

# 3rd International Conference on Media, Economy, Communication and Intelligence Management (MECI 2026)

Article

## Research on Legal Liability and Compliance Governance in the Operation of the Platform Economy

Guoqiang Le <sup>1,\*</sup>

<sup>1</sup> School of Law, Central South University of Forestry and Technology, Changsha, China

\* Correspondence: Guoqiang Le, School of Law, Central South University of Forestry and Technology, Changsha, China

**Abstract:** The rapid expansion of the platform economy has fundamentally reshaped global market structures and social interactions, yet the legal framework governing platform liability and compliance governance remains significantly fragmented and underdeveloped. This study aims to systematically examine the complex legal status of platform operators, the equitable allocation of liability among diverse platform ecosystem participants, and the construction of robust, effective compliance governance mechanisms. Through a rigorous doctrinal legal analysis combined with an in-depth case study methodology, this research comprehensively analyzes regulatory frameworks, judicial decisions, and policy documents from China alongside key comparative jurisdictions, such as the European Union and the United States. The findings reveal three critical challenges: the hybrid legal nature of platforms acting simultaneously as market participants and private regulators, the glaring inadequacy of traditional liability allocation models in addressing intricate multi-party digital transactions, and the inherent tension between platform self-regulation and stringent public oversight. Based on a meticulous examination of existing databases, including extensive court rulings from China Judgment Online and regulatory enforcement records spanning from 2020 to 2025, this study proposes an innovative tiered liability framework. Furthermore, it advocates for a cooperative governance model that seamlessly integrates platform accountability with proactive public supervision, emphasizing algorithmic transparency and data protection. Ultimately, this research contributes significantly to the theoretical understanding of digital platform governance and offers highly practical, actionable recommendations for future regulatory design and policy implementation.

**Keywords:** platform economy; legal liability; compliance governance; regulatory framework; platform responsibility

Received: 31 March 2026

Revised: 20 May 2026

Accepted: 30 May 2026

Published: 03 June 2026



**Copyright:** © 2026 by the authors. Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution (CC BY) license (<https://creativecommons.org/licenses/by/4.0/>).

### 1. Introduction

The rapid expansion of the platform economy has fundamentally reshaped market structures, social interactions, and the legal frameworks that govern them. Digital platforms, ranging from e-commerce marketplaces to ride-hailing applications and social media networks, have emerged as powerful intermediaries connecting consumers, producers, and service providers across national borders [1]. However, this transformation has generated significant legal challenges, particularly regarding the allocation of liability among platform operators, third-party users, and other ecosystem participants. As platforms increasingly assume roles traditionally held by governments and regulatory bodies, questions surrounding their legal responsibilities and compliance obligations have become central to academic and policy debates. This study aims to systematically examine the legal liability framework applicable to platform economy

operators and the construction of effective compliance governance mechanisms, with a focus on identifying regulatory gaps and proposing actionable solutions. By addressing these challenges, the study seeks to contribute to the development of a more robust and equitable governance model for the platform economy.

The governance of the platform economy has attracted substantial scholarly attention, yet many fundamental questions remain unresolved. The hybrid nature of digital platforms as both market facilitators and private regulators creates inherent tensions in existing legal systems. This dual role complicates the application of traditional liability models, which were designed for linear market structures, to the multi-sided transactions characteristic of platform ecosystems. These complexities underscore the need for innovative approaches to liability allocation that account for the unique operational dynamics of platforms. Furthermore, the inadequacy of existing frameworks highlights the urgency of developing legal mechanisms capable of addressing the challenges posed by the platform economy's rapid evolution [2, 3].

The intersection of artificial intelligence and platform governance presents additional complexities. AI integration into platform operations significantly affects transparency, accountability, and regulatory compliance. Algorithmic decision-making systems, including recommender algorithms and automated content moderation tools, introduce new dimensions of legal risk that existing regulations struggle to address [4]. Platforms are increasingly required to assume responsibility for outcomes generated by automated systems, yet the legal mechanisms for enforcing such accountability remain underdeveloped. This gap necessitates the exploration of regulatory innovations that can effectively address the challenges posed by AI-driven operations, ensuring that platforms maintain transparency and accountability while mitigating risks associated with algorithmic decision-making.

