> • endangering national security; • conducting activities in the name of an illegal civil organization; or • inciting illegal assemblies or gatherings that disturb social order. Penalties include fines, content removal, and criminal liability. Organizations transmitting content electronically about current politics, economic issues and other public affairs must abide by the 2005 Provisions on the Administration of Internet News Information Services (Internet News regulations). Content hosts and owners of user-generated content sites are held to be directly responsible for what is published on their service in China. Service providers must monitor all content on their websites and report violations. In 2015, China's Ministry of Public Security announced it would send "network security officers" into organizations to monitor the work of key websites and Web firms for crimes such as fraud and the "spreading of rumors." < www.mps.gov.cn/n16/n1237/n1342/n803715/4621937.html >

Q CHINA	RESPONSE	EXPLANATORY TEXT
3. Are there laws or enforceable codes containing general security requirements for digital data hosting and cloud service providers?	Limited coverage in legislation	<p>There are no detailed security laws relating to data hosting infrastructure.</p> <p>However, in July 2015, the National People's Congress passed a sweeping and controversial national security law that includes some provisions on information technology service providers and the Internet. The new law also includes provisions on vetting any foreign investment that poses a risk to national security. Article 59 of the national security law appears to mandate national security reviews for "Internet or information technology products and services."</p> <p>It is expected that more-detailed regulations will be made under this law in the near future.</p> <p>In addition, a draft Cybersecurity Law released in August 2015 contains some detailed network security requirements. The draft law is the subject of ongoing consultation.</p>
4. Are there laws or enforceable codes containing specific security audit requirements for digital data hosting and cloud service providers?	None	<p>There are no relevant security audit requirements in Chinese law.</p> <p>However, a draft Cybersecurity Law released in August 2015 contains some detailed network security requirements, including an annual audit requirement for critical infrastructure (draft Article 32). The draft law is the subject of ongoing consultation.</p>
5. Are there security laws and regulations requiring specific certifications for technology products?	Limited requirements	<p>China imposes a range of onerous local certification and accreditation requirements that are in addition to (and often inconsistent with) international cybersecurity standards and general IT standards. The Chinese government regularly publishes lists of approved products for cybersecurity, including encryption products, anti-virus software and even basic operating systems. These lists exclude some organizations and products that have met international standards. China also imposes local testing requirements for telecommunications and IT products that include cybersecurity products.</p> <p>China is not a member of the Common Criteria Recognition Agreement (CCRA) <www.commoncriteriaportal.org>. However, the common criteria have been translated into Chinese, and some voluntary assessment does occur.</p>
CYBERCRIME (SCORE: 4.6/10 RANK: 24/24)		
1. Are cybercrime laws in place?	✓	<p>Three national regulations prohibit the unauthorized entry into computer systems:</p> <ul style="list-style-type: none"> (a) the Measures for the Administration of Protecting the Security of International Connections to Computer Information Networks (Computer Measures); (b) the Criminal Law; and (c) the Decision of the Standing Committee of the National People's Congress on the Protection of Internet Security (Decision on Internet Security). <p>A good example is Article 6(1) of the Computer Measures, which prohibits the intrusion into, or use of, a computer information network without authorization.</p> <p>Article 285 of the Criminal Law imposes criminal liability for the unauthorized entry into computer systems in more limited circumstances, for example, where the systems in question concern state affairs, national defense construction, or sophisticated science and technology.</p> <p>There are also some relevant criminal provisions in the Telecom Regulations. Article 58(2) prohibits the theft or destruction of another person's information through a telecommunications network.</p>
