

Legal Research on the Strength of China Government's Internet Financial Supervision --Taking "Ant Group Was Fined 7.1 Billion" as an Example

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Abstract. The present invention discloses a cathode frame of an electrostatic precipitator, comprising a rectangular frame composed of four horizontal bars and five vertical bars; The horizontal and vertical bars are perpendicular to each other and located in the same plane, and four horizontal bars are arranged parallel to each other, while five vertical bars are arranged parallel to each other; Four horizontal bars divide the longitudinal length of the rectangular box into three equal parts, five vertical bars divide the transverse length of the rectangular box into 2:1:1:2, and one of the vertical bars is located on the vertical centerline of the rectangular box; The upper section of the two outermost vertical rods on the rectangular frame is a reinforced vertical rod, and there are two horizontal through-holes on the reinforced vertical rod for installing the cathode frame support. The cathode frame of the electrostatic precipitator has a simple structure and convenient assembly, which can effectively prevent the cathode frame of the electrostatic precipitator from bending, deformation, or even sliding and collapsing from the overall cathode support, greatly improving the safety and stability of the operation of the electrostatic precipitator.

Keywords: Internet Finance; Government Role; Legal Regulation; Ant Group.

1. Background

In recent years, the rapid development of China's Internet Finance Industry due to advancements in Internet technology has introduced various new risks and challenges. The effectiveness of regulatory control in China's Internet financial sector is a multifaceted and crucial issue that significantly influences financial market stability and the protection of investors' rights. This study aims to investigate the current status and challenges concerning the strength of regulatory measures in China's Internet finance sector and put forward corresponding strategies and recommendations. By examining the roles, authorities, and enforcement protocols of regulatory bodies in Internet Finance through a legal lens, this paper delves into the legal complexities surrounding the regulation of Internet Finance in China. Using the example of the "Ant Group was fined 7.1 billion" case, the paper initially outlines the existing issues in China's Internet financial oversight, such as insufficient regulatory intensity, ambiguous delineation of regulatory roles between central and local authorities, and delayed government interventions. Subsequently, it thoroughly analyzes the root causes and consequences of these issues and offers solutions and recommendations for advancement. Furthermore, it evaluates the risk factors within the Internet financial industry and their broader impact on the financial market, proposing specific supervisory measures to ensure industry growth and safeguard investors' interests.

1.1 Concept and Business Model of Internet Finance

Internet Finance refers to a new form of financial business in which traditional financial institutions and Internet companies use network technology and communication technology to raise and disburse funds. Essentially, internet finance does not create new financial institutions, but rather innovates financial distribution and access channels. The business model of internet finance can be divided into four main categories: first, the internetization of traditional financial services such as commercial banking, securities, insurance, personal wealth management and other new forms of

business through the Internet; second, third-party payment covering gateway payment, mobile payment and other emerging modes; third, internet credit services such as online loans and crowdfunding; and fourth, virtual currencies such as those offered by companies like eBay and Facebook in the United States, etc. [1].

1.2 The Concept of Financial Regulation and China's Financial Regulatory System

In terms of definition, financial regulation can be divided into two categories: broad and narrow. The narrow definition of financial regulation refers to the supervision and management of financial institutions, markets and related activities. Financial regulation refers to the overall oversight of the financial industry by financial regulators in different countries in accordance with their national laws and regulations. In the broad sense, financial regulation includes financial institutions' adherence to industry standards, internal risk control, and oversight by society at large. Initially, there weren't any laws or policies in place to provide a special regulatory mechanism for companies like Ant Group. It was not until 2015 that the People's Bank of China (PBC), along with ten other departments, issued the *Guiding Opinions on Promoting the Healthy Development of Internet Finance*, which established a framework for the regulation of Internet Finance. After the listing crisis of Ant Financial in 2020, the relevant regulators frequently issued laws and regulations in response to similar incidents, and questioned Ant Group as many as three times. The regulators have pointed out that Ant Financial has a high risk potential and requires strict financial supervision due to its negligence in complying with regulatory requirements and lack of attention to legal awareness [2].

The financial industry is facing significant challenges such as intense competition, monopolies, and information asymmetry. These issues have resulted in severe damage to the financial system, making it crucial to enhance the Internet Financial regulation system and strengthen financial supervision. China's financial regulatory system comprises of three main bodies: the People's Bank of China (PBC), the General Administration of Financial Supervision (GAFS), and the China Securities Regulatory Commission (CSRC). These departments work together to prevent fragmentation and ensure effective and appropriate supervision. This collaboration is essential in mitigating systemic financial risks and guiding financial services towards the real economy in a effective and well-organized manner.