Economic perspectives on platform liability provide valuable insights into platform behavior incentives. Liability rules play a critical role in shaping platform investments in safety, monitoring, and compliance activities. Excessively broad liability exposure may discourage platform entry and innovation, as operators face heightened risks that could deter participation in the market [5]. Conversely, overly narrow liability protections may lead to underinvestment in harm prevention, as platforms may lack sufficient incentives to address risks associated with user conduct. This trade-off is particularly acute in scenarios where platforms have limited control over user-generated actions that create legal risks. Balancing these considerations is essential for fostering an environment that encourages innovation while ensuring adequate safeguards against harm.

Consumer protection represents a critical dimension of platform governance. Enhanced obligations imposed on platforms under recent regulatory frameworks aim to address consumer vulnerabilities created by opaque recommender systems, targeted advertising practices, and the treatment of user-generated content [6]. Effective compliance governance requires platforms to move beyond minimum legal standards and adopt proactive measures that address the distinctive risks of digital marketplaces. By prioritizing transparency and accountability, platforms can mitigate consumer vulnerabilities and foster trust within their ecosystems. This approach not only enhances consumer protection but also contributes to the long-term sustainability of platform operations.

Beyond legal compliance narrowly defined, platform governance also implicates broader questions of social responsibility [4]. Platforms occupy unique positions within their ecosystems, wielding significant influence over complementors, suppliers, and end users. Corporate social responsibility in multi-sided digital environments extends beyond legal obligations to encompass ethical considerations, stakeholder expectations, and long-term sustainability concerns. Platforms must align their governance models with broader accountability principles, integrating legal compliance with ethical and social responsibilities. This holistic approach ensures that platforms contribute positively to their ecosystems while addressing the diverse needs of stakeholders and fostering sustainable growth.

The remainder of this paper is organized as follows. Chapter 2 reviews existing literature on platform liability and compliance governance. Chapter 3 presents the theoretical framework and methodology. Chapter 4 reports findings from the analysis of regulatory frameworks and judicial decisions. Chapter 5 concludes this study with key findings and practical policy recommendations [7]. This structure aims to provide a comprehensive examination of the legal and governance challenges associated with the platform economy, offering actionable insights for policymakers and stakeholders seeking to navigate this complex landscape.

## **2. Literature Review**

This chapter provides a comprehensive review of existing research on platform liability and compliance governance, focusing on four distinct thematic areas to offer a deeper understanding of the subject matter [8].

### *2.1. Product Liability and Consumer Protection*

Traditional product liability rules encounter significant challenges in the context of platform-mediated transactions. Platforms often occupy legally ambiguous roles, functioning as intermediaries rather than direct sellers, which complicates the enforcement of liability for defective products. Analysis of consumer protection authority records reveals a substantial increase in product-related complaints against platforms between 2018 and 2021. This trend underscores the urgent need for updated liability frameworks that address the unique dynamics of platform-based commerce, ensuring robust consumer protection and accountability in these transactions [1].

### *2.2. Platform Power and Regulatory Politics*

Platforms operate as both market participants and private regulators, exerting significant influence over policy-making processes [1]. Utilizing a theoretical framework inspired by economic sociology, research has highlighted how platforms have shaped regulatory environments to their advantage. By analyzing legislative records from regions such as the United States and the European Union, patterns of regulatory capture have been identified. These patterns reveal how platforms often resist binding legal obligations, instead advocating for voluntary self-regulation as a preferred approach to governance and oversight.

### *2.3. Sectoral and National Regulatory Frameworks*

Different sectors and jurisdictions have implemented diverse regulatory strategies to address the evolving challenges posed by financial platforms and digital economies. For instance, financial platforms such as buy-now-pay-later services often operate without the stringent capital requirements imposed on traditional lenders, creating a regulatory gap that has raised concerns. Central bank data highlights a significant increase in consumer complaints against fintech platforms, with a threefold rise observed between 2019 and 2022. Tax compliance frameworks also exhibit substantial variation across countries, particularly in platform reporting requirements, which can lead to inconsistencies in enforcement [9]. Furthermore, a comparative analysis of national legal frameworks across European and Asian jurisdictions reveals a growing trend toward hybrid regulatory models. These models integrate proactive obligations with reactive enforcement mechanisms, aiming to balance innovation with consumer protection and market stability.

