

Legal Regulation of China's Cross-border E-Commerce Comprehensive Pilot Areas: A Russian Perspective

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Since 2015 China has been actively developing the cross-border e-commerce comprehensive pilot areas. They are one of the mechanisms that the PRC has been promoting international trade in the digital era. Enterprises registered in the cross-border e-commerce comprehensive pilot areas enjoy preferential tax policies and may draw upon the support measures delivered by provinces and municipalities. The State Council also introduced the "Six Systems and Two Platforms" principle which revolutionized the sphere of public administration of cross-border e-commerce trade. This helps to solve many the problems concerning taxation, customs clearance and logistics. Analysis of Chinese legislation and local regulations illustrates that the PRC elaborated a new type of economic zone integrating small and medium sized enterprises into the global trade market. A comparison of Chinese policy with a Russian initiative to introduce new experimental regimes for foreign online trade shows that both states could cooperate by establishing a joint mechanism for cross-border e-commerce promotion. Russia also could use China's experience in order to launch its own system of cross-border e-commerce support.

Keywords: Digital Economy, E-Commerce, Cross-Border E-Commerce, CBEC Pilot Area, Russia

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I. INTRODUCTION

During the last decade the digital sphere has been developing dramatically. Different states marked digitalisation of public governance, trade and services as a crucial element of a modern society. Restrictions caused by the Covid-19 pandemic have accelerated digitalisation in all spheres of the economy stimulating new consumption habits of customers. Therefore, today, purchasing via online shopping has become quite an ordinary thing.

The Peoples' Republic of China (PRC) is one of the world leaders in the field of digitalization, which has pierced all spheres of economy and covered almost the entire population. Its citizens actively use different applications and web-sites allowing one-click payments, purchases, and selling. A noticeable aspect of the Chinese digital economy is cross-border e-commerce, which has been developing rapidly during the last decade.¹ Such rapid rise of cross-border e-commerce has been determined by multiple economic, political, social and legal factors, but there are some unique initiatives under the Chinese vision of global digitalisation.

In 2015, China launched the Digital Silk Road which is one of the driving forces of the Chinese "One Belt and One Road" initiative. Majcherczyk and Bai note that: "the Digital Silk Road can be seen as a China- led project aiming at increasing connectivity between participant countries to, among other goals, enhance exchange of data, information, technology and knowledge, as well as promoting and facilitating CBEC, global cultural and exchange of ideas through conducting both bilateral and multilateral projects."² This ambitious project allows the PRC to build its own global digital infrastructure such as 5G, data cables, and storage centres, which decrease Chinese dependence on foreign tech giants.³ In the same year, China also started actively supporting its e-commerce exporters and established the first cross-border e-commerce comprehensive pilot area (hereinafter CBEC pilot areas; CBECPA) in Hangzhou which is the Chinese capital of e-commerce. In 2021, there were more than 100 pilot areas in different cities all across the country and one CBEC pilot area covers the entirety of Hainan province.

Implementation of CBECPA largely transformed Chinese foreign trade and have brought great transitions to trade patterns.⁴ In a short period of time, China's cross-border e-commerce reached prominent achievements;⁵ it has not only become a key element for the Chinese economy,⁶ but also provided access for small and

medium sized enterprises to international trade and foreign markets.⁷

Technologically, currently working companies established in the e-commerce platforms of the PRC (AliExpress, Jindong, Tmall, etc.) successively compete in the global e-commerce market taking about a 44 percent share in total.⁸ In 2020, the trade volume of the Chinese export through cross-border e-commerce players amounted to CNY 9.7 trillion, up from CNY 8.03 trillion in the previous year (a growth of more than 20%).⁹

Fast growing Chinese cross-border e-commerce is ensured by legislation. In order to establish and implement industrial policy of cross-border e-commerce with reasonable text structure and relatively concentrated themes, and to promote the export of goods from the PRC by means of electronic platforms, a number of regulatory legal acts concerning the platform economy were issued by the State Council, state departments and local governments. China further adopted Guidelines and Measures for Administration of Online Business CBEC pilot areas.¹⁰

Against this backdrop, my research is to analyse Chinese e-commerce legislation and determine its specific characteristics concerning CBECPA. It will be useful for other states to reconsider China's rules and directions for cross-border e-commerce. In particular, Russia may adopt the idea of CBEC pilot areas in order to support the export of its high-quality food products to East Asian states. This paper is composed of six parts including an Introduction and Conclusion. Part two will overview the Chinese e-commerce legislation and regulations in the sphere of e-commerce. Part three will analyse the "Six Systems and Two Platforms" principle. Part four will discuss the national and local measures taken in support of cross-border e-commerce. Part five will be devoted to Russian cross-border e-commerce policy and perspectives of implementation of the Chinese experience.