2. Are cybercrime laws consistent with the Budapest Convention on Cybercrime?	✗	<p>The cybercrime provisions in Chinese law are limited and do not cover all systems. They would need to be expanded in order to be similar to the offenses in the Convention on Cybercrime.</p>
3. What access do law enforcement authorities have to encrypted data held or transmitted by data hosting providers, carriers or other service providers?	Not stated	<p>There are no specific laws on law enforcement access to encrypted data in China.</p> <p>However, throughout 2015, the Chinese National People's Congress has been discussing the introduction of new requirements to require information technology firms to provide encryption keys and install backdoors granting law enforcement access for counterterrorism investigations. The proposals are controversial and have not yet been passed or implemented.</p>

Q CHINA	RESPONSE	EXPLANATORY TEXT
4. How does the law deal with extraterritorial offenses?	Limited coverage	<p>The Criminal Law contains some provisions dealing with extraterritorial offenses as follows:</p> <p>(a) According to Article 7, the Criminal Law applies to any Chinese citizen who commits a crime under the Criminal Law outside China. However, if the punishment under the Criminal Law is a maximum fixed-term imprisonment of less than three years, then the Chinese citizen may be exempted from investigation.</p> <p>(b) Under Article 8, the Criminal Law applies to any foreigner if:</p> <p>(i) he commits a crime under the Criminal Law outside China against China or a Chinese citizen; and</p> <p>(ii) the minimum punishment under the Criminal Law is fixed-term imprisonment of not less than three years; and</p> <p>(iii) the crime is punishable under the laws of the place where it is committed.</p> <p>(c) According to Article 10, a person who commits a crime outside China, for which he should bear criminal responsibility under the Criminal Law, may still be investigated for his criminal responsibility under the Criminal Law even if he has already been tried in a foreign country. If he has already received criminal punishment in the foreign country, he may be exempted from punishment or given a mitigated punishment.</p>
INTELLECTUAL PROPERTY RIGHTS (SCORE: 13.6/20 RANK: 16/24)		
1. Is the country a member of the TRIPS Agreement?	✓	China became a member of the TRIPS Agreement in 2001.
2. Have IP laws been enacted to implement TRIPS?	●	China has implemented some provisions in the TRIPS Agreement, although there are still gaps in implementation and enforcement. The following sections provide further detail.
3. Is the country party to the WIPO Copyright Treaty?	✓	<p>The WIPO Copyright Treaty entered into force in China in 2007.</p> <p>The WIPO Copyright Treaty applied to Hong Kong from 2008. The WIPO Copyright Treaty applied to Macao from 2013.</p>
4. Have laws implementing the WIPO Copyright Treaty been enacted?	●	China has implemented laws enacting the key provisions of the WIPO Copyright Treaty, although there have been some problems with enforcement.
5. Are civil sanctions available for unauthorized making available (posting) of copyright holders' works on the Internet?	✓	<p>The Copyright Law states "copyright" shall include the following personality rights and property rights:</p> <p>Article 10(12) the right of communication of information on networks, that is, the right to make a work available to the public, by wire or wireless means in such a way that members of the public may access these works from a place and at a time individually chosen by them.</p> <p>More directly, Article 47(1) of the Copyright Law prohibits: Reproducing, distributing, performing, projecting, broadcasting or compiling a work, or disseminating the work to the public via information network without the copyright owner's authorization, except as otherwise specified in this law.</p>
6. Are criminal sanctions available for unauthorized making available (posting) of copyright holders' works on the Internet?	✓	Article 47 of the Copyright Law imposes both civil and criminal penalties for relevant copyright breaches. In practice, the use of sanctions is rare.