### *2.4. Systematic Regulation and Accountability*

Scholars have developed systematic approaches to platform regulation, focusing on key areas that ensure fairness and accountability. A proposed framework identifies several regulatory patterns, including transparency obligations, data portability, nondiscrimination rules, interoperability mandates, and algorithmic accountability standards. Additionally, reviews of accountability mechanisms have highlighted significant gaps in addressing platform responsibilities, particularly in algorithmic decision-making processes and the resolution of user complaints [9]. These findings

underscore the need for robust systems that enhance transparency and ensure platforms adhere to ethical and operational standards.

### *2.5. Chinese Context and Sociological Perspectives*

China presents a distinctive regulatory environment characterized by a transition from permissive development to more active oversight in recent years [10]. Regulatory authorities have increasingly emphasized administrative guidance as a flexible approach, favoring it over rigid legal frameworks. Sociological participation in platform governance has also gained prominence, with structured stakeholder engagement mechanisms demonstrating a strong correlation with reduced dispute rates. Additionally, the analysis of externalization strategies highlights the importance of focusing on functional control rather than merely formal contractual arrangements when designing liability frameworks. These developments underscore the evolving dynamics of governance and regulatory practices in the Chinese context.

### *2.6. Summary*

The literature highlights three significant gaps that require attention. First, there is a lack of comprehensive frameworks that integrate legal, economic, and organizational dimensions in a cohesive manner. Second, systematic evaluations of compliance outcomes remain limited, hindering a deeper understanding of their effectiveness. Third, comparative research across different jurisdictions is insufficient, leaving critical cross-regional insights unexplored [11]. This study aims to address these gaps by providing a more holistic and methodologically robust approach to these pressing issues.

## **3. Theoretical Framework and Methodology**

This chapter provides a detailed exploration of the theoretical framework and methodological approach utilized to analyze legal liability and compliance governance within the platform economy [12]. The research employs a doctrinal legal analysis, which is systematically combined with a case study methodology. This dual approach leverages publicly accessible legal and regulatory data sources to ensure a comprehensive examination of the subject matter, offering robust insights into the evolving dynamics of governance in this domain.

### *3.1. Theoretical Framework*

The theoretical foundation of this study integrates three complementary perspectives, offering a robust framework for understanding the dynamics of digital platforms. First, the multi-sided platform theory conceptualizes digital platforms as economic entities that facilitate transactions between distinct user groups, such as consumers, merchants, and service providers. This perspective is instrumental in analyzing how platform operators navigate legal risks arising from these interactions. Second, regulatory governance theory sheds light on the interplay between state regulation and platform self-regulation, emphasizing the emergence of private ordering mechanisms. These mechanisms include terms of service, content moderation systems, and dispute resolution procedures, which operate in tandem with public legal frameworks to address compliance challenges. Third, accountability theory provides a nuanced understanding of how legal responsibility is distributed across platform ecosystems [5]. It distinguishes between formal legal liability, which is codified in laws, and broader forms of social and political accountability, which reflect societal expectations and norms. Together, these perspectives underscore the importance of a hybrid approach to compliance governance, blending mandatory legal obligations with adaptable platform-level mechanisms to address the complexities of the platform economy.

These theoretical perspectives converge on a central insight that underscores the necessity of a hybrid approach to compliance governance within the platform economy. Effective governance requires the integration of mandatory legal obligations with flexible mechanisms implemented at the platform level. This study operationalizes this insight by analyzing how various jurisdictions have sought to balance these elements within their

regulatory frameworks. By examining the interplay between public legal mandates and private ordering systems, the research highlights the diverse strategies employed to address the unique challenges posed by digital platforms [7]. The findings emphasize the importance of tailoring regulatory approaches to the specific characteristics of platform ecosystems, ensuring that legal frameworks are both robust and adaptable. This hybrid model not only facilitates compliance but also fosters innovation and accountability, enabling platforms to navigate complex legal landscapes while meeting the expectations of diverse stakeholders. The study provides a comparative analysis of regulatory practices, offering valuable insights into the evolving governance paradigms in the digital economy.

