

Analysis of the practical application of civil and commercial law in the construction and improvement of personal credit system

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Abstract: Personal credit, as a concentrated manifestation of personal moral quality, is not only the core component of the national credit system, but also the cornerstone of a solid relationship between individuals and society. Personal credit can intuitively reflect the business reputation, and many platforms assess this through the personal credit rating module, and the excellent score often means that the individual's ability to fulfill the contract is strong, and the reliability of the transaction is high. This paper focuses on the perspective of civil and commercial law, analyzes in-depth the intrinsic connection between civil and commercial law and personal credit system, and points out the ambiguity of the content of credit principles in the current civil and commercial law and some problems in the construction of personal credit system. On this basis, this paper puts forward the realistic integration path of civil and commercial law and sound personal credit system exploratively, and strives to provide theoretical support and practical reference for the construction of a more perfect personal credit system, with a view to promoting the synergistic effect of the two in the maintenance of market order and the protection of transaction security.

1. Introduction

Individuals as the core subjects of market trading activities, their trading behavior and results have a decisive impact on the market. The economic activities between enterprises and individuals are all based on the communication and interaction between people, and these exchanges are ultimately transformed into economic activities in the industrial chain and promote the development of market economy. Theoretically, the amount of information mastered among market trading subjects is positively correlated with their connectivity, and the comprehensiveness and accuracy of information help shape a fair, transparent and efficient trading environment. For example, e-commerce platforms provide users with comprehensive and accurate credit profiles by constructing personal credit systems containing multi-dimensional information such as transaction history, performance, social behavior, consumption habits, etc., such as Sesame Credit, Jingdong Xiaobai Credit, etc., which in turn reduces the transaction risk, improves the transaction efficiency, and promotes the benign cycle of market transactions. Information asymmetry will lead to an increase in transaction risk, at this time the civil and commercial law as an important legal tool to

maintain market order and protect the interests of the main body of the transaction, need to follow the pace of the times, combined with the laws of the market economy, constantly improve the personal credit system, through the full disclosure of information, reduce transaction risk, and then promote the healthy development of the market economy.

2. Influence mechanism and research hypothesis

2.1 Intrinsic connection between personal credit system and civil and commercial law

The personal credit system, rooted in the social moral norms, is the embodiment of the conventional moral system formed in the long-term life practice, which constitutes the cornerstone of the systematization and standardization of the credit system. In China, although credit is regarded as a necessary quality for citizens, its specific connotation has not been clearly defined at the legal level. With the gradual improvement of the civil and commercial law, the close connection between the personal credit system and the development of the market economy has been recognized, and its importance has been highlighted in the new civil and commercial law. The Civil and Commercial Law not only clearly defines the meaning and connotation of personal credit, but also stipulates the principle of punishment for violating credit, providing legal support for the construction of personal credit system. In market transactions, both parties exchange resources based on their interests, which requires the ability to perform, and credit, as the basic element to guarantee transactions, is the key to market stability and harmonious economic relations, although it is difficult to commercialize transactions. The integration of personal credit system and civil and commercial law aims to stabilize market transactions, enhance the legitimacy and reliability of economic activities, regard credit as the core capital of the market, and promote the systematization, standardization and scientification of benign market operation. Although credit has long been regarded as a social and moral requirement in China in the past and has not been explicitly stipulated in legal provisions, with the acceleration of the construction of civil and commercial law, it has been recognized that the personal credit system is a basic quality requirement for the development of the market economy, and specific requirements have been put forward for personal credit in the Civil Law and the Contract Law, in order to constrain the conduct of market transactions and to maintain the order of the market economy.

2.2 The necessity of the integration of civil and commercial law and personal credit system

The integration of civil and commercial law and personal credit system is inevitable for the development of market economy. Since the second industrial revolution, foreign countries have established a mature personal credit evaluation system. With the continuous growth of China's economy, the importance of the personal credit system has become more and more prominent, and there are still deficiencies in the management and legislation of China in the construction of personal credit system (see Table 1).

Civil and commercial law as a key path to realize the rule of law of personal credit, the integration of the two can not only enrich and improve the content of civil and commercial law, but also significantly enhance the credibility and authority of the personal credit system. At present, China's personal credit system has covered identity information, credit card and loan information, and with the development of the market economy, daily transactions such as telephone bills, water bills, electricity bills, etc. have also been included, providing a more comprehensive information resources for market economic activities (see Table 2).