1.3 The Development History of Ant Group

Ant Group, formerly known as Ant Financial Services Group, is the leading enterprise in China's Internet Finance. It was established in 2014 and is the parent company of Ali-pay, the largest Internet payment platform in China and one of the leading Internet financial platforms in the world. Ant Group initially focused on third-party payment services and has since expanded to include fund management, insurance, credit, and other financial licenses. As a result, it now holds a full financial license and operates as a financial enterprise providing services through Internet Finance. Its main sources of business include Huabei, Zhima Credit, Ali-pay, and Yu E Bao.

Since its establishment, Ant Group has undergone multiple rounds of funding, with the largest financial round reaching \$14 billion. Its final company valuation is estimated to be as high as \$150 billion. In July 2020, Ant Financial Services was rebranded as Ant Group and announced its plans to be listed on both the SSE STAR Market and the HKEX simultaneously. However, in November 2020, the Shanghai Stock Exchange halted its listing on the Science and Technology Board. The reason for the suspension was due to the group's chairman, Jack Ma, expressing his personal views on China's banking system and criticizing specific features, such as the pawnbroking functions and the Basel system, at a financial conference in Shanghai. He also promoted the role of Ant Financial Group's low-interest loans for domestic small and micro-enterprises. Nonetheless, the deeper reason for the suspension was that Ant Group had excessive financial leverage on the eve of its listing, which increased its risks. As a result, the regulator cancelled the listing plan in order to control the risks in a timely manner.

1.4 Fines Imposed on the Ant Group

In July 2023, Ant Group and its institutions were fined 7.123 billion yuan by the government under the law. Meanwhile, the relevant regulatory authorities conducted a comprehensive investigation into the enterprise and found that the group and its institutions had committed a number of violations of the law, including failure to comply with payment business regulations, failure to pay interest on customer funds as required, unauthorized collection, use and marketing of consumer financial products, and failure to fulfill anti-money laundering obligations. The above conducts not only violated China's laws and regulations, but also contravened the basic principles of consumer protection.

The fine mainly consists of two parts: a fine of 3.7 billion yuan and a fine of 3.2 billion yuan from the PBC. The penalties imposed by the GAFS include, first, engaging in banking business without qualifications and participating in the sale of bank wealth management and Internet deposits in violation of the law. According to Article 19 and Article 44 of the *Banking Supervision and Administration Law*, the penalties include confiscation of the illegal income and a fine of up to five times the amount of the illegal income; second, engaging in the insurance intermediation business without qualification and illegally participating in the sale of personal care products. Penalties were imposed under Articles 6, 119 and 159 of the *Insurance Law*, with confiscation of the illegal proceeds and a fine of up to five times the amount; third, violating the legitimate rights and interests of consumers by engaging in misleading advertising, failing to disclose repayment requirements and failing to handle personal information in accordance with regulations. These are punishable under Article 59 of the *Consumer Protection Act* by confiscation of the illegal proceeds and a fine of up to ten times the amount of the offence, and relate respectively to the violation of consumers' rights to respect, fair trade and information, the violation of the use of form clauses and the mishandling of personal data.

2. The Current Situation and Problems of Internet Financial Supervision in China

In recent years, China has implemented a number of laws and regulations to regulate the Internet. While the above initiatives are to some extent aimed at combating illegal behaviour online, they primarily focus on network security, personal information protection and other aspects, rather than specifically addressing the field of Internet Finance^[3]. Although the regulatory system for Internet finance in China is gradually improving, with the People's Bank of China (PBC), the General Administration of Financial Supervision and Administration (GAFSA), and the China Securities Regulatory Commission (CSRC) as the main regulatory bodies, there are still some challenges. These institutions have developed relevant policies and clarified their regulatory responsibilities and scope, which has helped to alleviate some issues in the field of Internet finance. However, as a relatively new industry, Internet finance is developing rapidly and the laws governing it are often lagging behind, making it difficult to formulate effective regulations. As a result, there are still many irregularities in the field that need to be addressed.

