

China grants Alibaba payment system license

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(AP) -- An online payment system founded by Chinese e-commerce giant Alibaba Group was granted a government license, the company said Thursday, following an ownership change that rattled investors in partner Yahoo Inc.

Alipay was among the first group of companies to be awarded licenses by China's central bank to conduct online payments, Alibaba said.

Yahoo, which owns 43 percent of Alibaba, disclosed May 10 that Alipay had been spun off into a separate entity controlled by Alibaba CEO Jack Ma.

The loss of a potentially valuable asset in the world's most populous [Internet market](#) jarred investors and Yahoo's stock price has fallen by 13 percent since then.

Yahoo said the change was necessary because Beijing would only license a payment service wholly owned by Chinese citizens. CEO Carol Bartz said this week Yahoo is negotiating with Alibaba and will be "appropriately compensated."

Launched in 2004, Alipay says it is China's biggest third-party online [payment platform](#) with more than 550 million registered users as of December.

Alibaba Group operates Yahoo's China arm, China Yahoo! It also includes Alibaba.com, a major business-to-business e-commerce service,

the retail site [Taobao](#) and [Alibaba](#) Cloud Computing, a developer of computing services.

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