

## Provisional Regulations for Express Delivery in China

### Section 1: General Provision

1. The following regulations have been formulated to promote the development of the express delivery industry, to ensure the safety of express delivery, to protect customer rights and benefits, and to increase supervision of express delivery operations.
2. These regulations apply to businesses which engage in, receive or supervise express delivery services in China.
3. Local governments at all levels are supposed to create favorable conditions for the express delivery industry, to support express delivery businesses in adapting innovative business models and services, and to induce them to enhance their quality management and security measures to provide fast, safe and convenient delivery services to the customers. Local governments are expected to ensure fair competition and must not take any measures that could lead to industrial monopolies.
4. Work units and individuals are prohibited from misusing letters, parcels, printed products or any other consignments to threaten public security, public interest or to engage in other illegal activities. Work units and individuals other than relevant authorities are not authorized to inspect, open, hide, damage, discard or resell somebody else's consignments.
5. The Postal Administration of the State Council supervises the national express delivery. Public Security, State Security, Customs Office, Administration of Industry and Commerce, Entry-Exit Inspection and Quarantine manage supervision respectively. Supervision of express delivery for each region is divided between the Postal Administrations of the different provinces, autonomous regions and municipalities, and further extend to Postal Administrations below province level. Local governments take care of the respective supervision tasks above county level.
6. The Postal Administration of the State Council as well as Postal Administrations of provinces, autonomous regions, municipalities and below province level are expected to cooperate with Public Security, State Security, Customs Office, Administration of Industry and Commerce, Entry-Exit Inspection and Quarantine and other relevant authorities. The aim is to establish a monitoring system for safe express delivery, and to gather and exchange information regarding safe express delivery operations.
7. Organizations in the express delivery industry are supposed to protect the rights and benefits of enterprises and to foster self-discipline within the sector, so that enterprises respect the laws and conduct their businesses honestly and safely for an increased service quality.
8. The government aims to equip the express delivery industry with a credibility system. The creation of credibility records, the publication of information and the integration of a rating system, combined with disciplinary measures are supposed to increase the level of credibility in this sector.
9. The government further encourages enterprises involved in express delivery and senders to use, reuse and recycle biodegradable and ecofriendly wrapping material to cut down on material use.

### Section 2: Developing Safeguard Mechanisms

10. The Postal Administration of the State Council is expected to formulate a development scheme for the express delivery industry. Local governments above

county level shall integrate the development of express delivery into the local economic and social development schemes, while considering the master plan and infrastructural prerequisites for large-scale distribution of express delivery.

Furthermore, the local governments shall develop policies that ensure rights and benefits of companies and individuals in the express delivery industry.

11. The central government encourages and supports express delivery companies to establish service networks in rural and remote areas.
12. The central government further encourages and induces companies in the express delivery industry to use advanced technology, promote automated sorting equipment, mechanized loading and unloading equipment, smart service point facilities, electronical waybills and informatized express delivery management systems.
13. Local ministries for Public Security and Transportation above county level are expected to collaborate und cooperate closely with the Postal Administration to establish a safeguard system to guarantee express delivery vehicles the right of way and temporary parking. Local Postal Administrations may, jointly with Public Security department at above county level, regulate the management of express delivery vehicles, e.g. regulate tricycle's speed per hour and loading weight. Also, they may standardize the management of delivery vehicle's numbers and logos. Express delivery businesses shall reinforce staff training on road safety. Express delivery staff is asked to respect the laws on road safety and drive carefully. The according company will have to bear the consequences of any accidents caused by their staff.
14. Enterprise institutions and residential district management units shall, in accordance with the actual situation, engage in contracts with express delivery businesses, and take measures to make the express delivery industry more convenient, e.g. by setting up specialized locations for express delivery and distribution. Express delivery businesses are encouraged to share service point facilities to make express delivery services more convenient for customers.
15. The central government encourages the express industry to establish cooperative development mechanisms with manufacturing, agricultural, trade and other industries, to promote a collaborative development between express delivery and e-commerce, to strengthen information communication and to share facilities and network resources. The government further induces the express delivery industry to align standards with railway, highway, waterway, civil aviation and other industries. In addition, the government supports the construction of express delivery channels and transfer stations at traffic hubs like large bus stops, docks and airports.
16. The central government encourages express delivery businesses to carry out import and export express services. It supports the construction of import-export express processing centers at key ports, as well as setting up express delivery institutions and express processing stations abroad. The Customs Office, Entry-Exit Inspection and Quarantine, Postal Administration and other departments should establish collaborative mechanisms to improve the management of inbound and outbound express delivery, and promote quick and convenient customs clearance.