In the Ant Group case, it has been revealed that there were irregularities in Ant Group's financial transparency and risk control, which have disrupted the market order and increased the risk of Internet Finance. This incident also sheds light on the shortcomings and loopholes in the legal system that regulates Internet Finance in China. The penalty imposed on Ant Group serves as a reminder that regulators will be strengthening their supervision of the financial market, particularly in regards to the rapidly growing Internet financial institutions. However, due to the unique characteristics of Internet Finance, there are still challenges in clearly defining regulatory efforts and determining the distribution of regulatory powers and responsibilities.

In the new era, the Internet Finance has become a dynamic force in the financial industry. However, there is a delicate balance that must be maintained between its development and government regulation. The government's role is not only to create a healthy environment for the growth of the

Internet Finance and promote its innovative power, but also to be vigilant and guard against systemic risks that may arise from this innovation. Preventing systemic risk should be the primary focus of the Internet Finance regulation. This means that government supervision should prioritize risk management, while also being adaptable to new developments and effectively controlling the spread of risks. Additionally, the law must strike a balance between maintaining market order and allowing room for innovation, without compromising the effectiveness of regulation. The healthy development of Internet Finance relies on the constraints and guidance of the law. Therefore, the government must ensure that Internet Finance operates within the framework of legal regulation. However, the government should also maintain an open and tolerant attitude towards potential issues that may arise during the process of innovation, allowing for exploration and experimentation while still controlling risks. Nonetheless, it is worth noting that the government's role in Internet Finance is not yet clear enough, judging by existing legislation and governance practices. This makes the government's regulatory hand in the Internet Finance market appear erratic. This uncertainty causes the government to vacillate between self-regulation and market freedom, which creates a dilemma and makes it difficult to accurately control regulatory efforts. Therefore, clarifying the government's position on Internet financial regulation is crucial to building a stable and orderly Internet financial market order. The government needs to have a clearer understanding of its own responsibilities and powers, not only to ensure the vitality and innovation of the market, but also to prevent the emergence of systemic risks. Only in this way can the government play a good role as a leader and guide in the development of Internet Finance, and provide a solid guarantee for the healthy development of the industry^[4].

The challenges facing China's Internet financial regulatory efforts can be categorized into three main dimensions. Firstly, from a holistic standpoint, the government's attempts to regulate the industry struggle with the delicate balance between regulation and innovation. Secondly, the division of responsibilities between central and local regulators hinders effective coordination of regulatory efforts. Lastly, the government's involvement in supervising the industry poses difficulties in determining the appropriate timing for intervention.

2.1 Regulation Strength: How to Balance Regulation and Innovation

Government financial regulation should focus on its strengths. The intensity of government regulation not only directly reflects its tolerance and permissiveness towards Internet Finance, but also indirectly reflects its attitude towards its own regulatory power. The government should carefully and prudently control the intensity of regulation. If the government's supervision is too strong, it may stifle the dynamism of financial markets, hindering the innovation of Internet Finance. On the other hand, if the government's supervision is too weak, it may lead to Internet financial institutions prioritizing economic interests over safety standards, potentially resulting in a financial crisis that could severely impact the development of Internet Finance^[5]. However, it is important to note that regulation of the Internet Finance industry should not be overly relaxed in order to sustain its growth or due to its positive impact on the overall financial industry. In the era of Internet Finance, the government must find the right balance and explore a new model of regulation and supervision to achieve effective and orderly regulation.

In the case of Ant Group, the company has played a significant role in improving the efficiency of financial services, promoting financial innovation, and developing financial inclusion since its establishment. Additionally, China has implemented a series of policies to support the growth of Internet finance. However, Jack Ma's speech at the Shanghai Summit in October 2020 raised concerns about whether the regulation of Internet finance companies had been neglected in the past. This neglect may have allowed giant companies such as Tencent and Ant Group to prioritize economic interests over following the law^[6]. As a result, the Central Economic Work Conference was held on December 16, 2020, where it was emphasized that the current focus of financial regulation is on preventing monopolies and disorderly capital expansion. Any financial innovation must be carried out under the supervision of prudent regulation.