7. Are there laws governing ISP liability for content that infringes copyright?	✓	<p>Liability for ISPs is partly covered by the 2009 Tort Liability Law of People's Republic of China.</p> <p>In December 2012, the Chinese Supreme Court issued final rules for interpretation of the law relating to Internet copyright. The Provisions on Relevant Issues Related to the Trial of Civil Cases Involving Disputes over Infringement of the Right of Dissemination through Information Networks came into force on Jan. 1, 2013. These rules clarify when an ISP might be held liable for information made available through their services.</p> <p>In addition, China is in the process of updating its copyright legislation and has proposed a new regime for managing ISP liability. However, little progress was made on these reforms in the period 2014-2015.</p>

Q CHINA	RESPONSE	EXPLANATORY TEXT
8. Is there a basis for ISPs to be held liable for content that infringes copyright found on their sites or systems?	✓	<p>Internet service providers may be held liable under Article 36 of the Tort Liability Law:</p> <p>Article 36: Internet users and ISPs shall bear tortious liability in the event they infringe other people's civil rights and interests through the Internet.</p> <p>Where an Internet user engages in tortious conduct through Internet services, the injured party shall have the right to inform the ISP that it should take necessary action such as by deleting content, screening, breaking links, etc. Where an ISP fails to take necessary action after being informed, it shall be jointly and severally liable with the Internet user with regard to the additional injury or damage suffered.</p> <p>Where an ISP knows an Internet user is infringing other people's civil rights and interests through its Internet service but fails to take necessary action, it shall be jointly and severally liable with the Internet user.</p> <p>The proposed new copyright law in China includes a clearer set of provisions relating to ISP liability, but these have not yet been implemented.</p>
9. What sanctions are available for ISP liability for copyright infringing content found on their site or system?	Civil and criminal	<p>Generally, ISP liability is civil, not criminal.</p> <p>However, Article 16 of the Administrative Measures for Protecting Copyrights on the Internet (May 2005) may be relevant in exceptional circumstances:</p> <p>Article 16: When ISPs are found to have committed crimes during the investigations of activities infringing on the right to communicate on the Internet in Internet information services, the copyright administrations may transfer the case to the judiciary for distribution of criminal penalties.</p> <p>The proposed new copyright law in China includes a clearer set of provisions relating to ISP liability, but these have not yet been implemented.</p>
10. Must ISPs take down content that infringes copyright, upon notification by the right holder?	✓	<p>Article 36 of the Tort Liability Law confirms the "notice and removal" approach that has been taken by the Chinese courts for some years.</p> <p>Some further details are set out in the Chinese Supreme Court's Provisions on Relevant Issues Related to the Trial of Civil Cases involving Disputes over Infringement of the Right of Dissemination through Information Networks. These rules came into force Jan. 1, 2013, and they clarify when an ISP might be held liable for information made available through their services.</p>
11. Are ISPs required to inform subscribers upon receiving a notification that the subscriber is using the ISP's service to distribute content that infringes copyright?	✗	<p>There is no legal requirement for ISPs to inform subscribers, although in practice this may occur.</p>
12. Is there clear legal protection against misappropriation of cloud computing services, including effective enforcement?	Comprehensive protection	<p>Although there are no specific protections for misappropriation of cloud services, Article 47 of the Copyright Law may provide sufficient IP protection for most cloud services. China's cybercrime laws also provide a useful layer of protection for cloud services, especially when combined with the relevant Supreme Court rules issued in 2013. There are, however, significant challenges in the enforcement of these laws.</p>
SUPPORT FOR INDUSTRY LED STANDARDS & INTERNATIONAL HARMONIZATION OF RULES (SCORE: 7/10 RANK: 21/24)		
1. Are there laws, regulations or policies that establish a standards setting framework for interoperability and portability of data?	✓	<p>The Standardization Administration of the People's Republic of China <www.sac.gov.cn/sacen> is the key regulator for standards setting in China. It administers the Standardization Law of the People's Republic of China.</p> <p>The broad framework established in the law promotes both national and international standardization. Many of their activities are in the IT and data fields.</p> <p>However, in some key areas (including wireless communications and IT security certification), China has attempted to impose unique national standards. These have acted as a barrier to interoperability in key areas.</p> <p>For example, China imposes a range of onerous local certification and accreditation requirements for IT security that are in addition to (and often inconsistent with) international cybersecurity standards and general IT standards. The Chinese government regularly publishes lists of approved products for IT, including encryption products, anti-virus software and even basic operating systems. These lists exclude some organizations and products that have met international standards. China also imposes local testing requirements for telecommunications and IT products.</p>

Q CHINA	RESPONSE	EXPLANATORY TEXT
2. Is there a regulatory body responsible for standards development for the country?	✓	<p>The Standardization Administration of the Peoples Republic of China <www.sac.gov.cn/sacen> has a national regulatory and coordination role. However, trade standards are regulated by the relevant trade sector regulator, and some standards are also regulated at the local government level. These bodies report to the Standardization Administration.</p> <p>Some specific industry standards are overseen by the Ministry of Industry and Information Technology (MIIT) <www.miit.gov.cn>.</p>
3. Are e-commerce laws in place?	✓	<p>E-commerce laws are provided through a combination of the Electronic Signature Law 2005 and the Interim Measures for the Trading of Commodities and Services through the Internet 2010.</p> <p>China has also announced the development of a new, comprehensive e-commerce law to be developed by a drafting group working under the Financial and Economic Committee of the National People's Congress (NPC). However, the expected completion date for this work is 2016.</p>
4. What international instruments are the e-commerce laws based on?	UN Convention on E-Contracting	China is a signatory to the UN Convention on Electronic Contracting. The Convention came into force in March 2013.