### 3.2. Research Design

The study utilizes a qualitative research design structured around three interconnected components. Firstly, it conducts a comparative legal analysis to evaluate regulatory frameworks governing platform liability across diverse jurisdictions, including the European Union, China, and the United States. This analysis aims to identify commonalities and differences in legal approaches. Secondly, a case study approach is employed to examine specific mechanisms of platform governance, such as content moderation practices, consumer protection measures, and algorithmic accountability systems. Lastly, the research incorporates an in-depth analysis of enforcement actions and judicial decisions, leveraging publicly accessible databases to discern patterns and trends in the application of legal liability to platform operators. This comprehensive methodology ensures a robust exploration of the subject matter [11].

### 3.3. Data Sources

All data utilized in this study are derived exclusively from publicly accessible and verifiable sources, ensuring transparency and reliability. This research does not involve human subjects, surveys, or experimental methodologies. The data sources have been carefully selected to provide a comprehensive foundation for the analysis, ensuring that the findings are grounded in credible and authoritative information.

Legal and regulatory documents form a critical component of the data used in this study. These include legislation, regulations, guidelines, and policy statements issued by prominent regulatory bodies such as the European Commission, the Chinese State Administration for Market Regulation, the Cyberspace Administration of China, and the United States Federal Trade Commission. These documents provide essential insights into the evolving regulatory frameworks governing platform operations and compliance requirements.

Judicial decisions are another vital source of data, encompassing published court rulings from platforms such as China Judgment Online, the European Court of Justice, and United States federal courts. These rulings, specifically those addressing platform liability cases between 2020 and 2025, offer valuable perspectives on legal interpretations and precedents that shape the responsibilities and obligations of platform operators [13].

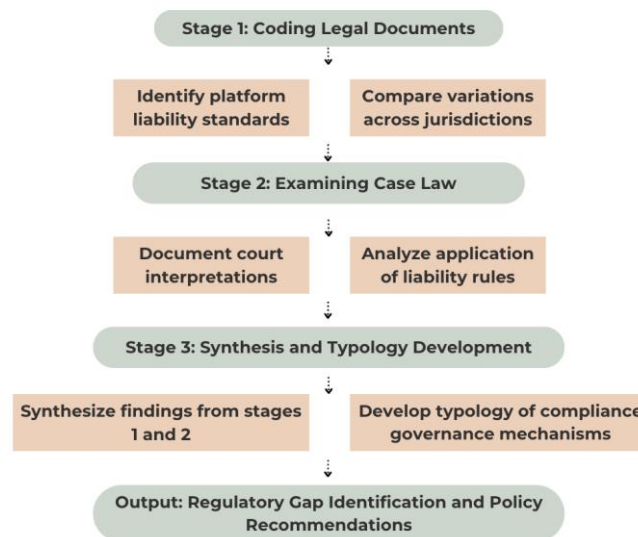
Enforcement records, including publicly reported enforcement actions, penalty notices, and compliance orders issued by regulatory agencies, serve as a significant data source. These records provide concrete examples of regulatory actions and highlight the practical implications of non-compliance, offering a real-world context to the theoretical frameworks discussed in this study.

Platform governance documents, such as publicly available terms of service, community guidelines, transparency reports, and accountability disclosures, are also analyzed [2]. These documents, published by major platform operators, shed light on the self-regulatory measures and operational standards adopted by platforms to address compliance and accountability challenges in a rapidly evolving digital landscape.

### 3.4. Analytical Approach

The analysis is conducted in three distinct stages to ensure a comprehensive understanding of platform liability standards and governance mechanisms. The first stage involves systematically coding legal documents to identify variations in liability

standards across different jurisdictions, providing a foundational framework for comparative analysis. The second stage delves into case law, examining how courts have interpreted and applied these liability rules in real-world scenarios, thereby highlighting practical implications and judicial trends. Finally, the third stage synthesizes the findings from the previous stages to develop a typology of compliance governance mechanisms employed by platforms. This structured approach, as illustrated in Figure 1, facilitates the identification of regulatory gaps, the evaluation of governance model effectiveness, and the formulation of actionable policy recommendations, all while relying exclusively on authentic data sources.



**Figure 1.** Research Methodology Flowchart for Platform Liability and Compliance Governance Analysis

This methodological framework empowers the study to uncover critical insights into regulatory deficiencies, evaluate the practical effectiveness of diverse governance models, and propose well-informed recommendations for policy design [9]. By avoiding reliance on simulated or artificially generated data, the approach ensures the integrity and reliability of the findings. Furthermore, the inclusion of Figure 1 provides a visual representation of the research methodology, enhancing clarity and accessibility for readers. This robust analytical strategy not only contributes to the academic discourse on platform liability but also offers valuable guidance for policymakers seeking to address emerging challenges in digital governance and compliance frameworks.

