

## CHINA'S SOCIAL CREDIT SYSTEM

A big-data enabled approach to market regulation with broad implications for doing business in China

**Mirjam Meissner, Head of Program Economy and Technology at MERICs**

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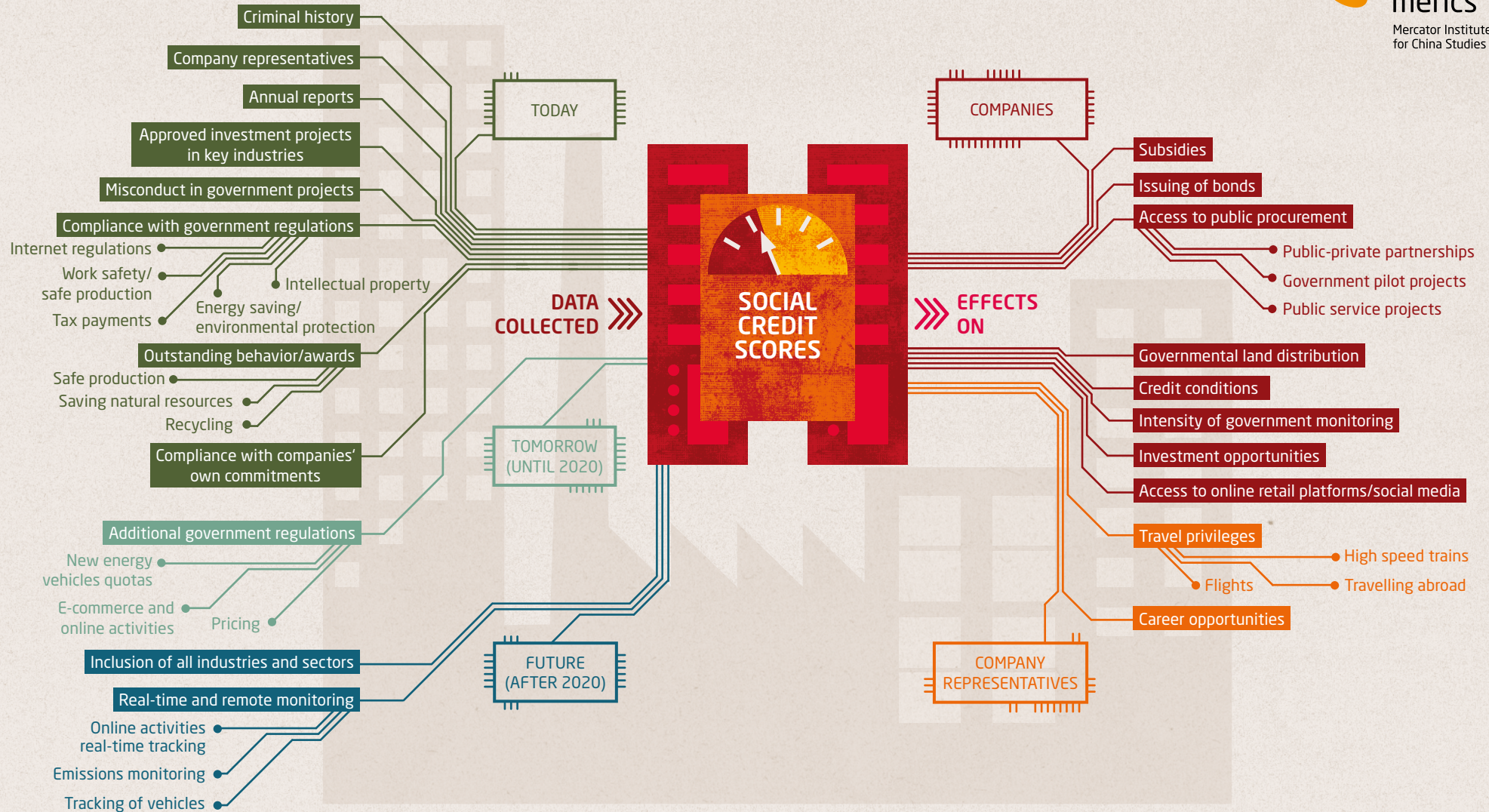
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## MAIN FINDINGS AND CONCLUSIONS