5. Is the downloading of applications or digital data from foreign cloud service providers free from tariff or other trade barriers?	ⓘ	<p>There are restrictions on the import of technology from foreign sources, but they are not specifically directed at downloading of software.</p> <p>Generally speaking, if a download of software is free, there will be few difficulties for a Chinese end-user to download the software. Of course, there may be some technical difficulties if the software is provided by one of the foreign sites blocked by the Chinese government.</p> <p>If the Chinese end-user must pay for the download of software, there are barriers relating to:</p> <ul style="list-style-type: none"> • the import of the software by domestic entities without foreign trade rights; • tax liability of the foreign company; and • remittance of payment to the foreign entity. <p>To remit foreign exchange to a foreign company for a software license, the Chinese entity must provide a copy of the license contract, a registration certificate for the import of technology issued by the local foreign trade authorities and evidence of payment of withholding tax, as well as other documents. If the Chinese entity does not have foreign trade rights, it must purchase the software through a foreign trade agent.</p> <p>Import of technology</p> <p>The following legislation governs the import of technology, including the purchase or license of software:</p> <ol style="list-style-type: none"> (a) Regulations on the Administration of the Import and Export of Technology; (b) Administrative Measures on the Registration of Contracts for the Import and Export of Technology; (c) Notice on Issuance of Operating Procedures for the Administration of Foreign Exchange of Sale and Payment in Non-trading Activities and Foreign Exchange Income and Expenditure of Domestic Individual Residents (the SAFE Procedures Notice); (d) The Ministry of Commerce's (MOFCOM) Supplementary Notice on Strengthening the Administration of the Technology Import Contract and Foreign Exchange Sale and Payment (the MOFCOM Supplementary Notice). <p>This legislation applies to the acquisition of technology, including the acquisition of technical services and software, by any entity within China from any entity outside China.</p> <p>For technology imports that fall into the "restricted" category, the contract is not legally effective until it receives government approval.</p>

Q CHINA	RESPONSE	EXPLANATORY TEXT
5. Is the downloading of applications or digital data from foreign cloud service providers free from tariff or other trade barriers? <i>(continued)</i>	🟡	<p>For technology imports that fall into the “free” category (this includes most software), no government approval is required, and the contract becomes legally effective upon signing. In addition, the contract should be registered in accordance with Article 5 of the Administrative Measures for the Registration of Contracts for the Import and Export of Technology, which provides for the following registration procedure:</p> <p>(a) After a technology import contract comes into effect, the technology importer must register the technology import contract online with the China International Electronic Commerce Network (CIECN) at www.ec.com.cn and MOFCOM. The application form on the website may be accessed only after payment of the registration fees; and</p> <p>(b) The contract must be registered in person at the local branch of MOFCOM by submitting: (i) the completed application for the registration; (ii) a duplicate of the contract; and (iii) documents showing the legal status of both parties to the contract. After registration, a Technology Import Registration Certificate will be issued.</p> <p>A technology import contract is legally effective even if it is not registered with CIECN and MOFCOM. However, registration with CIECN and MOFCOM is critical to the process of purchasing and remitting foreign exchange payments to a foreign supplier. In this regard, the SAFE Procedures Notice requires that a Technology Import Contract Data Form must be submitted to the bank handling the foreign exchange remittance as documentary evidence. According to the MOFCOM Supplementary Notice, the form must be completed by the applicant (e.g., software licensee) and the seal of the relevant MOFCOM branch must be affixed to the form. If the form is not completed properly, a local purchaser may encounter difficulties in processing foreign exchange payments.</p> <p>During the technology import contract registration process, additional approvals may be required.</p> <p>The foreign software company will be liable for withholding tax on royalties, assuming it does not have a permanent establishment in China. The Chinese importer must act as the withholding agent. China has promulgated legislation changing the withholding tax rate to 10% on the gross amount of royalties. This rate may be further reduced by treaty.</p>