II. OVERVIEW OF CHINESE LEGISLATION ON E-COMMERCE

A. E-Commerce Law

In China, "e-commerce is a business that is subject to regulations by multiple governmental agencies."¹¹ China's e-commerce legislation consists of many scattered regulations adopted at the state and local levels. The basic regulation

for e-commerce in China is the E-Commerce Law of the PRC of 2019.¹² The E-Commerce Law is a product of the joint work of the National People's Congress and the 12 ministries of the State Council,¹³ which covers numerous issues of e-commerce industry, including cross-border transactions and deals. This Law consists of 8 chapters concerning e-commerce platforms, intra-platform business, formation and performance of electronic contracts, dispute resolution between e-commerce participants, promotion for e-commerce, and legal liability.

The E-Commerce Law regulates that the main direction of e-commerce activities in China is to establish the platform operators' rights and obligations concerning the administration of intra-platform business, resistance against monopolism, and anti-competitive actions in the digital environment. In particular, the E-Commerce Law aims to create domestic and international mechanisms to resolve disputes between e-commerce participants. According to Article 26 the E-Commerce Law, its provisions are also applied to cross-border e-commerce activities. Articles 71-73 of the Law underline that the import and export administrative authorities should manage comprehensive services and regulatory systems for cross-border e-commerce in customs declaration, tax payment, inspection and quarantine, information sharing, mutual recognition of regulation, mutual assistance in law enforcement, and the efficiency of regulation and services.

Although the E-Commerce Law does not contain specific measures concerning CBECPA, it empowers the State Council and local governments to promote e-commerce development and improve payment settlement, administrative systems for customs, taxation, entry and exit inspection and quarantine in line with the characteristics of cross-border e-commerce.¹⁴ As e-commerce develops rapidly, the E-Commerce Law will be widely applied.

B. Regulations, Measures and Notices on E-Commerce

China pays special attention to such spheres of e-commerce like digital trade of goods and services. Therefore, the Chinese government has enacted the regulations concerning specific issues of these fields. In 2016, for example, the Ministry of Transport and six other departments adopted Interim Measures for the Administration of Online Taxi Booking Business Operations and Services.¹⁵ In February 2021, the Guide of the Anti-Monopoly Committee of the State Council for the Definition of the Relevant Market was also published.¹⁶ Furthermore, subsidiary legislation is

widespread to regulate e-commerce in China.

General directions of cross-border e-commerce policy are addressed in Guiding Opinions of the General Office of the State Council on Promoting the Healthy and Rapid Development of Cross-border E-commerce 2015.¹⁷ These Guiding Opinions stipulate a regulatory framework that helps Chinese enterprises make better use of e-commerce for foreign trade business.¹⁸

Questions on taxation and supervision of cross-border e-commerce are regulated by the Notice of the Ministry of Finance's General Administration of Customs and the State Administration of Taxation on Improving the Tax Policy for Cross-border E-commerce Retail Imports;¹⁹ the Notice of the Ministry of Finance and the State Administration of Taxation on Tax Policies for Cross-Border Retail Export in E-Commerce;²⁰ and the Notice of the General Administration of Quality Supervision, Inspection and Quarantine on Soliciting Public Opinions on the Detailed Rules for the Supervision and Administration of the Safety of Bonded Imported Foods Purchased Online through Cross-Border E-commerce.²¹