- China's Social Credit System introduces a novel big data-enabled toolkit for monitoring, rating, and steering the behavior of market participants in a more comprehensive manner than existing credit rating mechanisms. If implemented successfully, the system will strengthen the Chinese government's capacity to enforce and fine-tune market regulations and industrial policies in a sophisticated manner.
- As a showcase of "top-level design" under central coordination, implementation of the Social Credit System is progressing fast. Over the past two years, major hubs have been established for data collection and sharing. Various government entities and commercial credit rating services have begun processing and evaluating the data provided. In spite of many bureaucratic and technological barriers, the basic structures of the system are planned to be in place by 2020.
- The ultimate goal is to build self-enforcing mechanisms for business regulation: Based on advanced big data technologies, the system is designed to constantly monitor and evaluate companies' economic as well as non-economic behavior. Automatically generated and updated rating scores will have an immediate impact on their business opportunities. Intervention by government bodies can thus be reduced to setting the rules, standards, and, eventually, algorithms for the system. This will minimize their constant supervision of and visible interference in market processes.
- The system will create strong incentives for companies to make their business decisions and operations comply not just with laws and regulations but also with the industrial and technological policy targets laid down by the Chinese government. Foreign companies active on the Chinese market are planned to be integrated into the system and treated the same way as their Chinese competitors. Foreign companies will also be subjected to the full extent of industrial policy guidance.
- At the heart of the Social Credit System lies massive data collection on company activities by government agencies and authorized rating entities. The system has the potential to strengthen transparency and trustworthiness in market exchanges as well as the socially and environmentally responsible behavior of companies. On the other hand, it will be prone to failing technologies, data manipulation, and the politically induced, unidirectional allocation of investments. It will thus reduce the capacity for autonomous business decisions or non-standard disruptive business models and pose a constant risk to the protection of proprietary company data.
- Companies should take the accelerating implementation of the system and its impact on doing business in and with China very seriously. Companies need to proactively examine the specific plans and their foreseeable impact on their respective business sectors. Economic diplomacy and business associations will have to consider how they can try to co-shape the implementation of the new rating system and contain its potential risks.

# China's tight grip on enterprises

Influencing business decisions via Social Credit Scores\*



\*Selection of data collected and exemplary effects of Social Credit Scores.  
Source: Policy documents and regulations released by the Chinese central government since 2014.



# 1. The aim: introducing novel tools for monitoring and regulating market behavior

Under the catchphrase “Social Credit System,” China is currently implementing a new and highly innovative approach to monitoring, rating, and regulating the behavior of market participants. The Social Credit System will have significant impact on the behavior of individuals, companies, and other institutions, such as NGOs. Despite much international attention on the impact of the system for individuals, the core motivation behind the Social Credit System is to more effectively steer the behavior of market participants.<sup>1</sup>

The Social Credit System goes far beyond credit rating systems in Europe or the U.S.: it expands the use of credit ratings to the social, environmental, and political realm. Under China’s Social Credit System, a company will get a lower credit rating if it does not pay its loans back in time. It will, however, also get a lower rating if it does not comply with emissions targets, work safety standards, or government investment requirements, or if it fails to deliver products ordered via e-commerce platforms on time. Possible punishments as a result of bad ratings include:

- unfavorable conditions for a new loan
- higher taxes than compliant competitors
- no permission to issue any bonds or invest in companies listed on the stock market
- decreased chances to participate in publicly-funded projects
- mandatory government approval for investments, even in sectors where market access is not usually regulated

In severe cases, the company’s e-commerce accounts could be shut down and even its high-level management’s individual credit ratings could be affected. A company’s manager could be denied tickets for high-speed trains or for international business flights. On the other hand, a fully compliant company can benefit from:

- a largely open Chinese market with manifold investment opportunities
- low tax burdens
- good credit conditions
- gentle support from government incentive mechanisms

## 1.1 THE CORE CONCEPT: SELF-RESTRICTION OF COMPANIES

If the Chinese government succeeds in implementing the Social Credit System and its related mechanisms, companies’ market activities will be regulated in a self-enforcing manner: enabled by advanced big data technologies, the system is designed to constantly monitor and evaluate companies’ economic as well as non-economic behavior. Automatically generated and updated rating scores will have an immediate impact on companies’ business opportunities. This creates a strong incentive for companies to make their business decisions and operations comply not just with laws and regulations but also with the government’s industrial and technological policy targets. Beijing terms this the “self-restriction of companies” (企业自我约束).<sup>2</sup>

## 1.2 THE ESSENCE: MASSIVE DATA COLLECTION

The essence of the Social Credit System is to amass a huge collection of data on companies which will be used to generate ratings for each company. The government’s aim is to include general information on companies, information on their compliance with government regulations and, wherever practical, real-time data on their behavior. Eventually, the Social Credit System is supposed to integrate central and local government data, data from industry associations as well as data from commercial rating services. The data will be collected on a platform overseen by the central government.

Considering the extraordinary speed of digitization in China, the future potential for data collection via real-time monitoring is almost unlimited: e-commerce platforms could provide the Social Credit System with data on companies’ reliability during online business activities, for example, with regard to payments, delivery, product quality, and customer satisfaction. Particularly for companies active in the automobile, transportation, and logistics industries, real-time monitoring of cars via traffic systems and on-board units will provide the basis for their future social credit ratings. This could include not only data on the behavior of professional drivers, but also data on emissions and the technical performance of a car.

For polluting industries, the government’s goal is to measure environmental compliance with real-time emissions data, from sensor systems in chimney stacks, and real-time energy consumption, with the help of smart meters.