2.2 Regulation Division: How to Divide Functions and Responsibilities between the Centre and Local Government

In a detailed discussion of the dualistic structure of financial law, it is important to acknowledge the complexity and significance of government's role in financial regulation. In this system, the central regulator holds a crucial position due to its legislative and regulatory authority, which includes bodies such as the PBC, GAFSA, and CSRC. Additionally, local government regulators, such as the Financial Work Offices, also hold legislative and regulatory powers, resulting in a co-regulatory framework^[7]. However, when this model is applied to the emerging field of Internet Finance, the division of power between central and local governments becomes particularly intricate. As a result, determining a fair distribution of responsibilities between the two has become a contentious issue. If the regulatory responsibility is fully delegated to the central government, it can grasp the overall regulatory direction from a macro perspective, but obviously faces the dilemma of high regulatory costs and difficulties in complying with the actual situation at the local level. On the other hand, if the regulatory power is completely delegated to local governments, it can improve the flexibility and adaptability of regulation, but it may trigger the risk of local protectionism, leading to the weakening of regulation, which in turn affects the healthy development of the whole financial market. It is an irrational division whether regulatory responsibility is given to the central government in its entirety or left entirely to local governments. This unreasonable division of responsibilities not only affects the efficiency of regulation, but also may pose a threat to the healthy development of Internet Finance^[4]. Therefore, how to ensure the central government's overall control over Internet financial regulation under the premise of giving full play to the positive role of local governments, so as to achieve effective cooperation and coordination between central and local governments in financial regulation, has become an important issue at present.

Under China's financial sector supervision, Ant Group's various businesses are overseen by different supervisory authorities. The payment business, which is a crucial part of the financial payment industry, is closely monitored by the PBC to ensure compliance and manageable risks. On the other hand, the fund and insurance self-management and distribution business is regulated by the GAFS to safeguard the rights and interests of investors and maintain the stability of the financial market. However, the small loan business of Ant Group still holds a unique position under the current regulatory system. Currently, there is no unified administrative regulatory body responsible for overseeing small loan companies nationwide, resulting in the local government taking on the regulatory responsibility. This fragmented regulatory landscape may lead to reduced efficiency and increased risk accumulation. It is important to note that Ant Group, being a cross-industry fintech company, has a diverse range of businesses, including payments, funds, insurance, and small loans. Compared to regulating specialized businesses, regulating cross-business operations is undoubtedly more challenging and prone to regulatory gaps and overlaps. Therefore, it is crucial to address these regulatory gaps under the current system and ensure the compliance and stability of Ant Group's various businesses.

2.3 Intervention Time: When to Intervene and Regulate

It is a foregone conclusion that the government will regulate Internet Finance, but there is controversy over when to intervene. Only by choosing the optimal time to intervene in Internet Finance can government regulators ensure that Internet Finance does not evolve in a detrimental direction. On one hand, if government intervention in regulation occurs too early, it may undermine the innovation of Internet Finance, which is not conducive to the diversity of the Internet financial market. On the other hand, if the government allows Internet Finance to develop freely without timely regulation, or fails to react when risks or problems arise, it may result in Internet financial risks spiraling out of control, potentially leading to the undesirable consequence of creating systemic financial risks^[5]. It is evident that a market failure phenomenon exists in the Internet finance market. Therefore, government regulation must act promptly to avoid intervening either too early or too late.

This approach is essential not only to enable Internet Finance to develop freely but also to prevent it from straying from the principles of inclusive finance.

3. Current Status and Intensity of Internet Financial Regulation in the United States

In the global financial landscape, Internet Finance, as an undeniable force, is transforming the traditional financial ecosystem at an unprecedented rate. In this transformation, the exploration and practice of other countries in Internet Finance regulation provide us with reference and inspiration. They gained a firm foothold in the wave of Internet Finance due to their deep financial backgrounds and forward-looking regulatory approaches. By establishing comprehensive and detailed legal frameworks, regulators have set clear boundaries for the rights and obligations of various participants in the online financial market. These laws not only ensure fair competition in the financial market but also provide strong legal protection for investors. In terms of establishing regulatory bodies, these countries have set up specialized regulatory bodies tailored to the unique features of Internet Finance. These bodies are staffed with high-quality and professional supervision teams. With risk prevention and control as the core, these regulators conduct comprehensive supervision and management of the Internet financial market through market access, information disclosure, capital supervision, and other means. They not only pay close attention to market dynamics but also regularly issue regulatory reports to detect and warn of potential risks in a timely manner. In terms of regulatory tools, overseas countries have also demonstrated a high degree of flexibility and innovation. They are making full use of advanced technologies, such as big data and cloud computing, to conduct real-time monitoring and analysis of Internet financial transactions. This not only improves the efficiency and accuracy of regulation but also strongly supports the fight against financial crime and the maintenance of market stability.