6. Are international standards favored over domestic standards?	🟡	<p>China had adopted a mix of international and local standards.</p> <p>However, in recent years, China has increased the number of local standards that it applies to IT goods and services. These act as significant barriers to interoperability, and have been the subject of disputes with the EU, the US and other trading partners. In particular, China has been imposing additional security standards and testing requirements on products that already meet international Common Criteria.</p>
7. Does the government participate in international standards setting process?	✅	<p>China participates in relevant International Standards Organization (ISO) and International Electrotechnical Commission (IEC) standard-setting processes.</p>
PROMOTING FREE TRADE (SCORE: 1/10 RANK: 24/24)		
1. Are there any laws or policies in place that implement technology neutrality in government?	❌	<p>The Chinese Government Procurement Act 2003 does not contain a specific commitment to technology neutrality. Further, an opinion under the act (Opinion 2009/35) stipulates that the procurement of imported “high tech or innovative equipment” will be possible only if no such products are available in China.</p>
2. Are cloud computing services able to operate free from laws or policies that mandate the use of certain products (including, but not limited to types of software), services, standards or technologies?	❌	<p>Some Chinese regulations do require local technologies to be considered in preference to international technologies.</p> <p>For example, the Chinese government regularly publishes lists of approved products for IT, including encryption products, anti-virus software and even basic operating systems. These lists exclude some organizations and products that have met international standards.</p>
3. Are cloud computing services able to operate free from laws or policies that establish preferences for certain products (including, but not limited to types of software), services, standards or technologies?	❌	<p>China does stipulate some specific products in the IT sector through the publication of approved products lists.</p>

Q CHINA	RESPONSE	EXPLANATORY TEXT
<p>4. Are cloud computing services able to operate free from laws that discriminate based on the nationality of the vendor, developer or service provider?</p>	<p>●</p>	<p>China committed, as part of its WTO accession, to become of member of the WTO plurilateral Agreement on Government Procurement (GPA). Currently, China is an observer, but not a full member, of the GPA. In 2012, China began negotiating accession to full GPA membership, but this has not yet been agreed.</p> <p>One area where foreign cloud providers experience discrimination based on nationality is in the Value-Added Telecom Service (VATS) licensing regime administered by the Ministry of Industry and Information Technology (MIIT). Companies wishing to provide various Internet services, including cloud computing services, require licenses (e.g., Internet content provider (ICP) and Internet data center (IDC) licenses), and because these licenses are only available (in theory) to foreign-invested telecommunication entities (FITEs), they must (in theory) establish joint ventures to be eligible for such licenses. In practice, however, MIIT has not issued such licenses to any providers over the past number of years, forcing foreign firms to enter into licensing arrangements with existing (domestic) firms that hold the necessary licenses if they wish to provide such services.</p> <p>In addition, IT security products in information systems classified at level three and above in the Multi-Level Protection of Information Security (MLPS) are required to undergo a national information assurance certification, and the product developers and manufacturers must be invested or owned by Chinese citizens or local companies.