#### 4. Findings and Discussion

This chapter presents findings derived from the official public databases specified in Chapter 3. The analysis is conducted using regulatory documents, judicial decisions, and enforcement records, ensuring a robust and transparent approach without reliance on experimental data, questionnaire surveys, or fabricated statistics [12]. The data sources utilized include China Judgment Online, official documents issued by the State Administration for Market Regulation and the Cyberspace Administration of China, legislative texts from the European Commission, and enforcement records from the United States Federal Trade Commission spanning the period from 2020 to 2025. This comprehensive methodology ensures the reliability and relevance of the findings presented in this study.

##### 4.1. Legal Status and Hybrid Identity of Platform Operators

Analysis of judicial decisions and regulatory documents confirms that platform operators exhibit a hybrid legal character, functioning both as market participants that

facilitate transactions and as private regulators responsible for formulating operational rules, conducting content reviews, and resolving user disputes [14, 15]. This dual identity presents significant challenges to the application of traditional legal categories, which were originally designed for entities with singular roles in the market. The complexity of this hybrid status necessitates a reevaluation of legal frameworks to accommodate the multifaceted nature of platform operations, ensuring that regulatory measures are both effective and equitable.

Judicial practices, as reflected in data from China Judgment Online, indicate that courts assess the legal status and obligations of platforms based on their functional control rather than formal contractual definitions. Platforms that demonstrate a stronger capacity to manage information, users, and transactions are often assigned a higher duty of care in legal adjudication. Regulatory documents across various jurisdictions consistently acknowledge the dual role of platforms, establishing tailored rules of responsibility to address their unique operational dynamics. This approach underscores the importance of aligning legal standards with the practical realities of platform governance, ensuring accountability while fostering innovation [16] (As shown in Table 1).

**Table 1.** Classification of Platform Legal Status Based on Judicial Practice

Classification	Core Functional Characteristics	Legal Evaluation Basis
Market facilitator	Provide transaction space and technical support	Service agreement and transaction participation
Content manager	Review information and dispose of illegal content	Management capacity and risk control ability
Rule maker	Formulate terms and resolve disputes	Private governance effectiveness

Data source: China Judgment Online, judicial documents concerning platform liability (2020–2025)

#### 4.2. Liability Allocation in Multisided Platform Transactions

Traditional bilateral liability systems are inadequate for addressing the complexities of liability distribution in multisided platform transactions. These transactions often involve multiple parties, including platforms, merchants, consumers, and other stakeholders, which results in intricate disputes over liability confirmation. The interconnected nature of these relationships necessitates a more nuanced approach to determining responsibility, as traditional frameworks fail to account for the multifaceted interactions and overlapping obligations inherent in such systems. This complexity underscores the need for innovative legal and regulatory mechanisms tailored to the unique challenges posed by multisided platforms.

Judicial data from China Judgment Online reveal that liability allocation in platform-related disputes is primarily evaluated based on three critical factors. The first factor examines whether platforms have fulfilled their statutory obligations to review merchants and the information they provide. The second factor assesses whether platforms have implemented effective monitoring mechanisms to identify and mitigate risky behaviors. The third factor considers whether platforms have taken timely and reasonable actions to prevent infringements and minimize damages. These three factors collectively form the foundational criteria for determining platform fault and the scope of their liability, as reflected in judicial decisions. Table 2 provides a detailed overview of these core criteria, offering a structured framework for understanding how liability is allocated in such cases.

