

MARKETING

## Will Viya's \$210 million tax fine rattle China's livestreaming industry?

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*What does Viya's massive penalty for tax evasion mean for China's once-booming livestream economy? Image credit: Weibo*

By **Wenzhuo Wu**

This year was a bumpy one for Chinese celebrities, thanks to the [country's regulations on the entertainment industry](#) and even some of the industry's top influencers got hit hard.

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China's "queen of livestreaming," **Huang Wei** (professionally known as Viya), was fined \$210.2 million (1.34 billion RMB) for tax evasion, local tax authorities announced on Dec. 20. The investigation was due to her concealing personal income and false declarations in 2019 and 2020.

Viya acknowledged her tax violations and apologized through a statement posted to her Weibo account. Later, state media outlets, including *People's Daily*, *Xinhuanet* and *CCTV* reported the news and criticized her publicly.

As of Dec. 21, Viya's social accounts on Weibo, Xiaohongshu, Douyin, Kuaishou and her Taobao livestream channel have been banned.

The Jing Take: Over just one month, three top livestreamers Cherie, Lin Shanshan and, now, Viya were canceled due to tax evasion.

Yesterday, local media *Xinhuanet* also reported that thousands of livestreamers have quickly checked their tax bills and paid back any omitted tax, signaling strong reform compliance from the country's thriving livestreamer community.

As these areas of the livestream economy get exposed to the general public, Chinese netizens are shocked by the enormous revenues these Internet celebrities generate and the dynamics between brands and top livestreamers. That is because many online shoppers were drawn to livestreams by these influencer personalities and the promise of low prices.

But now, many livestream followers have shifted away from blindly following these celebrities to thinking more critically.

This shift began after a [L'Oral incident](#) at last month's Double 11 Shopping Festival when buyers found out the price

of its masks (\$67) advertised at their "lowest price of the year" was found to be 66 percent higher during presale livestreams than during the Nov. 11 livestream (\$40).

However, these livestreamer crackdowns do not necessarily mean China is against the livestream industry. Rather, it hopes the sector will develop into a more regulated and healthy ecosystem.

Until then, brands still betting on the social influence of top livestreamers might be disappointed. Instead, they may need to put more of an emphasis on brand-owned sales channels and establishing sustainable relationships with consumers.

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