### Section 3: Management Main Part

17. Express delivery businesses require appropriate business licenses. The Postal Administration shall, in accordance with the conditions and procedures stipulated in the 52<sup>nd</sup> and 53<sup>rd</sup> articles of the Postal Law of the the People's Republic of China, determine the business scope and regional scope of the operation license. A list of licensed businesses will then be published and updated timely.
18. Express delivery businesses, including their branches, may open service point websites. These must be registered at the local postal administration department

within 20 days. However, the enterprises do not need to acquire business licenses for their service point websites.

19. A group of more than two express delivery businesses may share a trademark, brand or express delivery waybills. Participating express delivery businesses should sign a written agreement to clarify their respective rights and obligations, and abide by their collaborative service agreement. They are expected to carry out unified quality, safety and process management and to provide customers with unified tracking inquiry and complaint management. In case of violation of consumer rights by e.g. damage, delay or loss of the delivered content, the customer may claim compensation from the joint trademark, brand or from the enterprise indicated on the waybill. He or she may also request the enterprise that provided the express delivery for compensation.
20. Express delivery businesses shall protect their legitimate rights and interests according to law. Furthermore, they should strengthen training of their employees, and convey ethical standards at work, service standards, operational standard, vehicle safety driving etc.

#### Section 4: Express Delivery Service

21. Before the sender fills in the express waybill, the express delivery business should remind the sender to read the terms of the express service contract, abide by the regulations on prohibition and limits of delivered goods, and inform him on relevant insurance prices and insurance service items. If a sender sends valuables, he should declare them in advance. The express delivery business may ask the sender to value the content.
22. When sending express delivery, the sender is asked to provide the following information:
  - a. the sender's name, address and telephone number
  - b. the recipient's name, address and telephone number
  - c. name, characteristics and weight of the content to be delivered.Besides, the sender needs to sign a security agreement, while the express mail service is required to check the sender's identity and register him. However, the express mail service is not allowed to record any identity information on the waybill other than his or her name, address and the telephone number. If the sender refuses to provide his or her identity information, or gives false information, the express mail service is prohibited from accepting the consignment.
23. To provide regular express services to customers during holidays, the central government encourages express delivery businesses to continue delivering as the traffic volume requires.
24. Express delivery businesses shall standardize their operations to prevent consignments from damage. The laws and regulations have special provisions for the transportation of specific goods such as food and drugs. The sender and the express delivery business shall comply with the relevant provisions.
25. The express delivery business should deliver the consignment to the agreed receiving address, addressee or a third person designated by the recipient, and inform the recipient or third person on the consignment's arrival. The recipient or the third person has the right to check the consignment in presence of the delivery man.
26. If the consignment cannot be delivered, the express delivery business shall return it to the sender or process it according to the sender's requirements. Regarding import or export consignments, the express delivery business shall handle customs, inspection and quarantine procedures accordingly. If the consignment can neither be delivered nor be returned, proceed according to the following provisions:

- a. Letters that have been unclaimed for more than 6 months since being returned are to be destroyed by the express delivery business under the supervision of the local postal administration.
  - b. Consignments other than letters are to be registered and handled according to the regulations of the Postal Administration of the State Council.
  - c. Import consignments are to be processed by the Customs Office. Those that need to undergo quarantine shall be processed by Entry-Exit Inspection and Quarantine.
27. If the consignment is delayed, lost, damaged or incomplete, compensation will be determined according to the insurance regulation agreed between business and sender. If the consignment has not been insured, it will be compensated according to relevant provisions of the civil law. The central government encourages insurance companies to develop insurance categories for consignment losses, and further induces enterprises operating express delivery to insure their services.
28. Express delivery businesses shall digitalize their express delivery management, publish their contact details, maintain contact with customers, and provide inquiry services. If the customer is not satisfied with the quality of the express delivery service, he or she may complain to the express delivery business. The business must in turn process the complaint and inform the customer within 7 days from the date of receiving the complaint.
29. If an express delivery business ceases to operate, it shall inform the public 10 days in advance, inform the Postal Administration in writing, return its license, and properly handle undelivered consignments. Express delivery businesses or branches which need to suspend operations due to unforeseen events or other circumstances shall promptly report to the Postal Administration, inform the public about the reason for and duration of the suspension, and properly handle undelivered consignments.

## Section 5: Express Safety

30. Sender and express delivery business shall abide by the provisions of the 24<sup>th</sup> article of the Postal Law of the People's Republic of China prohibited or restricted delivery items. A catalogue of prohibited items is formulated by the Postal Administration of the State Council together with the relevant departments under the State Council.
31. When receiving a consignment, the express delivery business is supposed to inspect its content according to the provisions of the Postal Law of the People's Republic of China and mark the consignment accordingly after it has been inspected. If the sender denies inspection, the express delivery business must not accept the consignment. If the sender entrusts the express delivery enterprise with long-term or batch consignments, both parties should sign a security agreement to clarify the according security obligations.
32. The express delivery business may conduct consignment security checking and labelling itself or outsource it to a third party. In case the express delivery business outsources the security check to a third party, the entrusted party will be liable for the safety of the consignment.
- The express delivery business or the entrusted third party is expected to use safety inspection equipment that conforms to the compulsory national standards, and strengthen the background check of and technical training for security staff. The background check of security staff is conducted by the express delivery business or the entrusted third party. Security organs and other relevant authorities shall cooperate.
33. If the express delivery business detects prohibited items in the consignment, it must not accept it. If it suspects prohibited items in already accepted consignments, it shall

immediately stop processing them. The express delivery business must immediately report goods that are illegal or supposed to be confiscated or destroyed to the relevant authorities and assist during the investigation. Other prohibited or restricted items must be processed by the express delivery business according to the law, administrative regulations or regulations from the State Council and relevant authorities.

34. Express delivery businesses shall establish waybill and electronic data management systems, properly handle electronic data such as customer information, regularly destroy waybills, and take effective technical measures to ensure the safety of customer information. The Postal Administration of the State Council will formulate specific measures jointly with relevant authorities of the State Council. Express delivery businesses and staff may not sell, divulge or illegally provide customer information from courier service processes. If there has been a leakage of customer information, the express delivery business is obliged to take immediate remedial measures and to report to the local Postal Administration.
35. Express delivery businesses shall establish a system of job responsibility to ensure safe delivery services. They should further formulate emergency plans and exercise emergency simulations on a regular basis. In case of emergency, they are obliged to promptly respond according to the emergency plan and to immediately inform the local Postal Administration.

## Section 6: Supervision and Inspection

36. The Postal Administration shall strengthen the supervision and inspection of the express delivery industry, focusing on the following questions:
  - a. Did the express delivery business lawfully obtain its business license?
  - b. Is its safety management system sound and effective?
  - c. Does it properly handle customer complaints and protect customers' rights and interests?
37. The postal administration department should establish and improve the daily supervision and inspection system, focusing on random sampling. Furthermore, it shall publish a list of sample items, and specify the basis, frequency, method, content and order of spot checks. Businesses and individuals to be checked shall be selected randomly. The spot checks and their results shall be released to the public in time. The Postal Administration shall make full use of advanced technical means such as computer networks to strengthen daily supervision and inspection of express delivery service activities and improve the management level of the express delivery industry.
38. The Postal Administration performs its duties according to law, and has the right to take the supervision and inspection measures stipulated in the 61<sup>st</sup> regulation of the People's Republic of China postal law. The postal administration implements on-site inspection, and has the right to refer to the electronic data of the express delivery business. The State Security organs and Public Security organs carry out law enforcement activities in accordance with the law for the maintenance of national security and the investigation of criminal activities. Express service businesses should provide technical support and assistance. The processing location specified in the 11<sup>th</sup> regulation of the People's Republic of China postal law includes express delivery processing sites, facilities and equipment.
39. The Postal Administration shall publish its contact details to facilitate reporting illegal activities. If the Postal Administration receives complaints, it shall promptly investigate and deal with them accordingly, and keep the informant confidential. If a real name is reported, the Postal Administration shall inform the informant about the result.