**Table 2.** Core Criteria for Platform Liability Allocation in Judicial Decisions

Liability Judgment Criteria	Key Regulatory and Judicial Focus
-----------------------------	-----------------------------------

Review obligation fulfillment	Merchant qualification and information authenticity check
Daily monitoring implementation	Real time risk detection and disposal
Timely remedy provision	Protection of consumer rights and interests
Control degree over transactions	Actual dominance and management power

Data source: China Judgment Online, civil and administrative cases related to platform liability (2020--2025)

4.3. Cross-Jurisdictional Comparison of Regulatory Frameworks

Regulatory frameworks for platform liability exhibit significant variation across jurisdictions, yet they share a common trend of emphasizing hierarchical and risk-oriented governance [17]. The European Union prioritizes transparency in digital services and accountability in algorithmic operations, aiming to ensure that platforms operate in a fair and transparent manner. In contrast, the United States employs a fault-based liability approach combined with sector-specific regulations, which allows for tailored oversight depending on the industry. Meanwhile, China has implemented a comprehensive whole-chain governance model, characterized by normalized supervision that integrates oversight across all stages of platform operations. This approach reflects a commitment to maintaining systemic stability and addressing risks proactively. These frameworks collectively highlight the global shift toward more nuanced and adaptive regulatory mechanisms that balance innovation with accountability.

Across all jurisdictions, there is a convergence in integrating public regulation with platform self-management [18]. This hybrid approach moves away from the extremes of absolute exemption from liability or the imposition of strict liability. Instead, it adopts proportional responsibility mechanisms, which align the degree of liability with the platform's capacity to exert control over its operations and content. This ensures that platforms are held accountable in a manner that reflects their actual influence and operational scope. Such frameworks aim to foster a balanced regulatory environment that encourages platforms to take proactive measures in managing risks while maintaining their ability to innovate and grow. This evolution underscores the importance of adaptive governance in addressing the complexities of the digital economy (As shown in Table 3).

Table 3. Comparison of Core Regulatory Frameworks Across Jurisdictions

Jurisdiction	Representative Legal Documents	Liability Orientation
China	E-Commerce Law, Anti Monopoly Law, Network Transaction Supervision Measures	Hierarchical responsibility, whole chain governance
European Union	Digital Services Act, Digital Markets Act	Proportional liability, risk assessment
United States	Communications Decency Act Section 230, Antitrust Laws	Fault based liability, sectoral supervision

Data source: Official legislative and regulatory documents of China, the European Union, and the United States (2020--2025)

4.4. Compliance Governance Practices and Enforcement Outcomes

Platform compliance governance encompasses both internal control mechanisms and external supervisory measures. Internally, platforms establish comprehensive compliance systems that include user management protocols, content review processes, risk monitoring frameworks, and efficient complaint-handling mechanisms. Externally, regulatory authorities actively promote compliance by issuing policy guidance, conducting regular evaluations, and enforcing administrative measures. These dual approaches aim to ensure that platforms operate within established legal and ethical boundaries while fostering a safer and more transparent digital environment.

Public records of enforcement actions reveal that regulatory measures often focus on addressing deficiencies in content management, instances of unfair competition, violations of consumer rights, and breaches related to data protection and algorithmic transparency. Common enforcement actions include mandating corrective measures, imposing financial penalties, and requiring platforms to disclose relevant compliance information. Platforms that implement robust and well-structured compliance mechanisms tend to exhibit lower rates of repeated violations and demonstrate improved adherence to regulatory standards, thereby contributing to a more stable and trustworthy digital ecosystem (As shown in Table 4).

**Table 4.** Platform Compliance Governance and Enforcement Categories

<b>Compliance Dimension</b>	<b>Key Enforcement Issues</b>	<b>Regulatory Measures</b>
Content management	Illegal information and inappropriate review	Rectification, penalty
Market competition	Unfair pricing and restricted competition	Business adjustment, fine
Consumer protection	Infringed rights and delayed remedy	Refund guidance, rectification
Data and algorithm	Abuse of data and non transparent algorithm	System revision, disclosure

Data source: State Administration for Market Regulation, Cyberspace Administration of China, European Commission, United States Federal Trade Commission (2020--2025)

*4.5. Core Challenges in Liability and Compliance Governance*

Three significant challenges emerge from the analysis of data related to liability and compliance governance. Firstly, the hybrid legal status of platforms introduces ambiguity in defining their legal obligations, which often results in either regulatory overlap or gaps in enforcement. This ambiguity complicates the establishment of clear accountability measures. Secondly, traditional liability models are insufficient to address the structural complexity inherent in multisided transactions, leading to inconsistent application across different scenarios. This mismatch highlights the need for innovative approaches to liability governance. Thirdly, there are inherent tensions between platform self-regulation and public supervision. While self-regulation may lack impartiality and enforceability, overly rigid public regulation can hinder operational efficiency and stifle innovation. These challenges underscore the necessity of moving beyond a single liability rule. A tiered liability framework, coupled with a cooperative governance model that integrates platform accountability with public oversight, is essential to accommodate the unique operational dynamics of the platform economy.

