

Administrative Measures for Single-Purpose Commercial Prepaid Card (Trial)

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| Promulgated by : | Ministry of Commerce of the PRC |
| Document Number: | MOFCOM Decree No 9 of 2012 |
| Promulgating Date: | 09/21/2012 |
| Effective Date: | 11/01/2012 |
| Validity Status: | Effective |
| Statutory Level: | Ministerial regulation |

Decree of the Ministry of Commerce of the PRC

(No 9 of 2012)

The Administrative Measures for Single-Purpose Commercial Prepaid Card (Trial), which has been reviewed and adopted at the 68th ministerial meeting of the Ministry of Commerce (MOFCOM) on August 24, 2012, is hereby promulgated. These Measures shall take effect as of November 1, 2012.

Cheng Deming, Minister of MOFCOM

September 21, 2012

Administrative Measures for Single-Purpose Commercial Prepaid Card (Trial)

CHAPTER I GENERAL PROVISIONS

ARTICLE 1 In order to enhance the management of single-purpose commercial prepaid cards, protect the legitimate rights and interests of parties concerned and prevent risk in capital operations, these Measures are hereby formulated in accordance with relevant laws and regulations.

ARTICLE 2 For legal entities engaged in single-purpose commercial prepaid card business in retail, hotel, catering and residential service sectors (see Exhibit 1 for the specific industry catalog) within the territory of the People's Republic of China, these Measures shall apply.

For the purpose of these Measures, single-purpose commercial prepaid card (the “Single-purpose Card”) shall mean the prepaid voucher issued by the foregoing enterprise for collection of goods or services solely within the scope of such enterprise, the group to which such enterprise is affiliated or Brand Franchise Operation System, including physical cards in the form of magnetic stripe card, chip card, coupon, etc. as well as virtual cards functioning by password, serial code, graph, biometric information and so on.

ARTICLE 3 “Group Issuer” shall mean the parent company of a group issuing Single-purpose Card for use within the group. “Group” shall mean a conglomerate absolutely controlled by the same corporate legal person.

“Brand Issuer” shall mean a legal entity which issues Single-purpose Card for use within the Brand Franchise Operation System and which owns or has been granted an exclusive right to use the corporate logo or registered trademark related to such brand. “Brand Franchise Operation System” shall mean a conglomerate using the same corporate logo or registered trademark.

“Operator” shall mean an enterprise designated by the Group Issuer or Brand Issuer within the group or the Brand Franchise Operation System, which is responsible for sales, recharge, loss reporting, reissuance and return of cards and other related businesses.

ARTICLE 4 “Scaled Issuer” shall mean an enterprise other than the Group Issuer or Brand Issuer meeting either of the following conditions:

- (i) Achieving an annual revenue of RMB 5 million or above in the prior fiscal year;
- (ii) Duly registered with the administration for industry and commerce (“AIC”) for less than one year, with a registered capital of RMB 1 million or above.

The Ministry of Commerce may change the criteria for Scaled Issuer in view of the specific circumstances and make an announcement thereon.

ARTICLE 5 The Ministry of Commerce is in charge of regulating the Single-purpose Card industry across the nation. The competent commercial department of local government at county level or above shall be responsible for supervision and management of Single-purpose Cards within its jurisdiction.

ARTICLE 6 In compliance with its articles of association, the Single-purpose Card industry association shall provide its members with consultation, publicity, training and other services and play a central role in self-discipline across the industry.

CHAPTER II FILING

ARTICLE 7 Within 30 days after commencement of its Single-purpose Card business, a Card Issuer shall file with the competent authority as set forth below:

- (i) For Group Issuers and Brand Issuers, to file with the competent commercial department of the people’s government of the province, autonomous region and municipality directly under the central government where they were duly registered with AIC;
- (ii) For Scaled Issuers, to file with the competent commercial department of the people’s government of the prefectural city where they were duly registered with AIC;
- (iii) For other Card Issuers, to file with the competent commercial department of the people’s government of the county/city/district where they were duly registered with AIC;

ARTICLE 8 The Card Issuer shall furnish the filing authority with the following documents and certificates:

- (i) Single-purpose Card Issuer Filing Form;
- (ii) Photocopy of Corporate Legal Person Business License (duplicate);
- (iii) Photocopy of Organization Code Certificate;

If the Card Issuer is a foreign-invested enterprise, the photocopy of the Certificate of Approval for Establishment of Enterprises with Foreign Investment is also required.