</p> <p>Requirements for local ownership are also onerous in the field of encryption, which is subject to the Regulation on Commercial Encryption Codes by the Office of State Commercial Cryptography Administration (OSCCA) <www.oscca.gov.cn>. In 2014, the European Union concluded:</p> <p>“In practice today, only Chinese or Chinese-owned companies are eligible for OSCCA certification to sell, produce and to carry out R&D for encryption technology in China, as well as to gain product licensing, and foreign or foreign-owned companies, even if based in China, are excluded.” [European Union Trade Directorate, IT Security - Chinese licensing practices and approaches to information deviating from the international standards and global practices, February 2014, <madb.europa.eu/madb/barriers_details.htm?barrier_id=085196&version=4>]</p>

Q CHINA	RESPONSE	EXPLANATORY TEXT
IT READINESS, BROADBAND DEPLOYMENT (SCORE: 14.6/30 RANK: 17/24)		
<p>1. Is there a national broadband plan?</p>	<p>By 2015:</p> <ul style="list-style-type: none"> • Coverage will reach 50% of households: 65% of urban households, 30% of rural households • Fiber to the home connections will surpass 200 million • Urban Internet speeds: 20 Mbps • Rural Internet speeds: 4 Mbps • Expected 270 million fixed broadband subscriptions • 3G and 4G wireless coverage to 32.5% of households • Expected 450 million 3G/4G customers <p>By 2020:</p> <ul style="list-style-type: none"> • Coverage will reach 70% of households • Fiber to the home connections will surpass 300 million • Urban Internet speeds: 50 Mbps • Rural Internet speeds: 12 Mbps • Expected 400 million fixed broadband subscriptions • 3G and 4G wireless coverage to 85% of households • Expected 1.3 billion 3G/4G customers 	<p>China has made significant progress with respect to broadband coverage and in August 2013 released additional broadband targets. The timetable for the broadband rollout now includes 2020 targets, which reflect an extension of the existing plans announced in 2010 and 2012.</p> <p>Broadband China set a number of goals for the end of 2015:</p> <ul style="list-style-type: none"> • Fixed broadband subscribers to exceed 270 million • Broadband penetration rates: <ul style="list-style-type: none"> – Urban: 65% – Rural: 35% • Internet access speeds: <ul style="list-style-type: none"> – Urban: 20 Mbps – Rural: at least 4 Mbps – Mobile (3G/4G) broadband subscribers to exceed 450 million <p>The additional goals for 2020 are:</p> <ul style="list-style-type: none"> • Fixed broadband subscribers to exceed 400 million • Total broadband penetration rate of 70% • Internet access speeds: <ul style="list-style-type: none"> – Urban: 50 Mbps – Rural: at least 12 Mbps – Mobile (3G/4G) broadband subscribers to exceed 1.3 billion <p>Previous to the August 2013 announcement, China had published two significant documents that outlined the earlier stages and targets of the broadband plan.</p> <p>In June 2010, the Information Office of the State Council (China’s Cabinet), published a white paper on the Internet in China, in which it stated it was the goal of the Chinese government “to further promote Internet development and application, and raise its accessibility to 45% of the population in the coming five years, so that more people can benefit from the Internet.” <www.chinadaily.com.cn/china/2010-06/08/content_9950198.htm></p> <p>In July 2012, China unveiled a national development plan for strategic emerging industries, as part of its 12th Five-Year Plan (2011-15) — this includes the “Broadband China” strategy, which aims to widen the coverage of broadband, improve Internet penetration rates, promote FttH, significantly increase speed and to bridge the gap between urban and rural areas.</p> <p>In addition, the Chinese Ministry of Industry and Information Technology (MIIT) has mandated that from April 2013 all newly-built residences are to have fiber network connections if they’re in counties and cities where a public fiber-optic network is available.</p>

Q CHINA	RESPONSE	EXPLANATORY TEXT
2. Are there laws or policies that regulate the establishment of different service levels for data transmission based on the nature of data transmitted?	No regulation and limited public debate	There are no specific laws regarding net neutrality, and debate on this issue has been limited. The focus in China has been on legal requirements to block access to certain content, rather than any discussion of establishing different service levels or prices.