A considerable number of pilot projects have already been launched to test the employment of real-time monitoring systems. If they are successfully put

If the Chinese government succeeds in implementing the Social Credit System, companies’ market activities will be regulated in a self-enforcing manner.

into practice, the Social Credit System will allow for immediate and automated responses to misbehavior of companies: a lower social credit rating and related punishments could follow within seconds after a major payment default in e-commerce trade, a sudden increase of energy use beyond a permitted level, or after a certain number of traffic fines for the drivers of a transport company.

### 1.3 THE GENERATION OF SOCIAL CREDIT SCORES: A DECENTRALIZED PROCESS

As it stands, the Social Credit System will not generate one single score for every company. Instead, the government plans suggest a rather diversified and decentralized market for social credit ratings. This includes central government credit records focusing on major offenses, sectoral social credit ratings, commercial credit rating services as well as the People's Bank of China's credit rating center. However, many questions remain open with regard to the exact future shape of the system's rating mechanisms. A centralization of social credit ratings, as soon as the necessary technical solutions are sufficiently developed, cannot be ruled out.

### 1.4 THE IMPACT OF SOCIAL CREDIT SCORES: INFLUENCING BUSINESS OPPORTUNITIES

The central government plans and the implementation guidelines by ministries provide detailed lists on the possible impact of social credit ratings on businesses. Adding to the examples described above, the right-hand side of the infographic table on page 2 provides a more extensive overview of exemplary effects.

Eventually, the move of the Chinese government towards more open markets and less intrusive state intervention is counterbalanced by the Social Credit System. One prominent example is the introduction of negative lists which will replace China's investment catalogues and reduce the number of industries where government approval is required for foreign investments. However, only companies with clean social credit records are to benefit from this reduction of state regulation. The Social Credit System is to make sure that companies not fully complying with government rules have significantly lower investment opportunities on the Chinese market and cannot freely conduct their business in unrestricted sectors. Some of the recently established free trade zones (FTZ) will serve as testing grounds for linking investment opportunities and social credit ratings.<sup>3</sup>

### 1.5 THE SCOPE: COVERING THE WHOLE ECONOMY

From an international perspective, it is important to note that government documents referring to the Social Credit System do not discriminate between Chinese and foreign businesses. The same is true for private and state-owned enterprises. Implementation will show whether this principle will remain unchanged. It is, however, likely that foreign businesses active on the Chinese market will be fully integrated into the system and treated the same way as their Chinese competitors. Simultaneously, foreign companies will be subjected to the full extent of industrial policy guidance.

Generally, China's Social Credit System is designed to cover the whole economy. At this initial stage, though, released government plans focus on key sectors that are either identified as industries of strategic importance for future economic development (e.g. the automobile industry) or for the stable provision of infrastructure and basic services, including the telecommunications, energy, and food industries. A particularly strong focus is on e-commerce. All these key industries will feel the impact of the system soon. An expansion to other industries is to be expected in the foreseeable future.

The move of the Chinese government towards more open markets and less intrusive state intervention is counterbalanced by the Social Credit System.

**Published Social Credit System plans for specific industries and sectors by 2017**

Agriculture	Insurance
Automobile	Logistics, including express delivery
Construction	Media, including online media
E-Commerce and sharing economy	Sports
Energy	Steel
Food and drugs	Tourism
Health	Transportation



## 2. The process: fast implementation of a mammoth project

The implementation of China's Social Credit System faces two major obstacles: bureaucratic barriers and technological feasibility. Nevertheless, compared to other projects and reforms prioritized under the leadership of Xi Jinping and Li Ke-qiang, the Social Credit System is by far one of the most dynamic and fast moving.

The project has been prepared over a long period of time: in the late 1990s, a working group at the Institute of World Economics and Politics of the Chinese Academy of Sciences developed the basic concepts and mechanisms of the system. One prominent member of the working group was Lin Jinyue, who is often referred to as the pioneer of the "Theory of the Social Credit System." He was educated and started his career in the U.S. as an expert on information retrieval and credit ratings. Based on these experiences, Lin and his colleagues advocated a unique Chinese approach to credit ratings. Numerous pilot projects were already started in the early 2000s.<sup>4</sup>

### 2.1 DYNAMIC START: CONCERTED ACTION UNDER TOP-LEADERSHIP SUPERVISION

As a showcase of "top-level design" under central coordination, implementation has been progressing quickly since the release of the central government's "Plan for Establishing a Social Credit System" (社会信用体系建设规划纲要) in 2014.<sup>5</sup> The schedule for implementation is tight: Beijing wants to have the system up and running by 2020. The project is coordinated by the influential Central Leading Small Group for Comprehensively Deepening Reforms, headed by party and state leader Xi himself.<sup>6</sup> The Leading Small Group has assigned the National Development and Reform Commission (NDRC) to lead the implementation process in close cooperation with the People's Bank of China (PBOC).<sup>7</sup> Since August 2015, both have authorized a total number of 43 pilot cities and city districts to implement the Social Credit System and experiment with related mechanisms. Another testing ground is the afore-mentioned FTZs.

