

## Discussions on Laws and Regulations of Online Games Management in China

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### Abstract

**The Interim Measures for the Administration of Online Games issued by the Ministry of Culture in 2010 is the most important legal regulation document for online games in China so far. Within nine years of its implementation, the law has played an important role in maintaining the security of the online world and promoting the orderly development of online games according to law. At the same time, China has also issued relevant regulatory legal documents, but there are still deficiencies. It is urgent to improve the legal regulation system of online games and improve the governance ability of online games.**

### Keywords

**Online games; Law; Minors; Virtual currency.**

### 1. Introduction

With the rise of smart phones and the enlightenment of games, games develop rapidly. Over the past ten years, from terminal game to mobile game to the emerging small game, game is a little bit into the people's life. At the same time, the reality is that the number of people addicted to games is increasing year by year, especially teenagers in the learning stage. The more serious problem is that the current norms of online games have not been fully perfected. While online games bring pleasure to the masses, their addiction and contents not in line with socialist core values promoted in the games have brought irreparable negative effects on the growth of teenagers. In particular, juvenile delinquency and other related social problems have been widely concerned by all walks of life. But at present, China's legal regulations on online games are not perfect, and targeted legal documents have been abolished due to some objective reasons. Now, special laws or administrative regulations for the regulation of the game industry are in a blank state, and the game industry is in chaos frequently. A series of phenomena lead to the realization of the 18th National Congress of the Communist Party of China put forward to "strengthen the network social management, promote the orderly operation of the network according to law" farther away.

In this regard, it is particularly important to analyze the legal regulation of online game management in China. In this article, after relevant laws and regulations have been studied, combined with the implementation effect, put forward the existing problems and suggestions on the issued laws and regulations, for the establishment of a rule of law protection, government supervision, social coordination, public participation of online game governance system to provide reference.

### 2. Current Legal System

At present, the management of online games in China is based on Cybersecurity Law of the People's Republic of China, Copyright Law of the People's Republic of China, Decision of the Standing Committee of the National People's Congress on Preserving Computer Network Security, Administrative Measures for Internet Information Services and so on.

The targeted terms have been published in the The Interim Measures for the Administration of Online Games (now expired), currently in the blank area.

### **3. Current System Norms**

#### **3.1. Strengthen the Protection of Minors In Online Games**

In view of the weak self-control and screening power of minors, they are prone to addiction in online games, which affects their studies and physical and mental health. In accordance with the principle of "priority protection" in Law of the People's Republic of China on the Protection of Minors, it is clearly required that online game business units should take a series of measures to protect minors: First, based on the contents, functions and user scope, formulate the user guide and warning information; Second, an online game orientated to minors shall not contain anything that may induce minors to mimic any violation of social ethics or law or any criminal act, or contain any horrible, cruel or other thing that may harm the mental and physical health of minors; Third, according to the relevant provisions of the state, take technical measures to prohibit minors from access to improper games or game functions, restrict the playtime of minors and prevent minors from indulging in network; Fourthly, it shall not provide virtual currency trading services of online games to minors.

These institutional arrangements aim to further strengthen the protection of minors and provide a healthy online game environment for minors by regulating the business behavior of online game business units.

#### **3.2. Standardize Business Operations of Online Game Business Entity**

Regulating the management operations of online games is an important point to maintain the order of online games market. At present, user accounts loss or stolen due to inadequate technical security measures; False propaganda in online game market promotion; Deliberately setting fraud traps to induce users to invest too much money and energy; The disputes caused by the termination of operation have seriously disrupted the market order and affected the healthy development of the market.

All online game business entity must strictly follow the Development Standard of Online Game Anti-Addiction System and Real-name Authentication Scheme of Online Game Anti-Addiction System for development and deployment, and shall not arbitrarily change the mode of implementation, expand or narrow the system function permissions, and must obtain a Permit for Cyber Culture Business Operations.