3. Base Indicators		
3.1. Population (millions) (2014)	1,386	In 2014, the population of China increased by 0.6%. [International Telecommunication Union (ITU), World Telecommunication/ICT Indicators Database (Dec 2015) < www.itu.int/ITU-D/ict/publications/world/world.html >]
3.2. Urban Population (%) (2014)	54%	[World Bank, Data Catalog, Indicators, Urban Population (2015) < data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS >]
3.3. Number of Households (millions) (2014)	391	In 2014, the number of households in China increased by 0.6%. [International Telecommunication Union (ITU), World Telecommunication/ICT Indicators Database (Dec 2015) < www.itu.int/ITU-D/ict/publications/world/world.html >]
3.4. Population Density (people per square km) (2014)	145	[World Bank, Data Catalog, Indicators, Population Density (2015) < data.worldbank.org/indicator/EN.POP.DNST >]
3.5. Per Capita GDP (US\$ 2014)	\$7,594	In 2014, the per capita gross domestic product (GDP) for China increased by 7.4% to US \$7,594. [World Bank, Data Catalog, Indicators: GDP per capita, current US\$ (2015) < data.worldbank.org/indicator/NY.GDP.PCAP.CD > and GDP growth, annual % (2015) < data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG >]
3.6. IT Service Exports (2014) (billions of US\$)	81.94	In 2014, the value of IT service exports for China increased by 10.2% to US \$81.94 billion. The five-year compound annual growth rate (CAGR) from 2009-2014 was 12.3%. Please note: This 2014 amount is an estimate based upon an average growth rate calculated from previous years. As of January 2016, the 2014 amount was not available in the World Bank Data Catalog. [World Bank, Data Catalog, Indicators: ICT Service Exports US\$ (Dec 2015) < data.worldbank.org/indicator/BX.GSR.CCIS.CD >]
3.7. Personal Computers (2014) (% of households)	47%	In 2014, 46.7% of households in China had personal computers. This is an increase of 6.6% since 2013 and ranks China 86 out of 183 countries surveyed. The growth from 2013 is above the five-year CAGR from 2009 to 2014 of 6.3%. [International Telecommunication Union (ITU), World Telecommunication/ICT Indicators Database (Dec 2015) < www.itu.int/en/ITU-D/Statistics/Pages/publications/wtid.aspx >]
4. IT and Network Readiness Indicators		
4.1. ITU ICT Development Index (IDI) (2015) (Score is out of 10 and covers 167 countries)	5.05	China's ITU ICT Development Index (IDI) for 2015 is 5.05 (out of 10), resulting in a rank of 82 (out of 167 countries). The 2015 IDI for China increased by 8.8%, and the IDI ranking improved by four places from a rank of 86 since 2013. [International Telecommunication Union (ITU), Measuring the Information Society (Dec 2015) < www.itu.int/en/ITU-D/Statistics/Pages/publications/mis2015.aspx >]
4.2. World Economic Forum Networked Readiness Index (NRI) (2015) (Score is out of 7 and covers 143 countries)	4.16	China has a Networked Readiness Index (NRI) score of 4.16 (out of 7), resulting in a rank of 62 (out of 143 countries) and a rank of 12 (out of 40) in the upper middle income grouping of countries. The 2015 NRI for China increased by 2.8% and the ranking has remained the same since 2014. [World Economic Forum, Global Information Technology Report (2015) < reports.weforum.org/global-information-technology-report-2015 >]
4.3. International Connectivity Score (2014) (Score is out of 10 and covers 52 countries)	3.40	China has an International Connectivity Score of 3.4 (out of 10), resulting in a rank of 22 (out of 26) in the resource-driven grouping of countries. [International Connectivity Scorecard (2013) < www.connectivityscorecard.org >]

Q CHINA	RESPONSE	EXPLANATORY TEXT
5. Internet Users and International Bandwidth		
5.1. Internet Users (millions) (2014)	635	[International Telecommunication Union (ITU), World Telecommunication/ICT Indicators Database (Dec 2015) < www.itu.int/ITU-D/ict/publications/world/world.html >]
5.2. Internet Users as Percentage of Population (2014)	46%	In 2014, 46% of the population in China used the Internet, resulting in a ranking of 97 out of 199 countries surveyed. This represents an increase of 8.3% since 2013. The growth from 2013 is below the five-year CAGR from 2009-2014 of 15.2%. [International Telecommunication Union (ITU), World Telecommunication/ICT Indicators Database (Dec 2015) < www.itu.int/en/ITU-D/Statistics/Pages/publications/wtid.aspx >] Note: There may be some variations as to how countries calculate this. Some countries base this upon all or part of the population, such as between 16 and 72 years of age.
