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1. Artificial Intelligence Industry Standardization System to be improved

On July 2, Ministry of Industry and Information Technology("MIIT"), Office of the Central Cyberspace Affairs Commission("CAC"), National Development and Reform Commission and National Standardization Administration jointly issued the <u>Guidelines for the Construction of the National Artificial Intelligence Industry Comprehensive Standardization</u> System (2024 Edition)(hereinafter referred to as the "Guidelines").

The artificial intelligence industry standardization system includes seven parts: basic commonalities, basic support, key technologies, intelligent products and services, empowering new industrialization, industry applications, and security/governance. The basic common standards mainly include artificial intelligence terminology, reference architecture, testing and evaluation, management, sustainability, etc. The basic support standards involve standards for basic data services, intelligent chips, intelligent sensors, computing devices, computing power centers, system software, development frameworks, and software hardware collaboration. Taking the large model standard as an example, the relevant standards will focus on the technical requirements for regulating the training, inference, deployment, and other aspects of the large model, including general technical requirements for the large model, evaluation indicators and methods, service capability maturity assessment, generated content evaluation, and other standards.

It is worth mentioning that the "Guidelines" also include security and governance as important components of the artificial intelligence industry standard system, requiring the standardization of security requirements for the entire lifecycle of artificial intelligence technology, products, systems, applications, services, etc. At the same time, regulations include ethical risk assessment of artificial intelligence, ethical governance technology requirements and evaluation methods for fairness and interpretability of artificial intelligence, and standards for ethical review of artificial intelligence.

2. Illegal collection and use of personal information in coffee consumption scenarios

Following the 1st edition of *Case analysis of illegal collection and use of personal information in coffee consumption scenarios* released by Shanghai CAC on June 25, Shanghai CAC <u>released 2nd edition of Case analysis of illegal collection and use of personal information in coffee consumption scenarios on July 2.</u>

Illegal collection and use of personal information in coffee consumption scenarios refer to coffee enterprises' illegal collection and use of consumer's personal information when consumers using online mini program to order coffee online. The first edition of the case analysis stated three common illegal and irregular issues had been identified including mandatory or default consent to privacy policies, privacy policies are missing, untrue or incomplete, and mandatory or frequent inducement to collect precise location information.

In the new edition, Shanghai CAC further includes illegal behavior such as inducing collection of consumers' phone numbers or inducing consumers following official account on Wechat platforms, lacking of provision to disable personalized push function and lacking of provision to delete personal information function.

Relevant behaviors of coffee enterprises illegally process, collect and use consumer's personal information, which are in violation of provisions of the PIPL:

- Inducing consumers to provide their phone numbers and to follow enterprise's wechat account does not fall within the scope of principles of legality, legitimacy, necessity and good faith when processing personal information (violation of article 5 of the PIPL).

- The privacy policy of the mini program has stated that it will provide personalized push functions, but it does not explain how to turn off this function, nor does it provide options for non personalized push information, which violates the personal information rights of consumers (violation of article 24 of the PIPL).
- For lacking of provision to delete personal information function, the account cancellation function was not found in the mini program, which infringed on the right of consumers to delete their personal information. Personal information processors shall establish an application acceptance and processing mechanism for consumers to exercise their personal information rights, and provide convenient deletion channels and functions (violation of articles 47 and 50 of the PIPL).
 - Several coffee enterprises such as Starbucks, Luckin Coffee, Manner Coffee, Tims, M Stand, Seesaw Coffee, Peet's Coffee involved in the above-mentioned illegal and irregular issues, will rectify the issues accordingly in accordance with the PIPL. Shanghai CAC will conduct periodic "retrospective" inspections, and enterprises that fail to rectify or have serious problems will be strictly investigated in accordance with the law.

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