The Single-purpose Card Issuer Filing Form may be collected at the filing authority or downloaded from the official website of the Ministry of Commerce (www.mofcom.gov.cn) , the format of which is attached hereto as Exhibit 2.

ARTICLE 9 In addition to those specified in Article 8 hereof, a Scaled Issuer shall also furnish the filing authority with the following documents and certificates:

- (i) Audited financial statement of the previous year (affixed with the official seal), unless it has been registered with AIC for less than one year;
- (ii) Sample of the physical card (on both sides) or sample of information recorded on the virtual card;
- (iii) Management systems for Single-purpose Card business and funds involved;
- (iv) Articles of association and agreement for purchase of the Single-purpose Card;
- (v) Escrow account information and escrow agreement.

ARTICLE 10 In addition to those specified in Article 8 hereof, a Group Issuer or Brand Issuer shall also furnish the filing authority with the following documents and certificates:

- (i) Audited financial statement and incorporated financial statement of the previous year (affixed with the official seal), unless it has been registered with AIC for less than one year;
- (ii) Sample of the physical card (on both sides) or sample of information recorded on the virtual card;
- (iii) Management systems for Single-purpose Card business and funds involved;
- (iv) Articles of association and agreement for purchase of the Single-purpose Card;
- (v) Escrow account information and escrow agreement.
- (vi) Agreement with the Operator(s) and list of Operators.

- (vii) For Group Issuer, a description of the ownership structure of the Group; for Card Issuer, to submit the certification on ownership of or exclusive right to use its corporate logo or registered trademarks.

ARTICLE 11 The filing authority will identify Card Issuers with filing number and make an announcement on a media designated by the Ministry of Commerce or the filing authority for reference by the public.

ARTICLE 12 For alteration of filed items, change of corporate form or termination of Single-purpose Card business, the Card Issuer shall handle alteration and deregistration procedures with the filing authority within 15 working days of such change.

CHAPTER III ISSUANCE AND SERVICE

ARTICLE 13 An enterprise may issue both registered cards and anonymous cards. If a registered card is lost, a reporting procedure may apply.

The Card Issuer shall indicate on the physical card the name and contact information of the Card Issuer, card No., rules of use, points to note and so on. A Group Issuer shall also specify the Group name and a Brand Issuer shall specify the corporate logo or registered trademark. Such information shall also be recorded on a virtual card. For any Card Issuer which has completed the filing procedures, the filing No. may also be indicated.

ARTICLE 14 The Card Issuer or Operator shall publish or provide the purchaser with the articles of association for the Single-purpose Card and shall enter into a card purchase agreement at the request of the purchaser. The Card Issuer or Operator shall perform the obligation of notification so as to ensure that the purchaser is informed of and accepts the terms of the articles of association or agreement for the Single-purpose Card.

The articles of association and purchase agreement for the Single-purpose Card shall include:

- (i) Name, type and function of the Single-purpose Card;
- (ii) Methods of purchase, recharge, use and return of the Single-purpose Card, in the case of registered cards, methods of loss reporting and transfer are also required;
- (iii) Chargeable items and criteria;
- (iv) Rights and obligations of the parties concerned;
- (v) Dispute resolution principle and liability for breach;
- (vi) Other matters set forth in relevant laws, regulations, rules and regulatory documents;

ARTICLE 15 If an individual or organization purchases registered cards (including recharge of cards, the same below) or purchases anonymous cards of RMB 10,000 or above at one time, the Card Issuer or Operator shall require the purchaser and its agent to present valid identification certificate and shall record the name, organization name, number of valid identification certificate and contact information of such purchaser and its agent.

Valid individual identification certificates include resident ID card, household register, military identification certificate, armed police identification certificate, Hong Kong, Maocao and Taiwan Resident Pass and passport, etc. Valid organization identification certificates include business license, certificate of institution legal person, tax registration certificate and organization code certificate, etc.

ARTICLE 16 Card Issuer and Operator shall retain the registration information of the purchaser for at least five years.

Card issuer and Operator shall maintain the confidentiality of identification and transaction information of the purchaser and its agent and shall not disclose such information to any third party, unless otherwise stipulated by law.

ARTICLE 17 In the case of one-time purchase of Single-purchase Cards of RMB 5000 or above by an organization or RMB 50,000 or above by an individual, or card purchase by an individual or organization in a manner other than onsite purchase, such transaction shall be effected by bank transfer other than cash payment. The Card Issuer or Operator shall record, among the others, the debiting account name, crediting account name, account No. and amount on a case by case basis.