Moreover, official Chinese bodies at the state level issued special rules concerning taxation of enterprises registered in CBECPA. In 2018, the Ministry of Finance, the State Administration of Taxation, the Ministry of Commerce, and the General Administration of Customs jointly published the Notice on Tax Policy for Retail Export Goods in Cross-border E-commerce Comprehensive Pilot Zones.²² In 2019, the Announcement of the State Taxation Administration on Issues concerning the Collection of Enterprise Income Tax on Retail Export Enterprises in Cross-Border E-Commerce Comprehensive Pilot Zones on a Deemed Basis was introduced.²³ Local authorities also participate in the formation of tax policy in CBECPA. In 2019, for example, the Beijing Municipal Tax Service of the State Taxation Administration, the Beijing Municipal Commerce Bureau, and the Beijing Municipal Finance Bureau published an Announcement on Matters relating to Administration of Tax Exemption for Retail Export Goods in Cross-border E-commerce Comprehensive Pilot Zones.²⁴

C. State Council's Official Replies on Approving the Establishment of CBECPA

In 2015-2020, the PRC State Council published five Official Replies on approving the establishment of 104 comprehensive cross-border e-commerce pilot areas starting from Hangzhou CBECPA.²⁵ According to these five Replies the State

Council urges national public bodies and local people's governments to support the pilot areas by the implementation of innovation development, simplification and clarification of logistics, warehousing, and customs clearance processes, provision of good public services, creation of favourable business environment for various market participants as well as construction and development of CBEC pilot areas in a solid and orderly manner.²⁶

Notably, the Official Replies of the State Council only establish the frameworks for developing the pilot areas in selected cities,²⁷ while local governments and state departments empowered by Articles 64, 65 and 72 of the E-Commerce Law to introduce detailed regulations concerning the measures applying to the enterprises registered in CBECPA.

D. Local Regulations

The PRC State Council empowers local authorities to develop their policy concerning CBECPA and to introduce their own rules and measures on how to promote cross-border e-commerce. These rules have been announced by the local governments of Beijing,²⁸ Xiamen,²⁹ Hangzhou,³⁰ and Jiaxing.³¹ Such an approach takes into account of regional risks and opportunities, as well as the needs of a particular industrial park engaged in e-commerce.³² Together, cross-border e-commerce involves a series of issues such as intellectual property rights, dispute resolution jurisdiction, and consumer rights protection which can only be decided at the national level.³³ However, this is a question of all e-commerce regulation, not just CBEC pilot areas.

III. NATIONAL AND LOCAL MEASURES OF CROSS-BORDER E-COMMERCE SUPPORT

As was noted above, the E-commerce Law allows state departments and local governments to guarantee good business environment, attract cross-border e-commerce companies to settle in the CBEC pilot areas, and to promote them. One of the mechanisms for the promotion and support of CBEC pilot areas at the national level is specific taxation. Wise national tax policy can develop small and medium sized e-commerce enterprises. China applies a flexible tax regime for the enterprises registered in CBECPA by exempting VAT and lowering the income

tax.³⁴

According to the Notice On the Tax Policy on Retail Exports in Cross-Border Integrated Pilot E-Commerce Zones published on September 28, 2018, goods exported from CBECPA are exempt from VAT.³⁵ This rule is applicable if the e-commerce export enterprise is registered in CBECPA and the export date, name of the goods, unit of measurement, quantity, unit price, and amount are registered on the cross-border e-commerce online integrated service platform at the place of registration.³⁶ Exported goods shall go through e-commerce export declaration procedures through customs at the place where CBECPA is located and goods shall not be listed by the State Administration of Taxation as those with cancelled export tax rebates (exemptions) in accordance with the decision of the State Council.³⁷

Chinese scholars note that enterprises often have scattered orders due to the large number of products they export and even if some export companies obtain VAT invoices, they cannot match each individual order with input invoices.³⁸ As they are unable to meet the requirements for providing VAT invoices in a proper way, a large number of small and medium sized e-commerce enterprises were not registered in CBEC pilot areas.³⁹ Therefore, the Ministry of Finance and the State Administration of Taxation issued the abovementioned Notice and settled on a zero VAT rate in order to attract small and medium sized e-commerce enterprises to CBECPA and solved the problem of cross-border e-commerce export companies using national policies to evade taxation⁴⁰ and directly passing goods to postal companies or express companies which would then be shipped out of the country as a gift or personal belongings.⁴¹

