



## **ANALYSIS OF SUPERVISION MEASURES IN LOCAL NETWORK MARKET**

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### **ABSTRACT**

With the arrival of the Network economy era, the whole social and economic life has undergone tremendous changes. Network economy changes the traditional way of business activities; Regional economy produced a significant and far-reaching influence. And The economic development of China's Internet is swift and violent, in the past decade, rapid development has become the world's largest network retail market, by the end of 2014, our country network commodity transaction size has reached 10.2 trillion yuan. With the rapid development of network economy, network offense also to ten times or even non-linear growth. Sustained and healthy development of the network market, Urgently need to meet the needs of economic development, the Government in formulating a new economic system to maintain a fair and just order of network transactions. Based on case, this paper has introduced network market status, analyzed the network market problems, then economic regulation for the current network problems and challenge, verify that the network operator market, building business credit monitoring system, and to strengthen the construction of supervision team to put forward some countermeasures.

**Keywords:** Network market,Supervision Measures,Market order

**JEL Classification:** Q3, Q4

## 1. Introduction

Case introduced: In July, market supervision administration of Xinle received an inform against report from a consumer of other city. Consumers from Xinle network operators to buy \$twenty thousand worth of furniture. Late the consumer found what the website claimed that the products such as green environmental protection is unsubstantiated, believed the network operator is suspected of fraudulent advertising, then turn to market supervision administration, asked for investigation and disposal.

## 2. Disposal

Received a consumer reports, our law enforcement officers investigated the matter immediately, found out the furniture company belongs to two areas. Law enforcement officers found that the company's address shown on the website is in a store of Xinle, but it was empty, no workers were found. By examining the enterprise registration information, law enforcement officers found the company's address is false as well. By phone, the legal representative of the company said he was only a nominal legal person, not privy to day-to-day operations of the company, told law enforcement officers Mr. Liu is the real legal person. Law enforcement officials informed and order Mr. Liu to come to Xinle market supervision administration to cooperate with the investigation. Till now, Mr. Liu still could not be reached, cases cannot be settled. Xinle market supervision administration listed the furniture company in the abnormal operation list.

## 3. Analysis

With the development of the Internet, online shopping has become one of the most important forms of consumption. At the same time in the network economy booming, the illegal behavior of network commodity transaction also go hand in hand, emerge in an endless stream. Regardless of the **individual network** business, or third party network trading platforms, there are problems including infringing of trademark rights, unqualified commodity, fraudulent advertising, releasing illegal advertising and other illegal behaviors. All these seriously affected the normal order of the network market, hindered the healthy development of the network economy.

In order to ensure the sustainable and healthy development of the network economy, must establish the good network market order, which depends on the relevant departments of the network commodities trading supervision. For each relevant functional departments, belongs to a new thing of network commodity

transaction, the network commodity transaction regulation is a new field, compared with the traditional supervision, network commodity trading regulation network in the method of division of responsibilities, supervision way are obviously different.

#### **4. Problem**

##### 4.1. The illegal behavior of network commodity transaction hard to investigate

Network commodity transaction happens in a virtual market, web page information or transaction data and other evidence are quite easy to be destroyed. After the consumer disputes, some businesses adopt the strategy of delaying, hiding, acting shamelessly, even modify, destroy, or delete the transaction data. Transaction data often controlled by the enterprise or its authorized third party, market supervision administration's investigating needs the enterprise's cooperation, and limited by the equipment and means of obtaining evidence in local market supervision administration, increases the difficulty of forensics work.

##### 4.2. Online commodity trading violations punished hard

With super time, super regional characteristics of the Internet, the activities of network operators is very subtle, unable to take a common regulatory approach to addressing complaints, investigation and handling of cases. In practice, some complaints reporting maybe across the jurisdictions, some even involve overseas operators, it's difficult to sanction parties, even though the law enforcement official handled a complete evidence, as a direct result of cases not solved completely.

##### 4.3. Network commodity transaction supervision effect is poor

Network commodity transaction involves e-commerce, computer networks, and much other areas of science and technology knowledge, regulators have to master proficiency in Internet-related knowledge and network knowledge, as well as in transaction management and business law. Current law enforcement personnel is unable to meet this requirement, regulatory means still stay on by searching the web, door-to-door to collect information, which is heavy in workload and low efficiency. It is still unable to build an network commodity transaction supervision method to detect illegal behavior effectively on the Internet.

#### **5. Countermeasures**

##### 5.1. To strengthen the supervision of market access

The enterprises or individuals which will trade commodities through the network, should be required to register the communications department or Internet trading platform(Taobao, dangdang, etc.), check the companies or personal real

information, then the communications department or Internet trading platform open e-commerce platform for legal affairs, and allows the query information.

### 5.2. Speeding up the construction of the network credit system and the supervision platform

To strengthen the construction of credit warning platform of network commodities transaction. The platform would exposure the illegal behavior that seriously violated consumers legitimate rights real-timely, regularly published online shopping consumer alert to remind consumers trading risks.. Transaction data, web site, detailed address and contact telephone number, payment vouchers and other information must be saved to ensure the safety of trading.

### 5.3. To strengthen the construction of supervisor team.

According to the age and responsibility division of labor, reasonable determination of the content of study and training, adjust and improve the daily duties. Law enforcement officials should contact theory and practice, through real work and real time to resolve outstanding issues. To strengthen the construction of supervisor team, including enhancing network monitoring of staffing, training and management, network supervision, **strengthening the** fiber network monitoring platform search material equipped with network support, professional supervision, and so on. Obviously, if only by constantly explore new means and methods of supervision, we will make our government more reasonable and scientific.

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