For China, there is no doubt that the experience of foreign countries in regulating Internet Finance has significant reference value. The United States internet financial industry has developed and is at the forefront globally, characterized by innovation, vitality, rich practical experience, and a well-established regulatory system. The Internet financial regulatory system is complex and comprehensive, involving multiple layers of regulators and a series of finely tuned regulatory policies. The United States government responds proactively and conducts proactive supervision. With this regulatory system, the United States government enhances the supervision and management of various types of illegal activities on Internet financial platforms. Therefore, this section analyzes the United States government's understanding of financial regulation through a series of typical events. It aims to explore how the Chinese government can accurately assess the strength of regulation, enhance the level and effectiveness of regulation, ensure supervision, and promote innovation in the Internet financial industry.

3.1 United States Government Antitrust Regulation of Internet Financial Platforms

In recent years, the United States government has been increasingly active in implementing strict anti-monopoly regulatory actions in the Internet Finance sector, especially in the supervision of Internet Finance platforms. The intensity and frequency of these actions have reached unprecedented levels. From 2017 to 2022, the number of antitrust lawsuits and enforcement cases against the four major platform companies in the United States has exceeded 150. This demonstrates the United States government's commitment to ensuring fair competition and maintaining market order. Among these high-profile cases, Google undoubtedly attracts the most attention. As an Internet technology giant, Google has been involved in an astonishing 50 antitrust cases and has paid more than \$10 billion in fines for its violations. These figures not only demonstrate Google's significant influence in the market but also indicate the United States government's close scrutiny and firm stance against its potentially monopolistic behavior. Facebook (now renamed Meta), as a social media giant, has not escaped regulatory scrutiny. In recent years, Facebook has been involved in 21 antitrust cases and has

been fined approximately \$5.14 billion. Apple has been involved in up to 45 antitrust cases, resulting in a cumulative fine of over \$1.5 billion. In addition, Amazon has been involved in 34 such cases, resulting in a fine of approximately \$2.62 billion. In conclusion, the United States government's recent antitrust regulation of Internet financial platforms demonstrates its commitment to upholding fair market competition and protecting consumer rights. This series of anti-monopoly litigation and enforcement actions not only has a profound impact on these technology giants but also exerts significant influence on the future development and trends of the entire Internet financial industry [7].

3.2 Legislative, Enforcement and Judicial Embodiment of United States Antitrust Regulation

As a leader in the Internet financial industry, the United States has exemplary experience in antitrust legislation and law enforcement. In 2020, the United States implemented the *Criminal Antitrust and Racketeering Act*. This act not only empowered insiders to expose their employer's trust-busting behavior but also fostered a culture of courage to expose and defend rights across society. In 2021, the House of Representatives passed six bills aimed at strengthening antitrust enforcement and restoring platform competition. This undoubtedly laid a solid foundation for antitrust legislation in the United States and provided strong legal support for future enforcement work. In addition, the United States has also demonstrated strong determination in enforcement and judicial matters. In 2020, the United States Department of Justice (DOJ) decisively filed a platform antitrust lawsuit against Google, accusing it of various anti-competitive behaviors in search and advertising. This action undoubtedly sent a strong antitrust signal to the entire internet finance industry. Subsequently, in 2021, the United State Federal Trade Commission also filed a platform antitrust case against Meta, targeting its monopolistic behavior in the social networking services market^[7]. These two antitrust cases are currently in a tense trial phase, which has not only served as a wake-up call for internet financial institutions but has also had a strong antitrust deterrent effect on society.

3.3 Division of Functions and Powers among Internet Financial Regulators in the United States

In terms of regulatory models, the United States has adopted a dual regulatory system comprising federal and state regulations. Federal regulators, such as the Federal Reserve, the Federal Deposit Insurance Corporation, and the Securities and Exchange Commission, each have important responsibilities and powers to ensure the overall safety and stability of the financial marketplace. In accordance with their respective laws and regulatory requirements, each state has established appropriate regulatory agencies to oversee the regulatory functions of Internet Finance. These institutions maintain close communication and cooperation with federal regulators to collectively uphold the order and stability of the Internet financial market. They monitor the operation of Internet financial businesses in the state, investigate and address violations promptly, and safeguard the legitimate rights and interests of investors. It is worth noting that the United States focuses on strengthening cooperation and regulation between the federal and state governments, as well as their division of regulatory powers. To better address the problem of repeated violations of consumer rights, the United States established the Consumer Financial Protection Bureau (CFPB), and subsequently, the CFPB and state financial regulators established the Financial Innovation Network (ACFIN)^[7]. Through the collaboration facilitated by the ACFIN platform, federal and state governments exchange information. This exchange assists financial regulators in regulating and coordinating innovative policies, as well as devising plans to enhance the coordination and advancement of Internet Finance at both federal and state levels.