Card issuer and Operator shall issue invoices in strict compliance with relevant PRC provisions.

ARTICLE 18 The maximum amount of a single registered card is limited to RMB 5,000 and the maximum amount of a single anonymous card is limited to RMB 1000.

The balance of a reloaded Single-purpose Card shall be within the limit of the foregoing.

ARTICLE 19 A registered card shall be valid for an unlimited period of time; an anonymous card shall have a validity period of no less than three years.

If any fund remains in an expired anonymous card, the Card Issuer or Operator shall render activation, replacement and other supporting services in connection therewith.

ARTICLE 20 If any commodity purchased using a Single-purpose Card needs to be returned, the Card Issuer or handler shall refund the money to the original card. If the original Single-purpose Card has been cancelled or the balance of the card would exceed the prescribed limit after such refund, such amount shall be refunded to a comparable Single-purchase Card held by the cardholder with the same Card Issuer.

If the amount to be refunded is no more than RMB 100, cash payment is allowed.

ARTICLE 21 Card Issuer or Operator shall process the return of cards as per the articles of association or agreement of the Single-purpose Card.

In processing return of cards, the Card Issuer or Operator shall require presentation of valid identification certificate by the cardholder requesting such return and shall record such person's name, valid identification certificate No., number and amount of the returned card and other relevant information.

The Card Issuer or Operator shall refund the money to a bank account bearing the name of the person requesting return of the card and shall retain the bank account information. If the balance of the card is no more than RMB 100, cash payment is allowed

ARTICLE 22 If cashing of any unexpired Single-purpose Card is terminated by the Card Issuer, the Card Issuer and Operator shall enable cardholders to return cards free of charge and shall make an announcement on the media designated by the filing authority at least 30 days before such termination.

CHAPTER IV FUND MANAGEMENT

ARTICLE 23 Card Issuer and Operator shall periodically check the accounts associated with the Single-purpose Card business, and shall record and settle transaction data in a timely manner.

ARTICLE 24 The Card Issuer shall strictly manage the prepaid funds, which shall be used in its principal business only and shall not be used for real estate, equity, securities and other investment or provision of loans.

ARTICLE 25 For Card Issuers mainly engaged in the retail, hotel or catering sectors, the Prepaid Fund Balance shall be no more than 40% of their revenue from principal business of the prior fiscal year. For those mainly engaged in residential service sector, the Prepaid Fund Balance shall not exceed their revenue from principal business of the prior fiscal year. If a Card Issuer has been registered with AIC for less than one year, the Prepaid Fund Balance shall not exceed twice of its registered capital.

For Group Issuers, the Prepaid Fund Balance shall not exceed 30% of the Group revenue of the prior fiscal year.

For the purpose of these Measures, “Prepaid Fund” shall mean the total amount of prepaid funds received by the Card Issuer by issuance of the Single-purpose Card; “Prepaid Fund Balance” shall mean the balance of the Prepaid Fund after deduction of the amount corresponding to the goods or services purchased.

ARTICLE 26 Scaled Issuer, Group Issuer and Brand Issuer shall implement a fund escrow system. Escrow funds of a Scaled Issuer shall be no less than 20% of the balance of the prepaid funds received in the preceding quarter. Escrow funds shall be no less than 30% for a Group Issuer and no less than 40% for a Brand Issuer.

ARTICLE 27 Scaled Issuer, Group Issuer and Brand Issuer shall each establish a commercial bank account as escrow account and shall enter into an escrow agreement with the depository bank concerned.

The escrow agreement shall provide that the depository bank must supervise the Card Issuer's ratio of escrow funds, refuse to follow any instruction to use the escrow funds beyond the prescribed limit and specify the status of deposits and payment by the Card Issuer as requested by the filing authority.

ARTICLE 28 Scaled Issuer, Group Issuer and Brand Issuer may off-set all or some of the escrow funds by bond insurance or bank guarantee for prepaid funds or otherwise.

ARTICLE 29 Scaled Issuer, Group Issuer and Brand Issuer shall establish in the PRC a transaction processing system commensurate with the issuance scale of the Single-purpose Card and also ensure the information security and operation quality of such transaction processing system.

Scaled Issuer, Group Issuer or Brand Issuer shall promptly report to the filing authority upon occurrence of a significant or irrecoverable technical breakdown.

ARTICLE 30 Card Issuer shall include the Single-purpose Card business in its daily management system by establishing mechanisms for settlement, risk management, daily supervision and contingency response related to prepaid funds.