The next step for the promotion of cross-border e-commerce was taken by the State Administration of Taxation in 2019 with the Announcement on Issues concerning the Collection of Enterprise Income Tax on Retail Export Enterprises in Cross-Border e-Commerce Comprehensive Pilot Zones on a Deemed Basis.⁴² This Announcement shows the residents of CBECPA pay income tax at a rate of 4 percent, while the standard enterprise income tax rate in the PRC is 25 percent.⁴³ Besides the preferential tax treatment, provincial governments adopt many other measures for supporting the enterprises registered in CBECPA. According to the Notice of the General Office of the Beijing Municipal People's Government on the issuance of the "China (Beijing) Cross-border E-commerce Comprehensive Pilot Zone Implementation Plan," for example, Beijing authorities, in order to

cultivate talent, encourage cross-border e-commerce enterprises to cooperate with institutions of higher learning and scientific research institutions to jointly carry out talent training, and build cross-border e-commerce engineer colleges.⁴⁴

The government of Fujian province provides 1 percent of the transaction volume in logistics subsidies for e-commerce enterprises registered in the Xiamen CBECPA that deliver annual business plans and monthly monitoring and statistics reports, and whose annual transaction volume reaches CNY 5 million.⁴⁵ For cross-border e-commerce enterprises with an annual transaction volume of CNY 5 million, the annual usage fee of the information management system is subsidized at 50 percent, and the maximum annual subsidy for a single enterprise is CNY 200,000.⁴⁶

In the Hangzhou CBECPA, local authorities encourage leading enterprises with financial support of up to CNY 5 million if the import and export volume of cross-border e-commerce exceeds USD 100 million in the first year.⁴⁷ If the enterprise has registered its own trademarks abroad and is doing cross-border e-commerce performance, one-time financial support shall not exceed 80 percent of the registration fee and the total amount of support for a single enterprise shall not exceed CNY 200,000. Moreover, the Hangzhou city government provides subsidies for enterprises developing cross-border e-commerce logistics and encourages them to use a “single window” platform for cross-border e-commerce, open integrated logistics dedicated lines, establish public overseas warehouses for cross-border e-commerce, and develop cross-border e-commerce industrial parks with an actual use area of more than 20,000 square meters and more than 50 companies with cross-border e-commerce achievements.⁴⁸ Thus, provincial governments and cities use different measures in order to effectively regulate and promote CBECPA. Local regulations have common features on how authorities urge the development of CBECPA and support e-commerce business:

- Financial support for construction of industrial parks and warehouses;
- Financial support of leading enterprises and new retail formats for cross-border e-commerce and cross-border e-commerce logistics enterprises;
- Improvement of public services (including supervision, monitoring, data exchange);
- Cultivation of talent and stimulation of universities to create cross-border e-commerce majors; and
- Strengthening innovation in technology and services.

Thus, Chinese state departments provide beneficial taxation treatment as the main tool of cross-border e-commerce support, while local governments grant different subsidies depending on specific environment of each province or city. Tax relief, financial support of e-commerce industry and infrastructure are very important instruments for accelerating the development of CBECPA. Subsidies and tax benefits may encourage leading e-commerce companies and platforms to involve in cross-border trade and small and medium sized enterprises to participate in the sphere of transnational trade and retail sales.⁴⁹

IV. “SIX SYSTEMS AND TWO PLATFORMS” PRINCIPLE

Chinese national and local authorities not only provide cross-border e-commerce enterprises with benefits and guarantees, but also modernize the public services system of CBECPA. Implementation of the “Six Systems and Two Platforms” Principle has been a disruptive innovation in the state regulation of e-commerce. Of course, how effective it is and how much its outcomes exceeds the benefits received from the tax policy remains to be seen, but the positive results indicated by the value growth of China's cross-border e-commerce are already visible.⁵⁰