Through the analysis of the United States government's oversight of Internet Finance, it is evident that the United States government can effectively manage Internet financial regulation. At the same time, American laws aim to coordinate the regulatory authority of both federal and state governments and foster innovation in Internet Finance by implementing pertinent laws and regulations. In general, it reflects not only the United States government's support and guidance for the Internet Finance Industry but also the firm maintenance of market order and investors' rights and interests. Of course,

no regulatory system can be perfect. The United States Internet financial regulatory system also faces challenges and risks in ensuring market stability and development. In recent years, there have been some risk events in the Internet financial industry, such as the failure of the P2P online lending platform. These events not only caused widespread concern among investors and consumers but also tested the effectiveness of the regulatory system.

4. Implications for Internet Financial Regulation of China's Government

There is no doubt that Ant Group's behavior was illegal, and the penalty it received from the regulators was appropriate. It has had a very good deterrent effect on the Internet Finance Industry and the wider economy. However, illegal actions such as those of Ant Group are not unique. The entire Internet finance industry has regulatory problems of all sizes. More than 7 billion yuan is not a small amount. Do we need to learn from the laws and judgments in the Ant Group case for future regulatory oversight and penalties? How can we accurately assess the strength of government regulation? Therefore, summarizing the general practices and lessons for supervision, as well as accurately understanding the effectiveness of supervision in the Internet financial industry through the Ant Group fine event, are currently the focal points of attention.

4.1 Build a Unified Multi-level Financial Regulatory System and Implement Inclusive and Prudent supervision

Traditional methods of financial supervision are challenging to adjust to the evolving landscape of Internet Finance and the unique characteristics of the modern era, particularly given the constant innovation and growth within the Internet Finance sector. The integrative and prudential regulatory approach offers a fresh perspective and solution to the regulatory challenges of legitimacy, relevance, and effectiveness. Establish a system of government supervision, industry self-regulation, corporate autonomy, and social supervision to foster the development of a new model of financial supervision that is secure, manageable, and inclusive. Therefore, how can we achieve this?

First, establish an information-sharing and supervision platform. At the central level, the direction and standards of Internet financial regulation have been clarified through laws and policy documents, while local governments have refined and implemented these regulatory rules according to local conditions. Local financial regulatory bureaus need to be established in various locations and maintain communication with central financial regulatory coordinating authorities to create an efficient regulatory mechanism for sharing information, resources, and collaborating on prevention and control efforts. Second, clearly define the regulatory functions and responsibilities of central and local governments. The improvement of the regulatory system requires the collaborative efforts of both central and local governments. The central government should provide the necessary guidance to local governments to enhance the effectiveness of financial supervision and ensure timely intervention ^[5]. Last but not least, establish social and industry watchdog organizations and create efficient channels to expose violations in Internet Finance. This will help foster a societal culture of courage to defend rights and promote transparency, leading to industry self-regulation, company autonomy, and social supervision. In this process, governments, internet finance companies, and industry associations are forming closer partnerships. Through continuous communication, testing, evaluation, and improvement of regulations, we will collaboratively explore the sustainable development of Internet Finance. This not only reflects the flexibility and foresight of regulations but also ensures the best balance between encouraging innovation and preventing risks ^[8].

The implementation of comprehensive and prudent supervision requires not only reasonable regulation and appropriate intervention by the government but also social consensus, industry standards, and regulated management and operation of enterprises. As a leading company in the Internet Finance Industry, Ant Group has a strong appeal to organize the industry and implement self-disciplined management. It guides the industry to operate in accordance with the law by formulating relevant industry standards, technical guidelines, etc. At the same time, Ant Group should abide by

laws and regulations, carry out enterprise autonomy, and encourage enterprises to establish internal standards and management systems.