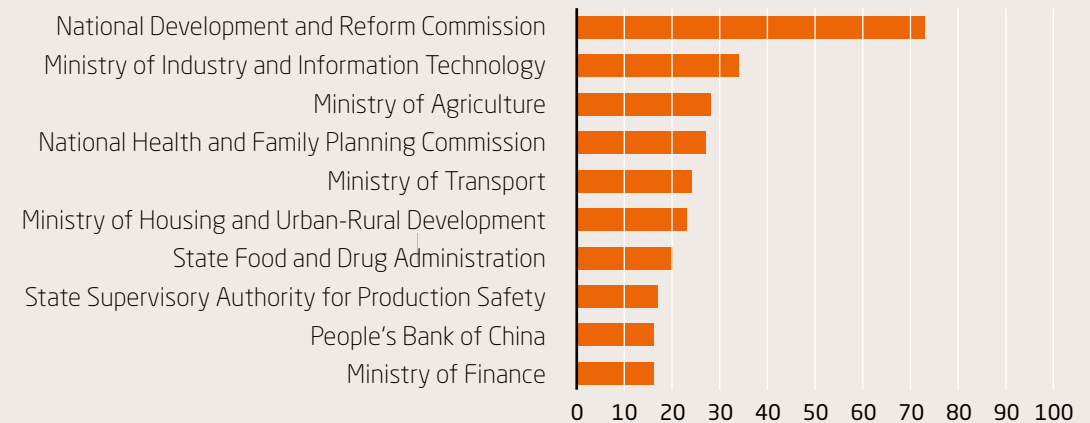
### 2.2 WORK IN PROGRESS: ESTABLISHING A HUB FOR SHARING AND COLLECTING DATA

The data backbone of the Social Credit System is the so called "National Credit Information Sharing Platform" (全国信用信息共享平台). The platform has been up and running since October 2015. Its purpose is to collect and share data from local and central governments, from sectoral Social Credit Systems and also, in the future, from commercial credit rating companies (also see figure on p.7).<sup>8</sup> During the past two years, visible progress has been made with regard to the integration of data from multiple sources on the National Sharing Platform.

Currently, the platform collects mainly government data and includes a total number of 400 datasets by more than 30 central ministries and governmental agencies, who rely on the input of provincial and city-level government data.<sup>9</sup> More than 80 per cent of the integrated data covers information on companies – with most data being supplied by the two ministries responsible for economic development, namely the NDRC and the Ministry of Industry and Information Technology (MIIT) (also see figure on p.7). As of today, approximately 75 per cent of the government data collected in the Sharing Platform is publicly available

The project is coordinated by the influential Central Leading Small Group for Comprehensively Deepening Reforms, headed by Xi himself.

**Top 10 data providers for China's National Credit Information Sharing Platform**  
(number of datasets)



Source: NDRC 2016

(公开) and, in case of company data, accessible to a significant extent online via the National Enterprise Credit Information Publicity System (全国企业信用信息公示系统).<sup>10</sup> Only 25 per cent is qualified as data for limited sharing (有限共享) or inter-government sharing (政务共享). From a technical perspective, the sharing platform can be searched by a company's name as well as by a company's Social Credit Number (统一社会信用代码).<sup>11</sup>