In view of the key points of online game promotion, operation, consumption, termination and other links, starting with technology and system, formulate institutional norms: Firstly, no compulsory confrontation shall be set in any online game without the consent of the users of the online game; Secondly, anything prohibited shall not be present in the promotion and publicity of an online game; Thirdly, it shall be prohibited to induce any online game user to obtain any online game product or service with legal tenders or virtual currency of online games by a random draw or any other accidental means; Fourthly, it shall not authorize any entity unqualified for operating online games to operate any online game; Fifthly, it shall require an online game user to make real name registration with a valid ID certificate; Sixth, an online game operating enterprise who terminates the operation of an online game, or assigns its right to operate an online game, shall make an announcement 60 days in advance; Seventh, according to the relevant provisions of the state, it shall take technical and managerial measures to ensure the safety of online information and protect national secrets, trade secrets and users' personal information pursuant to law.

### **3.3. Improve Online Game Virtual Currency Issuance and Transaction Management Measures**

With the rapid development of online games, virtual currency of online games is widely used in online game management services. While promoting the development of the online game industry, virtual currency of online games also brings new economic and social problems, which are prominently reflected in the lack of protection of users' rights and interests, the lack of supervision of market operations and the continuous disputes caused by the use of virtual currency of online games.

In order to effectively solve the above problems, summarize the existing management measures and standardize the online game virtual currency issuing and trading activities throughout all links. For the online game operation enterprises, it is required that the scope of use of online game virtual currency is limited to exchange online game products and services provided by themselves; Shall not be distributed for the purpose of maliciously occupying the prepayment of users; Keep the the purchase record for at least 180 days; The categories, price, total amount, etc. of the distributed virtual currency of an online game shall be reported to the provincial culture administrative department at the registration place of the entity for filing purposes according to the relevant provisions.

As for online game virtual currency transaction service enterprises, it is required that they shall not provide trading services for minors; Shall not provide trading services for online game that which has not been examined or has not gone through the filing formalities; Correct handling of illegal trading activities; Keep the inter-user trading records, account records and other information for at least 180 days.

### **3.4. Step up Efforts to Protect the Rights and Interests of Online Game Users**

The protection of users' rights and interests in online games has always been a hot issue in the online game market, which occurs in every link of online game operation. At present, the disputes of users' rights and interests in the online game market are manifested prominently in some online game operators' shirking the responsibility of adducing evidence in the case of any infringement upon the legitimate rights and interests of an online game user or any dispute with an online game user; Some operators through the formulation of formatting agreements, will be unequal overlord terms imposed on users and other aspects.

## **4. Problems Existing Under the Current Management System**

### **4.1. Online Games Have No National Boundaries**

Online games are based on the Internet, and the Internet itself has no concept of national boundaries, so the concept of online games in China is correspondingly vague, which brings many difficulties to China's industrial development and management. Online game is a kind of network culture and an important field of network digital content industry, which has great influence on social moral culture. When foreign online games enter China, they will inevitably collide and blend with Chinese culture and social values. Some of the unhealthy game contents will poison the physical and mental health of teenagers. It is difficult for the government management department to completely control and stop this kind of online games beyond national boundaries. It is the primary problem for the management of online games to guide the healthy development of the content of online games by taking measures to take advantage of the situation and avoid harm.

### **4.2. Inadequate Policy Publicity**

Online games are an emerging industry in China, and there are few laws and regulations concerning the supervision and approval of online games. Although China's online game

industry develops rapidly, it was not until the beginning of the 21st century that China began to pay attention to the influence of online games and formulate corresponding laws and regulations. So far, the country promulgated the regulation of the online game market, only issued in 2004 Notice on Strengthening the Audit of Online Game Product Content, issued in July 2005 Some Opinions of the Ministry of Culture and the Ministry of Information Industry on the Development and Administration of Net Games, Notice on Purifying Online Games and other documents. China's online game management laws lack specific legislation and the existing network management rules and regulations are at the lower level, making online games less regulated than they should be. Although the country has a series of regulations, it is difficult to cover and solve the problems in the online games.

Moreover, the laws and regulations formulated by the government are not strong enough in enforcement. The Measures on the Administration of Business Sites of Internet Access Services stipulated that Internet cafes and other places are not allowed to operate content containing pornography, gambling, violence and other information. However, driven by economic interests, internet cafes have become an open secret to operate online violent games. The division of labor of online game management department is not well reflected in the laws and regulations, which leads to various departments to shirk the responsibility of complex problems, and online game management lags behind, causing serious harm to the society.