Table 1: Problems in the construction of personal credit system

Type of problem	Description of the specific problem	Website
Restricted vigor of credit service market players	Currently, there is a shortage of supply and demand in the market, and it is difficult for enterprise credit and integrity evaluation agencies to survive, and there are only two licensed personal credit agencies.	http://www.pbccrc.org.cn/
Lagging credit legislation	Credit information "silos" are difficult to break, credit reward and punishment mechanisms are not sufficiently based, and more than 4 billion contracts are signed annually, with a performance rate of only 50 per cent	https://www.gov.cn/
Practical aspects of personal credit scoring systems	In the model cities, the personal credit scoring system suffers from unclear attribution boundaries, non-transparent scoring calculations and unsound publication procedures	https://www.creditchina.gov.cn/
Credit information sharing and regulation	Accelerating the sharing of credit information, establishing a credit information network covering all credit subjects, and forming credit files with unified standards and authoritative and accurate information.	http://www.pbc.gov.cn/
Credit regulation and credit services	Improve the new credit-based regulatory mechanism, promote credit grading and categorization of regulation, and enhance the accuracy and effectiveness of regulation	https://www.gov.cn/
Cross-Border credit compliance building	Sorting out existing legal norms and formulating compliance tasks to strengthen the regulation of cross-border transmission of personal credit information	https://www.cac.gov.cn/

Table 2: Key elements of personal credit systems and market applications

Staple	Areas of application	Provenance
Financial and credit information sharing	Improving the efficiency of financial and credit services and reducing risks	http://www.pbccrc.org.cn/
Personal credit record building	Promoting comprehensive recording and sharing of personal credit information	https://www.gov.cn/
Development of market-based credit bureaus	Meet diversified credit demand and improve credit service quality	http://www.pbccrc.org.cn/
Protecting the security and privacy of personal information	Strengthening the protection of personal information and ensuring information security	http://www.pbccrc.org.cn/
Serving micro and small business financing	Sharing of information on micro and small enterprises through credit platforms to improve the availability of financing	http://www.pbc.gov.cn/
Credit rating agency incubation	Cultivating credit rating agencies with international competitiveness to serve the strategy of opening up to the outside world	http://www.pbc.gov.cn/

The integration of civil and commercial law with the personal credit system has helped to reduce

market risks and promote the healthy development of the market economy. Although it is difficult to quantify personal credit, it has become an important consideration in the sale of goods, such as credit companies tend to choose individuals or organizations with good credit in order to reduce risks. The integration of a sound personal credit system with civil and commercial law is an inevitable trend in keeping with the development of the times.

3. Main problems in the integration of civil and commercial law and a sound personal credit system

3.1 Lack of clarity in defining the content of credit principles

The core challenges to the integration of civil and commercial law with a sound personal credit system mainly stem from the fact that the personal credit system was not fully considered when the civil and commercial law was first created. Although the importance of personal credit has been recognized, the personal credit system in the civil and commercial law system is still imperfect [1]. As a key element in maintaining social order and promoting the development of market economy, the personal credit system represents the valuable wealth of people's long-term life practice. From the perspective of market economy, the personal credit system is designed to integrate personal credit information as an interconnected network of relationships, and any flaws in any link may affect the entire network of market relationships, triggering a wide range of negative impacts. Currently, although the basic requirements of personal credit are involved in civil and commercial law, they are expressed in general terms, and it is necessary to clarify the development goals and realize in-depth integration. Uncertainty in the definition of credit principles has become the primary challenge. Although the civil and commercial law outlines the macro framework of the credit system, there is a lack of clear interpretation of the specific content and meaning, resulting in a variety of doctrines such as regulating the function, unifying the provisions, regulations and legislation. China's personal credit principle is lagging behind in the development, and it is necessary to strengthen the legislation and constraints, and the mandatory legal constraints can help establish correct social values and guide the personal credit principle. The personal credit system under civil and commercial law lacks systematic and complete legal constraints, which makes it difficult to implement, and there are obvious deficiencies in the constraints on the content of the principle of personal credit and the confirmation of the legal status of the personal credit system. Deepening the integration of civil and commercial law with the personal credit system, clarifying the content of credit principles and strengthening legal constraints have become key issues that need to be resolved urgently.

3.2 Problems with the personal credit system

In the process of integration of civil and commercial law and personal credit system, it faces the constraints of imperfect cultural and social environments, which limits the effectiveness of the integration in reality. Although China's economic volume has jumped to the world's second, but the market economy and the development of personal credit consciousness did not go hand in hand, the immaturity of the consumer concept has become a constraint on the improvement of the personal credit system. Currently, there are obvious shortcomings in the management and institutional construction of the personal credit system, the lack of unified management standards and a sound institutional framework, and the lack of uniform evaluation indicators have led to significant differences in the credit system between regions, and the universality of the system is weak. The disconnection between the personal credit system and civil and commercial law at the level of management system further aggravates the difficulty of integration. More critically, the control of

the legal system on the personal credit system is still incomplete, there are many gaps and loopholes, and the protection of personal privacy is insufficient, which is not only prone to ethical and legal disputes, but also seriously undermines the credibility and authority of the credit system, and poses a serious challenge to the integration of civil and commercial law and the personal credit system. In the face of these problems, it is necessary to further improve the relevant legal system and strengthen the protection of personal privacy in order to promote the deep integration of civil and commercial law and personal credit system [2].