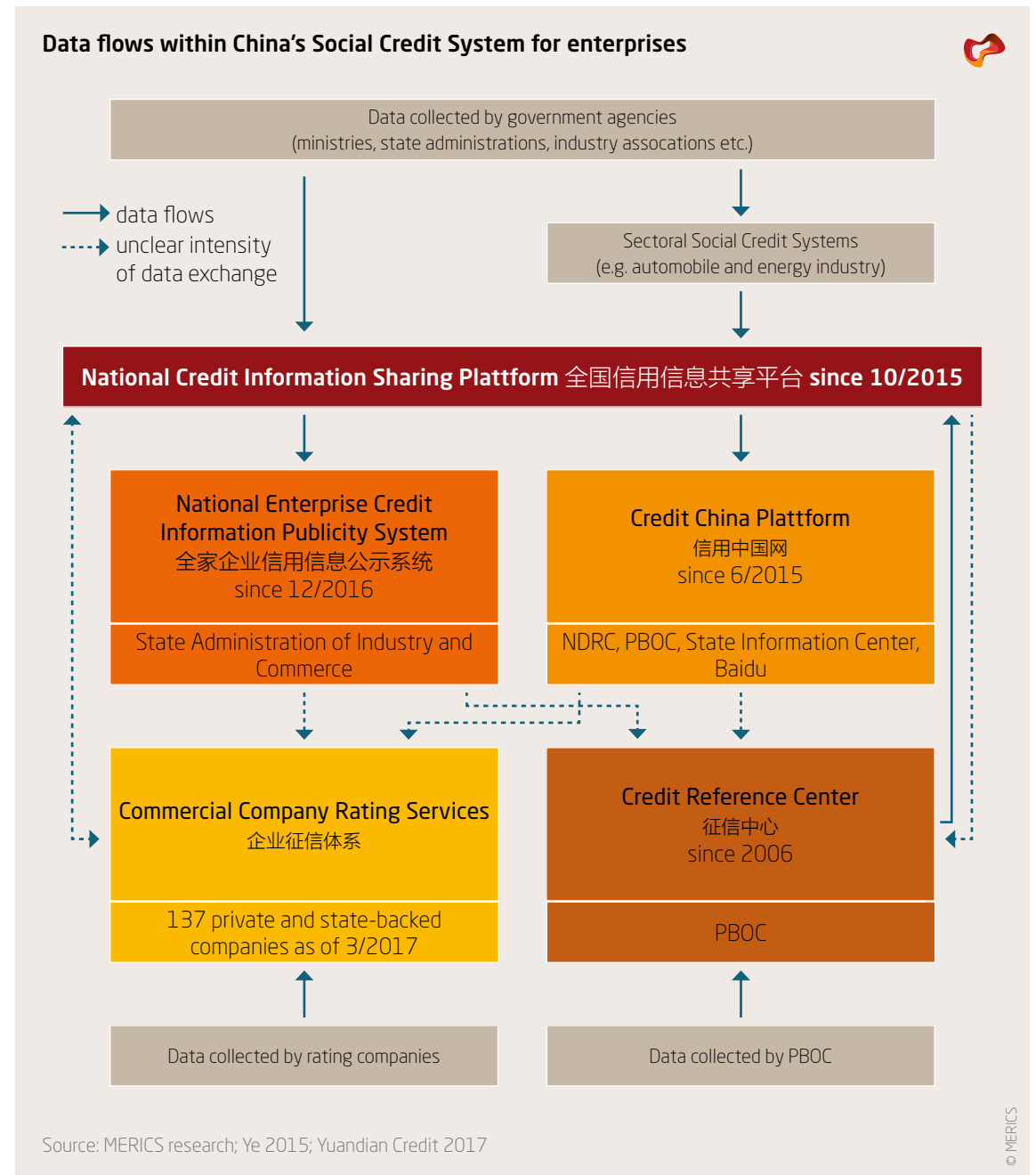
As of 2016, the company-related information collected on the National Credit Information Sharing Platform included general data on companies, like registered capital, legal representatives, investment activities, annual reports, government-approved projects, criminal records and the like. Additionally, it integrates a broad set of data on companies' compliance with government regulations as well as data concerning public welfare and security, like information on product safety, environmental protection, and work safety. Furthermore, it includes information on unfair business practices, like intellectual property rights violations or tax fraud. The list of integrated data also reveals that much of the collected data is presumably still paper-based and relies on face-to-face inspections by government agencies. Much still needs to be done if the government wants to automate data collection and integrate real-time monitoring systems.

### 2.3 DATA EVALUATION: MULTIPLE RATING SERVICES INVOLVED

While many details on the collection and sharing of data under the Social Credit System are available, systematic information on the use and evaluation of the collected data is rare. As mentioned, the Social Credit System will presumably not generate one single credit score for every company. Instead, several rating systems with varying assessment criteria currently exist in parallel, to be employed for different purposes. The exact algorithms and criteria generating the different credit ratings remain unknown.

Several different entities will process the company data collected by the Social Credit System, evaluate them, and generate social credit ratings. They include the two government credit information platforms, the National Enterprise Credit Information Publicity System and the Credit China Platform, as well as the Credit Reference Centre of the PBOC, commercial credit rating services, and sectoral credit rating systems (see figure on the right for a schematic overview). The main characteristics of these social credit rating entities are as follows:

- The government credit information platforms, the National Enterprise Credit Information Publicity System and the Credit China Platform (信用中国网),<sup>12</sup>



provide information on blacklisted companies as well as an overview of companies' positive and negative credit records. The implementation is still far from a sophisticated approach to credit ratings, but rather a simple register of a company's positive and negative records. Existing blacklists include, for example, lists of thousands of companies not allowed to issue bonds or to invest in publicly traded companies. Ministries and other government agencies are supposed to use the available information during approval or bidding processes.<sup>13</sup>