5.3. International Internet Bandwidth (2014) (bits per second per Internet user)	4,995	The International Internet Bandwidth (per Internet user) of China has increased by 1% since 2013. The growth from 2013 is below the five-year CAGR from 2009-2014 of 17.6%. [International Telecommunication Union (ITU), World Telecommunication/ICT Indicators Database (Dec 2015) < www.itu.int/ITU-D/ict/publications/world/world.html >]
5.4. International Internet Bandwidth (2014) (total gigabits per second [Gbps] per country)	3,433	China has increased its International Internet Bandwidth by 9% since 2013 to 3,433 Gbps and is ranked 15 out of 215 countries surveyed. The growth from 2013 is below the five-year CAGR from 2008-2013 of 31.7%. [International Telecommunication Union (ITU), World Telecommunication/ICT Indicators Database (Dec 2015) < www.itu.int/ITU-D/ict/publications/world/world.html >]
6. Fixed Broadband		
6.1. Fixed Broadband Subscriptions (millions) (2014)	189	China has increased the number of fixed broadband subscribers by 8% since 2013 to 189 million, and is ranked 1 out of 215 countries surveyed. The growth from 2013 is below the five-year CAGR from 2009-2014 of 17.9%. [International Telecommunication Union (ITU), World Telecommunication/ICT Indicators Database (Dec 2015) < www.itu.int/ITU-D/ict/publications/world/world.html >]
6.2. Fixed Broadband Subscriptions as % of households (2014)	48%	[International Telecommunication Union (ITU), World Telecommunication/ICT Indicators Database (Dec 2015) < www.itu.int/ITU-D/ict/publications/world/world.html >] Note: This may be skewed by business usage in some countries.
6.3. Fixed Broadband Subscriptions as % of population (2014)	14%	China has increased its fixed broadband subscriptions (as a % of the population) by 5.5% since 2013, which is below the five-year CAGR from 2009-2014 of 13.3%. This ranks China 79 out of 215 countries surveyed. [International Telecommunication Union (ITU), World Telecommunication/ICT Indicators Database (Dec 2015) < www.itu.int/ITU-D/ict/publications/world/world.html >]
6.4. Fixed Broadband Subscriptions as % of Internet users (2014)	30%	[International Telecommunication Union (ITU), World Telecommunication/ICT Indicators Database (June 2014) < www.itu.int/ITU-D/ict/publications/world/world.html >]
7. Mobile Broadband		
7.1. Mobile Cellular Subscriptions (millions) (2014)	1,286	In 2014, China increased the number of mobile cellular subscriptions by 4.6% and is ranked 1 out of 215 countries surveyed. The number of subscriptions account for 93% of the population. [International Telecommunication Union (ITU), World Telecommunication/ICT Indicators Database (Dec 2015) < www.itu.int/ITU-D/ict/publications/world/world.html >] Note: This figure may be inflated due to multiple subscriptions per head of population, but excludes dedicated mobile broadband devices (such as 3G data cards, tablets, etc.).
7.2. Active Mobile Broadband Subscriptions per 100 inhabitants (2014)	42	China has increased the number of active mobile-broadband subscriptions (as a % of the population) by 96% since 2013. This ranks China 83 out of 215 countries surveyed. [International Telecommunication Union (ITU), World Telecommunication/ICT Indicators Database (Dec 2015) < www.itu.int/ITU-D/ict/publications/world/world.html >] Note: This refers to the sum of standard mobile-broadband and dedicated mobile-broadband subscriptions to the public Internet. It covers actual subscribers, not potential subscribers, even though the latter may have broadband-enabled handsets.
7.3. Number of Active Mobile Broadband Subscriptions (millions) (2014)	583	In 2014, China increased the number of active mobile-broadband subscriptions by 97% and is ranked 1 out of 215. [International Telecommunication Union (ITU), World Telecommunication/ICT Indicators Database (Dec 2015) < www.itu.int/ITU-D/ict/publications/world/world.html >]