The special approach to CBECPA has come from the practice of Hangzhou city authorities. They reduced business costs, improved logistics efficiency, and enhanced the competitiveness of e-commerce companies registered in Hangzhou CBECPA. For example, Hangzhou has built the world's first cross-border e-commerce digital port which can realize one-click declaration and nationwide customs clearance; one declaration, one inspection, and one customs release.⁵¹ Once enterprises make a declaration, they can clear customs at other ports across the country. In this case, and the import and export declaration time has been shortened from 4 hours to an average of 1 minute.⁵² As has been noted, “within one year, the transaction scale of cross-border e-commerce in Hangzhou increased from USD 20 million in 2014 to USD 3.464 billion in 2015.”⁵³

Those achievements are strongly connected with the implementation of the “one-stop and one window” service system. The “one-stop service system” was designed as a unified information sharing database constructed on the basis of online integrated platforms for public services providing one-time filing, multi-

participation sharing, and full-process use of electronic services for enterprises.⁵⁴ The “single window” is a one-point access platform simplifying and optimizing supervision in the sphere of e-commerce, established as an information exchange and verification mechanism to reduce barriers among customs, finance, other supervising authorities and e-commerce enterprises, to simplify logistics, inspection and quarantine for commodities, as well as to facilitate national tax collection and payments.⁵⁵ Interconnection of different departments’ databases with CBECPA and customs makes it possible to provide fast nationwide enterprise identity information verification services.⁵⁶ Thus, Hangzhou’s “one-stop and one window” service system is an elaborate mechanism and public services for CBECPA administration covering the entire process and all participants of cross-border e-commerce.

Considering the experience of the Hangzhou authorities, in 2017, the Letter of Fourteen Departments on Replicating and Popularizing Mature Experience and Practices from Cross-border E-commerce Comprehensive Pilot Areas (hereinafter the Letter)⁵⁷ was presented as a nationwide idea for CBECPA administration. The Letter introduced the “Six Systems and Two Platforms” concept as a result of reassessing previous experiences of CBECPA administration. The principle describes directions for state departments and local authorities on how to develop their legislation for the promotion of cross-border e-commerce. It aims to solve the most important issues for e-commerce enterprises such as slow customs clearance procedures, quarantine, and high costs of cross-border logistics.⁵⁸

The two platforms described in the Letter are an ecosystem, i.e. a combination of an online one window platform and an offline industrial park platform. The online integrated service platform is a mechanism for data exchange and interconnection with commerce, customs, taxation, industry and commerce, inspection and quarantine, postal services, foreign exchange, and other government agencies, while the offline industrial park platform is warehouses integrated in the industrial chains providing cross-border e-commerce businesses with logistics and express delivery.⁵⁹ The two platforms are based on the principle of six systems. According to the Letter the six systems are:

- Information sharing system providing the interconnection of information between enterprises, service organizations, regulatory departments, etc., and allowing to fill out a single declaration;
- Financial services system encouraging financial institutions and non-bank payment

- institutions to use Internet technology to provide one-stop financial services such as online payment and settlement, online microfinance, and online insurance for small, medium and micro enterprises engaged in cross-border e-commerce transactions;
- Intelligent logistics system using cloud computing, Internet of Things, big data and other technologies and existing logistics public information platforms, to build intelligent logistics information systems, warehousing network systems, and operation service systems, etc., making it possible to solve the problems of high logistics costs and low efficiency of cross-border e-commerce;
 - E-commerce integrity system establishing a cross-border e-commerce integrity record database and evaluation, supervision, and disclosure mechanism for enterprises registered in CBEC pilot areas;
 - Statistical monitoring system improving cross-border e-commerce data monitoring and providing decision-making consulting services for government supervision and business operations by establishing big data centres; and
 - Risk prevention and control system decreasing risks related to money laundering, data storage, payment transactions, and network security in the CBEC pilot areas, as well as product safety risks and commodity quality safety.⁶⁰

Thus, the “Six Systems and Two Platforms” concept is a comprehensive framework to modernize national and local authorities to promote cross-border e-commerce in a coherent way. Chinese experience demonstrates that it is necessary to not only provide an e-commerce business registered in CBECPA with guarantees and preferences, but also establish digital infrastructure and mechanisms for effective data sharing. It allows the attraction of well-known and excellent cross-border e-commerce platform companies, promotes in-depth and multi-faceted cooperation between local companies and well-known external companies, and strengthens market players.⁶¹