- The Credit Reference Center of the PBOC, established in 2004, is supposed to become an important credit rating authority under the Social Credit System.<sup>14</sup> The center's Financial Credit Information Database (金融信用信息基础数据库) is a main data provider for the Social Credit System and might also use data from the National Credit Information Sharing Platform to generate its company credit scores. The PBOC ratings are already being used by government agencies in bidding processes and other administrative decisions. It can be expected that the Credit Reference Center, or a newly created rating center under the PBOC, will take a vital role in rating companies under the Social Credit System in the future.
- Commercial credit rating services are a substantial part of the Social Credit System. The idea of the government is to share its own data with these commercial services and to receive their data on companies' trustworthiness in return. A broad mix of companies are currently accessing the market with their own company rating services, including Alibaba and JD (major e-commerce companies), Baidu (China's Google), Wanda (commercial property company and cinema chain operator) as well as China Telecom (state-owned telecommunication company), Fosun (investment company) and some ministry-backed rating companies. As of March 2017, 137 commercial credit reporting companies were active on the Chinese market, most based in Beijing or Shanghai.<sup>15</sup> Whether data exchange between these companies and the National Credit Information Sharing Platform already exists, remains an open question for the time being. Some companies reportedly signed contracts for sharing credit information with the state's data platform.<sup>16</sup>
- In focus industries targeted by the Social Credit System, industry associations or ministries currently work on the implementation of sectoral credit rating systems. This includes the automotive, energy, finance, and e-commerce industries. The ratings generated by these sectoral systems will presumably be integrated into the National Credit Information Sharing Platform.

## 2.4 MOVING AHEAD: SMOOTH IMPLEMENTATION IS UNLIKELY

One of the key challenges of the Social Credit System's implementation is the systematic integration of data collected by private companies. The project's success depends heavily on their willingness to share their data and on the government's capacity to enforce data sharing. The business case might be attractive in some cases due to the possibility of gaining access to government data. On the other hand, companies like Alibaba, JD, or Baidu might refuse to share their proprietary data, as it is their most valuable product.

Technological obstacles also remain high: database infrastructure and the ability of the various government and commercial systems to enhance data quality and to evaluate massive amounts of real-time data pose huge challenges for implementation. Compared to many other countries, China is well prepared to overcome those challenges. It does not only have the political will and assertiveness but also the financial resources, and it is already strong in decisive technologies, such as big data or surveillance systems.

Bureaucratic processes may also hamper progress. Reliable data provision by province and city-level governments as well as by companies is not a matter of course. There is likely to be resistance when it comes to handing over data. And even real-time monitoring systems are not safe from data fraud: a recent case of real-time emissions data being faked by companies shows that China still has a long way to go in building a reliable database for the Social Credit System.<sup>17</sup>

The Social Credit System will presumably not show its full potential impact on companies by 2020. However, the government's commitment to the project is unquestionable. China will invest all efforts into implementing the basic structure and mechanisms as soon as possible.

The Social Credit System will presumably not show its full potential impact on companies by 2020.



### 3. The consequences: a new type of big data-enabled market regulation

If implemented as proposed, the Social Credit System has the potential to help solve many pressing issues in the Chinese economy. It will, however, also facilitate an IT-backed authoritarianism: the Chinese government's capacity to enforce and fine-tune its market regulations and industrial policies will be enhanced through new incentive mechanisms – the credit scores generated by the Social Credit System – thereby establishing a subtle, self-enforcing, and invisible type of state control. Intervention by government bodies can be reduced to setting the rules, standards, and, eventually, algorithms for the system. This will minimize constant supervision and visible interference in market processes.

In economic terms, the Social Credit System helps China to internalize political, social, and environmental externalities deep into daily business decisions. While many of the relevant regulations are not new to the Chinese market, the Social Credit System brings their enforcement to a new level, by linking them directly to a company's cost-benefit calculation and future business opportunities.

Eventually, the Social Credit System could become a powerful, big data-enabled toolkit for monitoring, rating, and steering the behavior of market participants into a politically desired direction: if companies not fulfilling industrial investment targets for a new technology are punished with bad social credit records (as is currently underway for the e-car quota<sup>8</sup>), they will feel pressured to comply with political targets and pour money into technologies that they would – from a purely business-oriented perspective – not consider a profitable investment.

China's leadership is convinced of its ability to guide China's economy on a long-term path towards becoming an industrial superpower. If China's comprehensive industrial policies and state-guided investment pattern prove to have the desired effects, the Social Credit System will be a powerful instrument in realizing China's ambitions. However, as is the case for any industrial or technological policy, politically-induced investments may also lead to a massive misallocation of resources, narrowing the space for autonomous business decisions or non-standard disruptive business models. Severe economic damage could be the result. These risks are not deterring the Chinese government, however, from determinedly building a highly sophisticated enforcement mechanism for its industrial policies.

#### 3.1 POTENTIAL POSITIVE IMPACT: RESPONSIBLE BEHAVIOR OF COMPANIES

Apart from these fundamental questions, China's Social Credit System may well have very concrete positive effects on the Chinese economy, if fully implemented as planned:

- The Social Credit System could prevent illegal behavior, help strengthen companies' economic trustworthiness, and contribute to building up a new culture of socially and environmentally responsible behavior.
- Making comprehensive information on companies and their social credit records accessible for everyone on centralized online platforms can increase transparency on companies' activities. The social credit records and scores could, for example, help businesses to better judge a potential partner or acquisition target.
- Concurrently to the implementation of the system, China will try to significantly enhance the quality of collected data. This can have a positive impact on the reliability of existing economic statistics, if used accordingly.
- The Social Credit System and its vast database create a big, new playing field for companies specializing in big data. Real-time monitoring systems create new markets for advanced IT-technologies, ranging from traffic monitoring and image recognition to satellite navigation systems. Positive effects on China's technological development and abilities are likely, and could turn China into the leading, global market for these technologies.

