

# Research on the Current Situation of Fund-raising Aid Behavior from the Mainstream Perspective and Risk Regulation from the Legal Level

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## Abstract

Along with material wealth grow richer and the strengthening of the age of the Internet connection, medium adaptability reached the peak of the history, as the "fan the raise type make track for a star" continued to be hot, the rise of idol forming type variety, the fan groups organize Fund-raising activities become more and more, financing amount is also increasingly huge, sparking a number of legal issues, Due to the lack of effective supervision mechanism, the economic market of fans is in chaos, and the legitimate rights and interests of many fans are also damaged. After the fans' collective revelry, the fundraising behavior of fans falls into the dilemma of rights protection difficulty and no supervision. Facing the fan to raise this kind of behavior is still out to grey areas, difficult to protect their rights, without regulation increasingly highlight the status quo of the legal issues, this article will focus on raising funds explain who the evolution of behavior logic and basic system, who look at the mainstream concept of financing behavior, and puts forward the opinions of the relevant law system building.

## Keywords

Fund-raising Aid Behavior; Institutional Exploration; Risk Regulation.

## 1. The Legal Analysis of the Evolution Logic and Basic System of Fund-raising Aid Behavior

### 1.1. Qualitative Explanation and Evolution Logic of Fund-raising Aid Behavior

Fundraising for aid refers to the behavior of gathering funds derived from the "fan circle" culture. Specifically, it is the behavior of fans to directly or indirectly voluntarily contribute money to the star support association and other specific entities for the purpose of expanding the influence of their favorite idols. The specific subject that receives aid funds needs to carry out aid activities with the funds raised around the contents such as idol ranking, peripheral production and film arrangement.

At the beginning of its evolution, fundraising assistance was led and organized by professional fans. Due to their outstanding professionalism or large amount of resources such as investment amount and time, these "fans" have certain credibility in the fan community, so they raise funds for fans who want to contribute in the name of their own independent natural persons.

With the expansion of the influence of idols, more and more fans naturally coalesce into communities through social platforms, and star-chasing platforms emerge as The Times demand. As the scale continues to expand, these self-formed fan groups may get the favor of the idol's management company, and get the explicit certification of the idol's management company to become the "official support association". The internal organization of these support associations has a clear division of labor, strong professional, they raise funds in the name of their own support associations. Under the current legal framework of China, it is difficult to define these support associations at the legal level. They do not belong to legal

persons, so they can be defined as "generalized natural persons", that is, an aggregate composed of multiple natural persons.

In practice, most of the Fund-raising is achieved through the use of "OWhat", "Modian.com" and other Fund-raising aid software. These Fund-raising platforms, as A side, are used to connect the offline "fan head" or official supporter club of the B side and entertainment consumer groups of the C side. The specific process is as follows: B side in A on the completion of qualification certification, in A side by specific projects, raising the c-terminal through A side payment, the amount paid by A client to regulation, after the Fund-raising project initiated by the B end settlement and withdrawal requests, A side according to the predetermined percentage deducted as A part of profit, and confirm the B after identifying the true money transfer. As a popular idol training program in 2018, fans of the top 20 idols raised over 20 million yuan on oWHAT platform on the day of the final.

### **1.2. Legal Analysis of the Basic System of Fund-raising Aid Acts**

The whole Fund-raising should aid involved in total three civil subjects. The supporters of the investment are generally natural persons, that is, we understand the "fans" group. The initiators of Fund-raising mainly fall into two categories: one is the "fan head", which is a natural person, and the other is the "generalized natural person", which is the "official supporter association". The third party platform exists as a legal entity.

Three subjects constitute two pairs of legal relationships: one is the gift contract relationship which is composed of Fund-raising supporters and Fund-raising initiators. Taking idol assistance as a specific purpose, it can be divided into the purpose gift and the obligation gift, and the supporters can exercise the right of revocation when the two kinds of gifts fail to meet expectations. The other is a service contract relationship between fundraising supporters, initiators and Third-party platforms. The third party platform is used as a medium to facilitate participants and initiators to conduct transactions, while the third party platform is only used as a service provider.