4. Strategies for promoting the integration of civil and commercial law and the personal credit system

4.1 Strengthening citizens' awareness of personal credit

There is still an obvious lack of personal credit awareness in China, which poses a challenge to the establishment of a sound personal credit system and the effective application of civil and commercial law in the field of personal credit. In order to strengthen citizens' awareness of personal credit, it is necessary to adopt diversified means of publicity, relying on traditional methods such as distributing publicity brochures and organizing regular lectures to carry out extensive publicity at the grassroots level, and at the same time making full use of modern information technology means to rapidly disseminate the importance and value of the personal credit system through social networking platforms, so as to form an atmosphere of common concern in the whole society. Policy popularization activities can also be carried out in densely populated areas to visually demonstrate the application of the personal credit system in real life through on-site explanations, case studies and other means, and to stimulate citizens to consciously comply with the credit norms of enthusiasm [3]. In promoting the integration of personal credit system and civil and commercial law, it is necessary to establish and improve the supporting mechanisms and supervision norms of personal credit to ensure that the system operates in a fair, just and open manner, and through the establishment of a reward and punishment system to guide the citizens to abide by the credit, and penalize the behavior of breach of trust, to enhance the level of credit of the whole society, and to provide a strong support for the benign operation of the market economy, and at the same time, to lay a solid foundation for the application of the civil and commercial law in the field of personal credit.

4.2 Playing the leading role of the government in the process of integration

In the process of integrating civil and commercial law with a sound personal credit system, it is particularly crucial for the government to play a leading role. As the core of policy making, the government's guidance profoundly affects the trajectory of the market economy and the behavioral norms of individuals (see Figure 1). Strengthening the government's functions and playing its guiding role is the foundation for ensuring the smooth progress of integration. The government needs to build an open and transparent management mechanism, clarify departmental responsibilities, guide the path of integration, focus on personal privacy protection and penalties for breach of trust, safeguard individual rights and interests through institutional design, increase the penalty for breach of trust, and safeguard market fairness and justice [4]. The civil and commercial law should formulate detailed personal credit management protocols to bring the construction of the credit system into the rule of law and provide legal support. The government needs to continuously analyze the intrinsic links and differences between the civil and commercial law and the credit system, combining the national conditions and the needs of the market economy, to ensure that the legal provisions can not only protect the rights and interests of the main body of the transaction, but

also guide the citizens to establish the concept of credit. By recording performance and punishing defaults in the credit system, individuals are encouraged to value credit and promote the optimization of the social credit environment. The integration of civil and commercial law and the personal credit system requires the joint efforts of the government, the market and individuals, and the role of the government in guiding the integration not only provides a system to guarantee the integration, but also promotes the continuous optimization of the social credit environment and lays a solid foundation for the healthy development of the market economy.