#### 3.2 POTENTIAL NEGATIVE IMPACT: RISKING ECONOMIC DAMAGE

The Social Credit System will also yield substantial negative impacts. Possible examples are:

- A considerable number of companies might not be able to carry the costs of compliance with the government's regulations. For example, in the case of adhering to environmental standards during production. Since non-compliance will not be an option with the Social Credit System at work, some might be forced to close their business or restrict investments.
- Particularly during the implementation process, China's Social Credit System will very likely be prone to error, due to immature technologies. Compliant companies might get bad ratings and vice-versa, which will inevitably cause economic damage.

The Social Credit System could become a powerful, big data-enabled toolkit for monitoring, rating, and steering the behavior of market participants into a politically desired direction.

- The Social Credit System may pose a constant risk to the protection of proprietary company data. A major data leak or theft could easily result in severe economic damage through the sharing or selling of sensitive company data to competitors or other states.
- Compared to other countries, the Chinese government has much more leeway in collecting and using data. A fundamental problem of the system could be the misuse of proprietary data by Chinese government entities, which could be highly damaging to companies' business.
- While public access to information creates transparency, the algorithms of the various credit rating services in calculating credit scores remain opaque. Their increasing importance can make business activities in China highly unpredictable.

### 3.3 POTENTIAL INTERNATIONAL IMPACT: NEW CHALLENGES FOR FOREIGN COMPANIES

To international stakeholders, the Social Credit System poses significant challenges: it is highly likely that international companies will be fully integrated into the Social Credit System's mechanisms. If they comprehensively comply with government regulations, they can avoid painful punishments, but their freedom of business decision-making in China will be significantly constrained. International companies might, like their Chinese competitors, for example, be forced to make economically unreasonable investments, stipulated by China's industrial policy guidance.

At the same time, the integration of international companies could actually create a more level playing field between international companies and their Chinese competitors, since both are subject to the same social credit rating mechanisms influencing their business opportunities. However, it remains questionable as to whether this will lead to significantly less discrimination of international companies in practice, for example, during public bidding processes. In fact, social credit ratings might just as well turn out to become an additional, and very subtle, tool for discrimination. Ratings for international companies could easily be subject to systematic and intentional bias in favor of Chinese enterprises.

On top of that, data security concerns will increasingly impact international companies' business in China. This relates not only to the risk of data theft, but also to the potential misuse of sensitive data by government agencies. The sensitive technical data of high-tech companies could be particularly at risk if China

introduces real-time monitoring systems collecting technical data. An example is on-board units in cars, monitoring not only the behavior of the driver but also the technical performance of the car itself.

Ultimately, China's Social Credit System could fast become a global phenomenon: related IT-systems and big data solutions have high export potential to countries where the goal of strengthening state control of the economy is prominent. While implementation will always require a certain level of bureaucratic and technological capability, China's approach to the regulation of the economy could become a role model for other economies worldwide, if the Social Credit System proves to be successful.

Companies active in the Chinese market should take the speedy implementation of the system very seriously, as the development will impact their business in and with China. They urgently need to develop a deeper understanding of the Social Credit System's conception and mechanisms, if they do not want to be caught on the back foot when the system takes effect. Regulatory specifications and rating platforms are currently taking shape. Companies need to proactively examine the specific plans and foreseeable impact in their respective business sectors. Economic diplomacy and business associations, also in coordination with Chinese enterprises, will have to consider how they can try to co-shape the implementation of the new rating system and contain the potential risks.

It is highly likely that international companies will be fully integrated into the Social Credit System's mechanisms.

## 4. Conclusion: evolution of a highly competitive economic system?

The Social Credit System embodies China's vision to create a highly effective and, at the same time, adaptive economy under political leadership. If implemented as planned, the system has the potential to become the most globally sophisticated and fine-tuned model for IT-backed and big data-enabled market regulation. It would deeply transform the Chinese economy and provide China's policymakers with a tool to effectively and rapidly react to upcoming social and environmental challenges as well as to new technologies and industrial developments. China's government will attempt to use the Social Credit System to channel investment into cutting-edge technologies and to steer companies into patterns of behavior useful in solving social and environmental problems. This could, in turn, accelerate leapfrogging processes, innovative business activities, and the Chinese society's ability to quickly adapt to unforeseen changes. In this case, Western market economies, in comparison, would appear slow-moving and highly fragmented, with a weak capacity for implementation and lacking in long-term strategy. In the vision of China's leadership, liberal market economies would ultimately not be able to compete with the Chinese unidirectional approach.