## **2. The Review of Fans' Fund-raising and Assistance Behavior under the Official Mainstream Concept**

On August 25, 2021, the Secretariat of the Cyberspace Administration of China (CAC) issued the Notice on Further Strengthening the Governance of the Chaos in the "Fan Circle" (hereinafter referred to as the Notice). Article 10 of the notice is about regulating the behavior of Fund-raising with assistance. Make it clear that all kinds of illegal Fund-raising activities should be found and cleaned up in a timely manner; Websites and platforms with concentrated problems, ineffective performance of responsibilities and inducing minors to participate in fundraising assistance will be dealt with in accordance with laws and regulations; Continue to investigate and dispose of overseas websites that provide voting and fundraising assistance. In June of the same year, Yang Shuo, party secretary of Beijing Radio and Television Bureau, made a speech at the National Radio and TELEVISION Work Conference, saying that The Beijing bureau had made a "combination of measures" in network governance, and had completely stopped the online programs of idol cultivation.

It can be seen that the rectification of "fan circle" chaos, correct irrational star chasing, standardize the management of Fund-raising aid platform is imperative. Strong public opinion orientation, unreasonable salary income and great influence on the values of teenagers all make the term "idol" quite controversial. The energy carried by the word "idol" is like a spark generated by catering to people's expectations, dazzling and scorching.

The emergence of a new thing must have pros and cons, idol economy derived from the Fund-raising aid behavior is more like a conditional gift behavior, in the busy days, there is a trace

can let oneself and idol have the opportunity to contact, this is the rationality of Fund-raising behavior. Let more traffic upward to good, to provide more and better quality content for the audience, to guide the youth group to establish the correct values, which is also in line with the official concept of idol significance.

### **3. The Construction and Exploration of the Legal Liability System of Fund-raising Aid Behavior**

#### **3.1. The Government has Worked Hard to Establish a Long-term Supervision and Guidance Mechanism and Improve Relevant Laws and Regulations**

At present, the legality of Fund-raising for aid has been recognized by the academic community. Fund-raising for aid has no promise of return, so it does not have the necessary inducement for illegal Fund-raising. In the current criminal law, illegal Fund-raising does not exist as an independent charge. The regulation of illegal Fund-raising mainly depends on laws and regulations constantly adding and enumerating new Fund-raising behavior patterns and ways to form the corresponding legal system.

First to establish a reasonable scope of regulation, regulatory responsibilities clearly, assume the responsibility of relevant cultural management, the tube of the tube, shouldn't tube no matter, try to introduce the third party supervision institutions, platform and raise the promoter, the truthfulness of Fund-raising project legitimacy are jointly and severally liable, suggested by the culture, radio, film and television and other relevant administrative departments to perform supervisory duties.

In order to prevent the potential economic risks of crowdfunding, we can refer to the restrictions on the amount of crowdfunding for single projects and investors in the United States, and set the upper limit on the total amount of crowdfunding for fans and the amount of fundraising for single supporters

#### **3.2. The Third-party Platform Shall Bear the Burden of Proof and Impose Appropriate Penalties**

As the only subject that can examine the identities of both parties in the Fund-raising process, the Third-party platform has the ability and responsibility to strictly examine both parties in the Fund-raising activities, especially the Fund-raising initiators, and follow up and disclose the subsequent use of project funds. At present, the domestic Fund-raising aid platforms mainly include OWHAT and Modot. Disclaimer clauses are set in the user registration agreement of the two apps. The disclaimer clauses of Mopdot are: "If the sponsor fails to provide the project return or complete the project commitment as promised, MODOt will provide the sponsor information and related project information to the supporters in accordance with the law, and fully assist the judicial authorities to deal with the case." It can be seen that these platforms try their best to avoid the legal and social responsibility they should bear through the exemption clause.

Article 38, Paragraph 1 of China's E-commerce Law stipulates: "E-commerce platform operator knows or should know that there are other platform operator infringes upon the lawful rights and interests, the consumer did not take the necessary measures, in accordance with the law and are jointly and severally liable within the platform operator", that is, if the financing platform knows or should know that to raise the initiator existence can't reasonable use of raising money, bring with it the behavior of the illegal violation of consumer rights and interests, such as, If no corresponding measures are taken, joint and several liability shall be assumed. But in practice, platforms often plead ignorance, and it is difficult for users to prove that platforms know.

From what has been discussed above, it is suggested that the burden of proof shall be borne by the platform without knowing, set up perfect security system, as far as possible avoid subsequent violations and disclose the follow-up funds use specific details, do real projects, procedures, flow to the transparent, clear accounts, put a good review, completes the monitors, fulfill the responsibility. In the event of illegal handling of Fund-raising funds, the relevant platforms involved may be penalized with a fine of between 1% and 10% of the total amount, and the minimum amount shall not be less than 3,000 YUAN, in light of the actual situation.

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