4.2 Improve the Data Supervision System with Innovative Technology Measures

One of the prominent features of Internet Finance is the deep integration of finance and technology, which implies that the supervision of Internet Finance needs to concentrate on monitoring scientific and technological data. Currently, many fintech companies have access to large amounts of user data, making it challenging for traditional regulatory methods to obtain real-time insights into the operational status of these companies. If large amounts of data cannot be effectively regulated, it will create a regulatory blind spot, leading to a significant reduction in regulatory efficiency. Therefore, a key challenge for regulatory mechanisms is to address the data regulatory gap, and there are some suggestions.

First of all, blockchain technology and information storage technology in financial technology should be brought under the supervision of the National Internet Information Center. Big data technology should be utilized to securely and efficiently collect citizens' data. The national database should be placed under centralized management to disrupt the data monopoly pattern and minimize the risk of users' privacy being compromised by illicit data transactions ^[6]. In addition, the government needs to establish a unified supervision system for the back-end systems of fintech companies. Relevant national departments should conduct in-depth inspections of their program algorithms and financial product designs to strengthen supervision at the source and effectively reduce the cost of post-supervision. The Ant Group is able to evade regulation through complex product design precisely because it masters the actual data and algorithms, and refuses to open its internal systems, making it difficult for regulators to access the core of financial big data analysis. Therefore, improving the data supervision system is particularly important in the journey of strengthening anti-monopoly measures and safeguarding people's legitimate rights and interests. What's more, it is high time to accelerate the development of digital currency, diminish the excessive influence of private companies like Alipay and WeChat on the financial market, ensure that financial sovereignty remains with the government, effectively mitigate financial risks for enterprises, and safeguard the property security of the masses.

4.3 Improve Laws and Policy with Higher Levels of Rewards and Penalties

Learning from the Ant Group case and the United States government's antitrust regulation of internet financial platforms, the Chinese government should also enhance laws and policies and establish a robust system of rewards and punishments to strengthen supervision of Internet Finance.

On the one hand, in laws and policies, we should formulate comprehensive and detailed laws and regulations on Internet Finance. This will help clarify the legal status and regulatory requirements of various businesses, fill regulatory gaps, and avoid duplication. At the same time, we should establish a robust regulatory system for Internet Finance, encompassing market access, business operations, risk management, information disclosure, and other aspects. This will offer clear guidance and standards for various types of Internet businesses. In addition, it is necessary to strengthen regulatory coordination mechanisms across departments and regions, break down information barriers, achieve regulatory resource sharing, and improve regulatory efficiency. On the other hand, concerning rewards and punishments, we should firmly crack down on illegal and irregular behavior, increase the cost of illegal activities, reduce illegal profits, and establish an effective deterrent. Serious violations of laws and regulations should be prosecuted in accordance with the law to maintain market order and protect consumer rights. Meanwhile, a positive incentive mechanism should be established to encourage Internet finance companies to operate in a compliant manner and to innovate. Enterprises with outstanding performance in risk management, technological innovation, and other aspects should receive specific policy support and market recognition to foster a positive market environment.

5. Conclusion

The Ant Group fine case has brought to light various issues in the regulation of Internet Finance, while also showcasing the government's resolute stance on regulatory matters. Through an examination of the Ant Group case and a comparative analysis of international approaches to regulating internet finance, this study puts forth recommendations for enhancing China's internet financial regulation across three key dimensions.

The question of whether the oversight of Internet Finance is excessively stringent or lenient is multifaceted, precluding a straightforward affirmative or negative response. On one hand, bolstering supervision of Internet Finance is imperative to combat illicit activities within the industry, safeguard the interests of investors and consumers, and uphold the principles of fair, transparent, and efficient markets. Rigorous oversight can incentivize Internet Finance entities to operate within a framework of legality and regulation, curbing instances of non-compliance and mitigating financial risks. On the other hand, excessively stringent oversight may impede innovation and progress in the realm of Internet Finance. Despite the sector's inherent risks and uncertainties, the innovation it fosters is both inevitable and transformative. Yet, overly stringent supervision could constrain the breadth and pace of innovation. Hence, the supervision of Internet Finance necessitates a nuanced evaluation and calibration in accordance with prevailing circumstances. While upholding market principles and safeguarding the interests of stakeholders, efforts should be made to foster innovation to advance the robust and sustainable growth of the Internet Finance sector.

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