#### **4.3. Game Classification System**

The current game classification system in China is stipulated by Online Game Age Tips, which consists of three parts, mainly for the compliant publication and rational use of online games. The standard stipulates that the identifiers of the age prompt are based on three different ages: green 8+, blue 12+, and yellow 16+, but does not include the age of 18+, which may cause ambiguity. It is also the difference between this standard and foreign game classification system. Although the advance method has made some progress, it still pales in comparison with the foreign five to seven level grading system.

#### **4.4. Imperfect Control of Technical Means**

China has made a lot of exploration and attempts in the control of online game addiction. In terms of technical control, the anti-addiction system and the real-name system of online games, as the flags of "green online games" and "healthy online games", are beneficial attempts. But whether their functions are really effective remains to be verified. The anti-addiction system and real-name system of online games are aimed at preventing teenagers from becoming "addicted to online games" patients. However, the anti-addiction system, which has policies and countermeasures, is highly expected by people and regarded as the "necessary skills" of Internet addiction but has not brought too much joy to people. It is still common to use grandparents' ID cards to create accounts.

### **5. Suggestions and Proposals for Problems**

In terms of supervision, policies should focus on the combination of dredging and blocking. On the one hand, we should strengthen the support and management of excellent online games. Blindly to prevent the output of games, is bound to affect the development of the industry, thus affecting economic development. On this basis, promoting games that are good for the masses can go a long way towards solving this problem. This kind of game needs more attention and support. If the policy encourages the manufacturer to work hard in this direction, it is bound to be able to make beneficial online games in the general trend to replace useless online games.

It is necessary to strengthen the supervision of the game industry in addition to replacing useless online games with beneficial online games. The law is an important tool for achieving

equity and protecting the weak. Just think about it. Under the law of the jungle, whoever has the power, whether it is violence or intelligence, can dominate the world and enslave others. This law goes against the comprehensive and free development of all human beings, as well as the development of civilization and the consensus of everyone. In terms of game addiction, minors and adults who have no self-control or not high recognition degree are weak. They themselves are weak. Then if they are lured by the network game to indulge in them and cannot extricate themselves, it will reduce their survival and development ability, leading to more and more weak until they are eliminated. This is the fair and the consensus of human civilization. Our legal policies should clearly protect the weak and increase the legal responsibility of online game companies.

In this regard, the State has taken action. With the Law of the People's Republic of China on the Protection of Minors stipulating that providers of online products and services shall not provide minors with products and services that induce their addictions. Online game service providers shall not provide online game services to minors from 22:00 to 8:00 of the following day. Notice by the General Administration of Press and Publication of Preventing Minors from Indulging in Online Games proposes to implement a real-name registration system for online game accounts; strictly controls the time and duration of minors' use of online games; standardizes the provision of paid services to minors; strengthens industry supervision; explores the implementation of age-appropriate notification systems; actively guides parents, schools and other social forces to fulfill the responsibility of juvenile guardianship and other six measures.

In addition, the government should strengthen the protection of adults with poor self-control and identification from being addicted to virtual networks such as online games when formulating policies to promote their self-development and contribution to society. From this perspective, in addition to strengthening the research based on the addict network game addiction harm and publicity, we need to strengthen the network game industry, including classifying and grading management on the basis of the content of the network game, social function, addiction; advertising on the release of appropriate limits; canceling the software industry from the tax preferential policies or imposing consumption tax; giving appropriate restrictions at the recharge consumption amount and game time.

Online game enterprise operators should also pay attention to fulfill social responsibilities, be honest and law-abiding operation, not blindly pursue corporate profits, especially for the evil of inducing human nature, making people degenerate to gain profits.

Parents should be fully aware that children's identification and control ability is not high, improve their own Internet literacy, regulate their own behavior of using the Internet, set an example, strengthen reasoning, develop targeted education and guidance measures, strengthen the guidance and supervision of minors, including online games, video surfing and other online behavior.

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