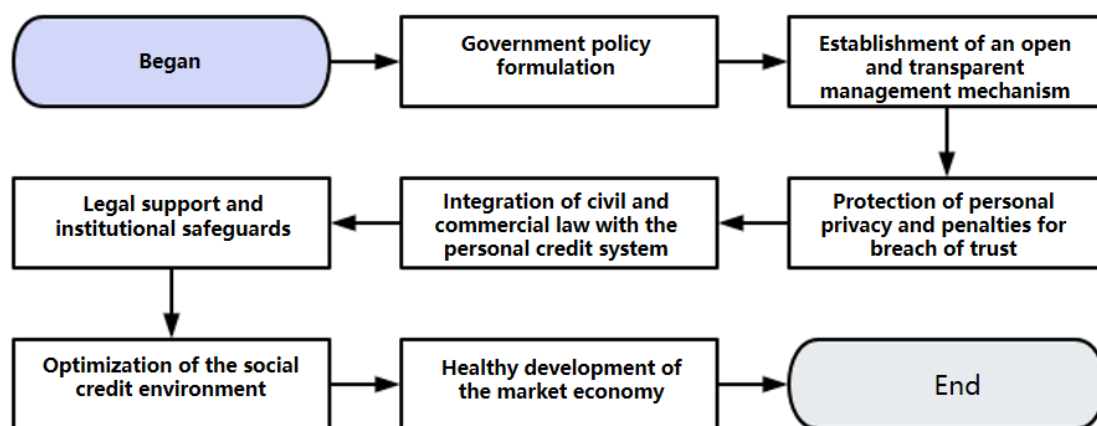


Figure 1: The role of government guidance in the integration process

4.3 Deepening the understanding and application of the details of the personal credit system

In the process of integrating civil and commercial law with the personal credit system, it is of key significance to deeply understand and apply the details of the personal credit system. As the core of market economic activities, the credit status of individuals has an important impact on social and economic development. The construction of personal credit system involves the collection and processing of a large amount of personal information, which poses a serious challenge to the protection of personal privacy. With the development of information technology, the issue of personal privacy has become more and more prominent, and how to effectively integrate credit data while protecting privacy has become an important issue. Currently, the imperfection of the information system has led to frequent leakage of personal information, which seriously threatens the safety of personal property and life, jeopardizes the security and reliability of the personal credit system, and may lead to confusion in the market transactions and reduce the credibility of the system. The integration process needs to adopt strict legal means to solve the problem of information leakage, clarify the mechanism of pursuing responsibility, ensure the legitimacy of the way and time of communication of personal information, protect the rights of the parties concerned, and avoid economic losses or personal threats. Through these initiatives, it is possible to ensure the safe and reliable collection of personal information, build a perfect personal credit system, enhance authority, and provide a solid guarantee for the healthy development of the market economy.

4.4 Strengthening legal protection

In the process of promoting the integration of civil and commercial law with the personal credit system, increasing legal protection and improving the legal system is a basic and crucial part. The rapid development of the market economy has given rise to a large number of lending platforms, and some of these small platforms have major flaws in their information security mechanisms, which puts users' personal information at risk of leakage, and there are even illegal behaviors of

selling users' information privately, which seriously infringes on users' privacy rights. To address this situation, it is necessary to build a legal system that matches the market economy from the legal level, and require lending platforms to sign legal agreements with relevant local organizations when registering, so as to clarify the responsibilities and obligations for information protection. For the leakage of personal information, the relevant departments should quickly intervene and seriously pursue responsibility in accordance with the law, so as to safeguard the legitimate rights and interests of users. Lending platforms that have not signed the agreement should be banned by law, have their business licenses revoked, and be prohibited from reopening for a set period of time. The implementation of these measures can effectively curb the leakage of personal information, promote the standardization of the operation of lending platforms, provide safe and reliable financial services for the public, and then promote the smoother integration of civil and commercial law and the personal credit system, serve the development of the market economy and protect the basic rights and interests of the public.

4.5 Constructing a sound credit system guarantee system

The key to building a sound credit system is to stimulate citizens' continuous participation and in-depth support, as well as to ensure the security of personal information [5]. The construction of credit system is a long-term and complex process, which requires the active participation of citizens based on trust and responsibility. The frequent leakage of personal information in cyberspace, such as the "Facebook data leakage incident", which led to the leakage of sensitive user information, has caused widespread concern and weakened the confidence of citizens in the construction of the credit system. In this regard, legal means have become the key to safeguarding personal information and building a credit system. As the guardian of social order, the law is mandatory and authoritative, and can build a solid line of defense for personal information security. Strict laws and regulations need to be formulated and enforced to refine the norms for handling personal information, clarify the responsibility for violations, and form a legal deterrent. The law should give citizens the right to control their personal information, including the right to know, the right to choose and the right to delete, to ensure that personal information is controlled independently. Strengthen legal publicity and education to enhance citizens' legal awareness and self-protection ability, identify and prevent the risk of information leakage, and create a safe and trustworthy online environment. The government and enterprises should take the main responsibility of protecting personal information, establish a sound information security management system, and adopt advanced encryption technology and protection measures to ensure the security and integrity of the transmission and storage of personal information. Through the dual protection of law and technology, a solid foundation is laid for the sound development of the credit system, which promotes the continuous prosperity and progress of the social economy.

5. Conclusions and recommendations

The integration of civil and commercial law and personal credit system has been effective in the market economic environment, which not only improves the legal system, but also promotes the construction of personal credit system. Online platforms such as Sesame Credit and the Central Bank Credit Reporting System have widely used personal credit scores in the fields of credit approval, leasing services, and consumer installments, which have improved the efficiency and security of market transactions. This integration process highlights the central position of credit in the market economy, provides a reliable credit foundation for economic behavior, and effectively restricts the behavior of market entities, maintains market order and promotes the healthy development of the market economy. In order to further optimize the integration, it is recommended

to continuously optimize the provisions on credit in the Civil and Commercial Law, clearly define the legal connotations, refine the provisions on the collection, use and protection of credit information as well as the penalties for breach of trust, and improve China's legal framework by drawing on the international mature credit legal system; promote the standardization and legalization of the construction of the personal credit system, ensure the unity and mutual recognition of the inter-regional credit system, eliminate credit barriers and enhance the overall effectiveness of the system; strengthen cross-sectoral cooperation, and establish a credit system.

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