Yet China's vision of comprehensively steering economic activities is very ambitious. The project will not necessarily be crowned with success. Given its limitations and weaknesses, the Social Credit System might just as easily result in a massive decline in investments, the failure of whole industries, low innovative power, and little entrepreneurial initiative. Whether or not the Chinese approach will prove to be better suited to the technological, social, and environmental challenges of the 21<sup>st</sup> century remains to be seen. It is certain, however, that the Chinese leadership is fully committed to investing everything necessary in order for its mammoth Social Credit System project to succeed.

The system has the potential to become the most globally sophisticated and fine-tuned model for IT-backed and big data-enabled market regulation.

## 5. Annex

### Selected key policy documents on the Social Credit System



Date of publication	Policy document	Releasing institution
<b>Major guidance and implementation documents</b>		
2014/06/27	Plan for Establishing a Social Credit System (2014-2020) (社会信用体系建设规划纲要 (2014—2020年))	State Council
2014/07/08	Guiding Opinions on the Promotion of Fair Market Competition and Upholding the Normal Market Order (国务院关于促进市场公平竞争维护市场正常秩序的若干意见)	State Council
2014/12/16	Division of Tasks for the Social Credit System Construction Plan (社会信用体系建设规划纲要 (2014—2020年) 任务分工)	NDRC, PBOC
2014/12/16	Three Year Key Tasks in the Construction of the Social Credit System (2014-2016) (社会信用体系建设三年重点工作任务 (2014—2016))	NDRC, PBOC
2015/06/11	Comprehensive Plan for Introducing a Unified Social Credit Number System for Legal Entities and other Organizations (法人和其他组织统一社会信用代码制度建设总体方案)	NDRC, State Commission Office of Public Sectors Reform, Ministry of Civil Affairs et al.
2015/10/19	Opinions on the Implementation of Negative Lists for Market Access (关于实行市场准入负面清单制度的意见)	State Council
2016/04/29	Several Opinions on the Employment of Big Data to Strengthen Services for and Supervision of Market Entities (关于运用大数据加强对市场主体服务和监管的若干意见)	State Council
2016/06/12	Guiding Opinions on Establishing a System of Incentives for Honest Behavior and Punishments for Dishonest Behavior Accelerating and Improving Social Trust (关于建立完善守信联合激励和失信联合惩戒制度加快推进社会诚信建设的指导意见)	State Council
2016/07/05	Reform of the "Five in One, One Code for One License" Registration System (关于加快推进“五证合一、一照一码”登记制度改革)	State Council
2016/07/13	Credit Information Catalogue of the National Credit Information Sharing Platform (全国信用信息共享平台信用信息目录)	NDRC
2016/12/14	Memorandum on the Joint Financial and Administrative Punishment of Dishonest Behavior (关于对财政性资金管理使用领域相关失信责任主体实施联合惩戒的合作备忘录)	NDRC, PBOC, Ministry of Finance et al.
2017/01/12	"13th Five Year Plan" for Market Regulations ("十三五" 市场监管规划)	State Council
<b>Examples for sectoral policy documents</b>		
2014/11/18	Guiding Opinions on the Construction of China's Logistics Industry Credit System (关于我国物流业信用体系建设的指导意见)	NDRC, Ministry of Transportation, Ministry of Commerce et al.
2015/01/29	China's Insurance Industry Credit System Construction Plan 2015-2020 (中国保险业信用体系建设规划 (2015 - 2020年))	China Insurance Regulatory Commission, NDRC
2015/03/16	Opinions on the Implementation of the Foreign Currency Exchange Credit System (外汇领域信用体系建设工作实施意见)	State Administration for Foreign Exchange
2015/05/12	Several Opinions on the Strengthening of the Construction of the Credit System in China's Transport Industry (关于加强交通运输行业信用体系建设的若干意见)	Ministry of Transportation
2015/05/22	Plan for Establishing China's Automobile Industry Credit System (汽车行业信用体系建设规划纲要 (2015—2020年))	China Association of Automobile Manufacturers
2015/07/20	Guiding Opinions on Promoting Healthy Development of Internet Finance (关于促进互联网金融健康发展的指导意见)	PBOC, MIIT, Ministry of Public Security et al.
2015/11/15	Guiding Opinions on Strengthening the Construction of an Environmental Credit System for Companies (关于加强企业环境信用体系建设的指导意见)	Ministry of Environmental Protection, NDRC
2016/01/18	Several Issues on the Establishment of an Intellectual Property Social Credit System (关于开展知识产权系统社会信用体系建设工作若干事项)	State Intellectual Property Office
2016/12/21	Opinions on Implementing an Energy Industry Credit System (能源行业信用体系建设实施意见)	National Energy Administration
2017/01/16	Guiding Opinions on Trust-Building in the Field of E-Commerce (关于全面加强电子商务领域诚信建设的指导意见)	NDRC, PBOC, Cyberspace Administration of China



- 1 | This MERICS China-Monitor is based on the systematic analysis of more than 100 Chinese government documents released since 2011, either on the Social Credit System itself or prominently referring to the system. The annex of this publication provides an overview of selected key policy documents.
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