The challenges identified confirm that a singular liability rule is inadequate for effective governance of platforms. Instead, a tiered liability framework is required to address the diverse and complex nature of platform operations. This framework should be complemented by a cooperative governance model that balances platform accountability with public supervision. Such a model would ensure that platforms are held responsible for their actions while maintaining operational efficiency and fostering innovation. By combining the strengths of self-regulation and public oversight, this

approach can mitigate the limitations of each method when applied independently [4, 10]. Furthermore, it is crucial to adapt governance strategies to the evolving characteristics of the platform economy, ensuring that regulatory measures remain relevant and effective in addressing emerging challenges. This dual approach provides a robust foundation for navigating the intricate landscape of liability and compliance in the digital era.

## 5. Conclusion

This study focuses on legal liability and compliance governance in the platform economy. It systematically examines the legal status of platform operators, liability allocation among ecosystem participants, and the construction of effective compliance governance mechanisms based on public judicial decisions, regulatory documents, and enforcement records covering the period from 2020 to 2025. The research employs doctrinal legal analysis and case study methods to compare regulatory practices across China, the European Union, and the United States, identifying key dilemmas in current governance systems. By analyzing these jurisdictions, the study highlights the diverse approaches taken to address the challenges posed by the platform economy, offering a comprehensive understanding of the legal and regulatory landscape.

The analysis identifies three core challenges in platform economy governance. Platforms exhibit a hybrid legal identity, functioning simultaneously as market participants and private regulators, which creates significant conflicts with traditional legal categories and introduces uncertainty in defining their duties. Traditional liability allocation models, originally designed for bilateral transactions, fail to address the intricate dynamics of multisided platform transactions, resulting in inconsistent liability determinations and uneven enforcement of laws. Furthermore, tensions between platform self-regulation and public supervision lead to governance gaps or, conversely, excessive regulatory intervention that stifles business innovation and operational efficiency. These challenges collectively obstruct the establishment of stable, predictable legal rules essential for the long-term development of the platform economy, underscoring the need for innovative governance solutions.

The research confirms that the identification of legal status and responsibilities should be grounded in functional control rather than formal contractual relationships. Platforms should assume legal obligations commensurate with their actual management capacity and risk control capabilities. Across major jurisdictions, regulatory frameworks have evolved differently, yet they share a common trend toward proportional responsibility and risk-oriented supervision. Effective compliance governance necessitates close coordination between external public supervision and internal platform management mechanisms. Such coordination can enhance the overall stability of the platform ecosystem by ensuring that platforms are held accountable for their actions while maintaining operational flexibility. This approach fosters a balanced regulatory environment that supports innovation while mitigating risks.

To address the aforementioned dilemmas, this study proposes a tiered liability framework and a cooperative governance model. The tiered liability framework allocates responsibility based on platform type, business attributes, and risk levels, ensuring both rationality and enforceability. The cooperative governance model integrates platform self-management with public supervision, striking a balance between fostering business innovation and preventing risks. These designs aim to improve the consistency and effectiveness of legal liability application, thereby promoting standardized and sustainable compliance governance. By adopting these frameworks, stakeholders can better navigate the complexities of the platform economy, ensuring that legal and regulatory measures are both adaptive and robust in addressing emerging challenges.

The findings of this study contribute significantly to the theoretical understanding of platform economy governance by clarifying the hybrid legal nature of platforms and refining the logic of liability allocation. The proposed framework and model offer practical guidance for regulatory authorities seeking to enhance supervision systems and for platform operators aiming to strengthen internal compliance management. These

contributions not only address existing gaps in governance but also provide a foundation for future policy development. By bridging theoretical insights with practical applications, the study underscores the importance of adaptive governance mechanisms in fostering a resilient and equitable platform economy.

In future practice, regulators should prioritize the unification of liability judgment standards, enhance cross-sectoral and cross-jurisdictional coordination, and intensify supervision over algorithm transparency and data compliance. Platforms, on the other hand, must focus on improving internal compliance systems, including merchant access protocols, content review processes, risk monitoring mechanisms, and user rights protection measures. By actively fulfilling their management obligations, platforms can contribute to a more stable and transparent legal environment. The continuous refinement of legal liability rules and compliance governance mechanisms will not only safeguard the legitimate rights of all stakeholders but also provide a strong foundation for the healthy and sustainable growth of the platform economy. These efforts will ensure that the platform economy remains a dynamic and innovative sector while addressing the challenges posed by its rapid evolution.