ARTICLE 31 A Scaled Issuer shall log on to the MOFCOM Information System for Single-purpose Commercial Prepaid Card Business within 15 working days following the end of each quarter (20 working days for a Group Issuer or a Brand Issuer), in order to report on the status of the Single-purpose Card business of such quarter. Prior to January 31 of each year, other Card Issuers shall complete and submit the Report Form of Single-purpose Card Business of Card Issuers (in the format as set forth in Exhibit 3).

Card issuer shall provide accurate, truthful and complete information without any concealment or misrepresentation.

CHAPTER V SUPERVISION AND MANAGEMENT

ARTICLE 32 Competent commercial department of people's government of the province, autonomous region and municipality directly under the central government will establish a special contingency plan in an effort to proactively prevent, properly handle and timely report to the MOFCOM any significant accidents related to the Single-purpose Card business within its jurisdiction.

ARTICLE 33 MOFCOM and competent commercial department of local people's government will, on both regular and ad hoc basis, conduct onsite and off-site inspections of Card Issuers and Operators in their activities, internal control and risks related to the Single-purpose Card business. The Card Issuers and Operators shall cooperate in such inspection made by the competent commercial department.

ARTICLE 34 MOFCOM will establish a sound Information System for Single-purpose Commercial Prepaid Card Business. Competent commercial department of local people's government shall enhance supervision and management of Card Issuers by making full use of information technologies.

ARTICLE 35 For reports and complaints associated with these Measures, MOFCOM and competent commercial department of local people's government will be available through the commercial report and complaint service platform at 12312.

CHAPTER VI LEGAL LIABILITY

ARTICLE 36 Any Card Issuer in violation of Article 7 hereof shall be ordered by the competent commercial department of local people's government at county level or above to take remedial steps within a specified period of time, or if it fails to do so, be fined between RMB 10,000 and RMB 30,000.

ARTICLE 37 Any Card Issuer or Operator in violation of Articles 14 through 22 hereof shall be ordered by the competent commercial department of local people's government at county level or above to take remedial steps within a specified period of time, or if it fails to do so, be fined between RMB 10,000 and RMB 30,000.

Any Card Issuer in violation of Articles 24 through 27 or Article 31 hereof shall be ordered by the filing authority to take remedial steps within a specified period of time, or if it fails to do so, be fined between RMB 10,000 and RMB 30,000.

In the event that an affiliated Operator violates these Measures for three times within any twelve-month period as a result of the Group Issuer or Brand Issuer's negligence in management and for which an administrative penalty is imposed, such Group Issuer or Brand Issuer is subject to a fine of an amount below RMB 30,000 imposed by the filing authority.

ARTICLE 38 Any Card Issuer in violation of Article 29 hereof and thus causing significant losses is subject to a fine of an amount between RMB 10,000 and RMB 30,000 imposed by the filing authority.

ARTICLE 39 If a Card Issuer or Operator is subject to administrative penalty for violation of these Measures, the competent commercial department imposing such penalty will make an announcement on the designated media.

CHAPTER VII SUPPLEMENTARY PROVISIONS

ARTICLE 40 For any Card Issuer already engaged in the Single-purpose Card business, relevant filing procedures shall be completed within 90 days after effectiveness date of these Measures.

ARTICLE 41 With regard to registered prepaid voucher issued by a fuel seller for payment of fuels for its designated vehicles for production and operation purposes, these Measures shall not apply.

ARTICLE 42 These Measures shall take effect as of November 1, 2012.

Exhibit 1

Single-purpose Commercial Prepaid Card Industry Catalog

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| Retail | Comprehensive | Department store, supermarket, grocery store and convenience store |
| | Special | Food, beverage, tobacco products, textile, garment, daily necessities, cultural and sports goods and equipment, pharmaceutical & medical apparatus, automobile, components & accessories, motorcycle, components & accessories, motor fuel, home appliance & electronic products, hardware, furniture and interior decorative materials |
| | Non-physical and others | Online sale, mail order, TV sales, sale of second hand goods and fuel retail for daily use |
| Hotel & Catering | Hotel | Tourist hotel and hotels in general |
| | Catering | Dinner service, fast food, beverage & cold drink, food distribution service |
| Residential Service | Residential Service | Home service, laundering & dyeing service, hair & beauty care, bathing service, health care and marriage service |
| | Repair | Motor vehicle repair & maintenance, computer and office equipment repair, home appliance repair and repair for other daily products |
| | Other services | Cleaning |