V. SHOULD RUSSIA TAKE LESSONS FROM CHINA?

A. Current Development of Russian Cross-Border E-Commerce Legislation

Despite the fact that e-commerce is playing an increasingly important role in modern society, Russia does not yet have a law regulating it. Only Articles 9 and 12 of the Law on the Protection of the Consumers' Rights⁶² contain some provisions concerning the duties of e-commerce platforms. Russia does not yet have any special

legislation in the field of cross-border e-commerce, but its authorities have plans to amend customs legislation in order to promote this type of business activity. In the Meeting on the Regulation of Cross-border E-commerce, chaired by Russian Prime Minister Mikhail Mishustin, the Russian government decided to simplify delivery and customs procedures for cross-border on-line retail imports.⁶³ The main reason for this decision is that current legislation does not provide a possibility of selling goods to an individual who purchases goods on a foreign Internet site from a warehouse located on the territory of the Russian Federation.

In November 2021, the Russian Government elaborated amendments to the Federal Law on Customs Regulation (hereinafter Amendments) and introduced the concept of experimental regimes in the field of online trade to facilitate customs procedures for goods from foreign online stores.⁶⁴ The new rules were adopted in December 2021 by the State Duma in the first reading and were positively evaluated by some experts.⁶⁵ In this regard, since the changes to the Federal Law will come into force, bonded warehouses could be used to store the products of import stores and foreign sellers will be able to create and store the stock for three years without customs clearance, that is, without paying import duties, VAT and other mandatory payments. The list of operators and goods that can be sold under the simplified scheme will be compiled by the members of the Eurasian Economic Union. It is already known that, in frames of experiment, the first experimental bond zone in Russia will appear in Tatarstan, and the Russian Post will import goods into Russia, pay customs duties, handle customs clearance, and place them in bonded warehouses under agreements with foreign or Russian e-commerce business.⁶⁶ This model makes possible cross-border B2C trade in bulky, heavy or expensive goods, but the main advantage of bonded warehouses is a reduced delivery time of goods to Russian consumers because of accelerated process of passing customs control and registration.⁶⁷ Also, the use of this model simplifies the process of collecting customs duties and taxes, develops logistics and infrastructure of Russian marketplaces, as well urges cross-border transit.⁶⁸

The analysis of Amendments to the Federal Law on Customs Regulation demonstrates that simplification of administrative procedures and creation of bonded warehouses will be good for e-commerce platforms operated in Russia. In fact, the Russian government supports only domestic and foreign on-line retailers, but does not encourage Russian manufacturers to sell abroad, and the sphere of on-

line export from Russia is still out of sight.

B. Russia-China E-Commerce Cross-Border Cooperation Perspectives

Today, China is Russia's the largest trade partner with USD 103,969 million in 2020.⁶⁹ Due to a cargo charter flight service launched in 2013⁷⁰ and a new railroad route opened in 2018 by the Russian Post,⁷¹ the average period of cross-border electronic logistics delivery was shortened up to 4-14 days⁷² and the cargo weight reached more than 6,500 tons. Since 2018 China has been accounting for about 50 percent of Russia's cross-border e-commerce turnover.⁷³ It is thus clear that, first of all, a decision of Russian government to realize a bonded warehouses project is the step forward to Chinese companies. Amendments to the Law on Customs Regulation will stimulate e-commerce import from China to Russia, but not positively affect e-commerce export.

The Russian government should reassess its approach concerning cross-border e-commerce regulation and promotion of Russian export companies. It may be better to establish bonded warehouses in conjunction with a special treatment for domestic cross-border e-commerce enterprises.

Currently, Russia does not have special areas to stimulate cross-border e-commerce. In this case, the Russian government shall take into account Chinese experience concerning the establishment and management of CBECPA. It could give lessons for Russia how to reconsider its cross-border e-commerce administration, taxation and customs policy for rapid development of cross-border e-commerce. Based on the Chinese concept of "Six Systems and Two Platforms," Russia could elaborate a legal framework to amend legislation on special economic zones and launch its own e-commerce pilot areas with a comprehensive support for domestic e-commerce companies. Chinese concept of promotion e-commerce on two levels (national and local) shall be also acknowledged. Therefore, in Russia, special attention should be paid on involving regional governments for the improvement of e-commerce, because currently they do not have legal ground to provide financial and other help for cross-border e-commerce companies. Thus, the Russian government is required to promote well-balanced administrative measures to link and stimulate cross-border e-commerce import and export together.