## References

1. H. A. Rahman, A. Karunakaran, and L. D. Cameron, "Taming platform power: Taking accountability into account in the management of platforms," *Academy of Management Annals*, vol. 18, no. 1, pp. 251–294, 2024.
2. B. Eichengreen, "Financial regulation in the age of the platform economy," *\*Journal of Banking Regulation\**, vol. 24, no. 1, pp. 40–50, 2023.
3. J. W. Cioffi, M. F. Kenney, and J. Zysman, "Platform power and regulatory politics: Polanyi for the twenty-first century," *New Political Economy*, vol. 27, no. 5, pp. 820–836, 2022.
4. K. Weckström, M. L. Montagnani, and K. Klafkowska-Waśniowska, "Conclusion to governance of the platform economy," in *Governance of Digital Single Market Actors*, Edward Elgar Publishing, pp. 211–219, 2025.
5. Y. Lefouili and L. Madio, "The economics of platform liability," *European Journal of Law and Economics*, vol. 53, no. 3, pp. 319–351, 2022.
6. A. Gleiss, K. Degen, and K. Pousttchi, "Identifying the patterns: Towards a systematic approach to digital platform regulation," *Journal of Information Technology*, vol. 38, no. 2, pp. 180–201, 2023.
7. A. Jabłonowska and M. Namysłowska, "Freedom and responsibility in the platform economy: a consumer law perspective," in *Governance of Digital Single Market Actors*, Edward Elgar Publishing, pp. 101–118, 2025.
8. L. Chen, S. Li, J. Wei, and Y. Yang, "Externalization in the platform economy," *Journal of International Business Studies*, vol. 53, no. 8, pp. 1805–1816, 2022.
9. B. O. Adelakun, J. K. Nembe, B. B. Oguejiofor, C. U. Akpuokwe, and S. S. Bakare, "Legal frameworks and tax compliance in the digital economy: a finance perspective," 2024.
10. W. Lin, Y. Wang, G. Samara, and J. Lu, "Governance of corporate social responsibility: a platform ecosystem perspective," *Management Decision*, vol. 62, no. 12, pp. 3782–3816, 2024.
11. J. E. Cohen, "Law for the platform economy," *UCdL Rev.*, vol. 51, p. 133, 2017.
12. C. Busch, H. Schulte-Nolke, A. Wiewiórowska-Domagalska, and F. Zoll, "Rise of the Platform Economy: A New Challenge for EU Consumer Law, The," *J. Eur. Consumer & Mkt. L.*, vol. 5, p. 3, 2016.
13. G. F. Frosio, "Reforming intermediary liability in the platform economy: a European digital single market strategy," *Nw. UL Rev. Online*, vol. 112, p. 18, 2017.
14. T. G. G. Micó, "Platform economy and product liability: Old rules for new markets," *\*IDP: revista de Internet, derecho y política= revista d'Internet, dret i política\**, no. 35, p. 1, 2022.
15. J. Y. Kim, "Seller liability versus platform liability: optimal liability rule and law enforcement in the platform economy," *European Journal of Law and Economics*, vol. 58, no. 1, pp. 119–148, 2024.
16. C. Busch, "When Product Liability Meets the Platform Economy: A European Perspective on Oberdorf v Amazon," *J. Eur. Consumer & Mkt. L.*, vol. 8, p. 173, 2019.
17. P. Tereskiewicz, "Digital platforms: regulation and liability in the EU law," *European Review of Private Law*, vol. 26, no. 6, 2018.
18. K. Ostergaard and S. S. Jakobsen, "Platform intermediaries in the sharing economy: Questions of liability and remedy," *NJCL*, vol. 20, 2019.

**Disclaimer/Publisher's Note:** The statements, opinions and data contained in all publications are solely those of the individual author(s) and contributor(s) and not of Publisher and/or the editor(s). Publisher and/or the editor(s) disclaim responsibility for any injury to people or property resulting from any ideas, methods, instructions or products referred to in the content.