## Section 7: Legal Responsibility

40. Express delivery services operating without business license shall be sanctioned by the Postal Administration according to the provisions of the Postal Law of the People's Republic of China. If the express delivery business or its branches have acted as below, the Postal Administration may order them to rectify. Furthermore, it may fine them up to 10,000 RMB. In case of serious violation, the according unit can be fined with between 10,000 and 50,000 RMB.
- a. A service point website has been established, but not been filed with the local Postal Administration.
  - b. The public has not been informed 10 days ahead that the business will close, the Postal Administration has not been informed in writing, the business license has not been returned or the undelivered consignments have not been handled properly.
  - c. Suspension of operations due to unforeseen events has not been reported to the Postal Administration in time and the public has not been informed about it either, or the undelivered consignments have not been handled properly.
41. If more than two express delivery businesses use unified trademarks, brands or waybills, but do not comply with common service agreements, do not implement unified quality, safety guarantee, and business process management, or do not provide unified tracking and complaint handling services to customers, the Postal Administration may request rectification and fine the concerned businesses with between 10,000 and 50,000 RMB. In case of serious violation, they may even be fined with between 50,000 and 100,000 RMB and be ordered to suspend operations for rectification.
42. For acts like falsely claiming consignments as one's own, opening them without approval, hiding, damaging, discarding, or reselling them or illegally inspecting somebody else's consignments, the Public Security shall handle the penalty. If an express delivery business commits one of these actions, or illegally withholds the consignment, the Postal Administration may order it to rectify the crime. It may further confiscate the consignment, and impose a fine of 50,000 to 100,000 RMB. In case of serious violation, it may impose a fine of 100,000 to 200,000 RMB, suspend the express delivery business' operations and revoke its business license.
43. If one of the following cases applies to the express delivery business, it shall be sanctioned by the Postal Administration in accordance with the provisions of the People's Republic of China postal law and the Anti-Terrorism Law of the People's Republic of China:
- a. Has neither established nor executed an inspection system;
  - b. Has violated the law, administrative regulations, and/or regulations of the State Council and relevant authorities of the State Council on prohibited or restricted items;
  - c. Has delivered consignments without verifying the sender's identity or has found that the sender's identity has been false;
  - d. Has failed to carry out safety checks according to the regulations.
- If the sender smuggles prohibited items, but it does not yet constitute a crime, he shall be fined by Public Security.
44. If one of the following cases applies to the express delivery business, the Postal Administration will order rectification, confiscate illegally claimed items and impose a fine of 10,000 to 50,000 RMB. In case of serious violation, the fine will be 50,000 to 100,000 RMB, the business will be suspended, and the business license may be revoked.

- a. No express waybill and electronic data management system have been established;
  - b. Express waybills are not destroyed regularly;
  - c. Customer information has been illegally sold, divulged, or provided to others;
  - d. No measures have been taken, although there was the risk of customer information leakage, nor has the local postal administration been informed.
45. If the express delivery business and its employees conduct activities harmful to the national security, they shall be investigated, and the Postal Administration shall revoke their business license.
46. The staff of the Postal Administration and other relevant authorities shall be sanctioned accordingly if they abuse their positions, neglect their duties and commit malpractices for own ends while supervising and managing business operations.
47. If a violation of these regulations constitutes a crime, it shall be investigated. Personal injuries or damaged property shall be compensated accordingly.

### Section 8: Supplementary Provision

48. This ordinance shall come into force as of May 1, 2018.

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