Conditions for domestic enterprises to successfully carry out cross-border e-commerce activities also could be established by a cross-border e-commerce

international cooperation mechanism.⁷⁴ Both the Russian Federation and the Peoples Republic of China have joint projects concerning e-commerce. For example, an integrated comprehensive service platform of transaction guarantee, offline financing support and warehousing was launched between Russia and China in the Chinese city of Suifenhe bordering Russia.⁷⁵ This platform established the connection between General Administration of Customs of China e-port system and operating systems of e-commerce platforms, e-commerce enterprises and logistics companies.⁷⁶

Chinese scholars describe platform in Suifenhe as a successful example of cross-border e-commerce supervision experience, but they also notice that while the Sino-Russian cross-border e-commerce is developing rapidly, its related supporting infrastructure, including cross-border payment and cross-border logistics, is still relatively backward and limits the further expansion of Sino-Russian cross-border e-commerce.⁷⁷ In order to obtain mutual benefits from cooperation, both parties should take into account and overdue named problems in a solid manner, based on the same principles. Otherwise, e-commerce platforms' suppliers from one country will get an advantage over manufactures from the other.

China and Russia have a good background for accelerating further e-commerce cooperation. In 2018, the PRC Ministry of Commerce and the Russian Ministry of Economic Development signed a Memorandum of Understanding on E-commerce Cooperation.⁷⁸ The Russia-China MoU on E-Commerce Cooperation indicates that both parties should promote regional cooperation and cross-border trade, constantly improve trade facility, and strengthen the exchange and coordination of policies and regulations.⁷⁹

China's Heilongjiang province bordering Russia proposes an initiative to construct the cross-border zones of economic cooperation in border areas together with Russia.⁸⁰ Therefore, the two sides can use it as a first step to discuss how to mutually simplify delivery and customs procedures for cross-border on-line retail import, and, if successful, how to construct joint experimental cross-border e-commerce areas based on the model of China's "Six Systems and Two Platforms" principle. Launching these areas will positively affect local manufacturers, major e-commerce platforms as well as small and medium sized enterprises in both countries. If Russia and China coordinate cross-border e-commerce policy and launch joint cross-border platforms their businesses could become equal players

with new channels for promoting its goods and advantages in cross-border trade.

VI. CONCLUSION

China takes the E-Commerce Law as a reference and actively creates a transparent, open, and fair cross-border e-commerce operation environment. Established by the PRC State Council, CBECPA combine preferential state taxation with a regional industrial environment and innovative supervision. In order to timely react to the changes in such a fast-developing sphere like e-commerce, it is necessary to shorten the decision-making process at all levels. Therefore, local authorities are empowered to choose by themselves the measures for e-commerce support and the CBECPA promotion. The “Six Systems and Two Platforms” principle is another good example of legal and administrative practice of China which introduced a new model of interaction between official bodies and enterprises, and pushed the development of cross-border e-commerce. In this vein, CBECPA is a new type of special economic zones which is exquisitely integrated into the Digital Silk Road, bringing micro and small-sized businesses into the global market.

China is the main e-commerce partner for Russia, but their cooperation is limited by the absence of Russian e-commerce legislation and imperfect infrastructure. In 2022, Russia will amend the Law on Customs Regulation to launch bonded warehouses. Although this step will be good for consumers, e-commerce platforms and foreign (mostly Chinese) business, it will not positively affect Russian manufactures. In order to equalize situation and achieve benefits for domestic companies, the Russian government is recommended to launch its own e-commerce zones. It could implement the Chinese approach concerning CBECPA to improve e-commerce cross-border policy. Moreover, both states following the Russia-China MoU on E-Commerce Cooperation and the “Six Systems and Two Platforms” principle could develop and introduce the concept of joint cross-border e-commerce area, which will facilitate mutual e-commerce and promote bilateral beneficial trade development.

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