Highlights

The National Development and Reform Commission (NDRC) continues to prepare antitrust guidelines, having recently released the draft antitrust guideline for the automotive industry for consultation.

The State Administration for Industry and Commerce (SAIC) recently launched a national antitrust enforcement campaign targeting public enterprises in the water, electricity, gas, public transportation, and funeral services industries. It will run from April to October 2016.

On the enforcement front, the NDRC’s local office in Shaanxi fined participants in the motor vehicle inspection industry in Shaanxi for price fixing. South Korea’s Hanook Tire was also fined for resale price maintenance (RPM) by the Shanghai Price Bureau. The SAIC’s local bureaus in Foshan, Hainan, Shandong, and Ningxia took action against anticompetitive conduct under the Anti-Unfair Competition Law (AUCL).

Interestingly, the amendment of the Anti-Monopoly Law (AML) has been included in the State Council’s 2016 legislative plan as a research project.

1. Laws and Policies

1. Draft antitrust guidelines for the automotive industry released for consultation

The NDRC released the Anti-Monopoly Guideline for the Automotive Industry (Consultation Draft) for public consultation on 23 March 2016. The consultation period ran from 23 March to 12 April 2016.

The draft guideline covers market definition, monopoly agreements, abuse of dominance, and abuse of administrative power in the automotive industry. It notes that merger review is not significantly different in the automotive industry as compared to other industries, however the draft guideline might be a useful reference.
Whilst the draft guideline addresses both horizontal and vertical monopoly agreements, there is a clear focus on vertical agreements. It recognises that vertical restrictions may be direct (such as fixed resale prices) or indirect (such as fixing the profit margin and discount levels) and that, in addition to formal agreements, vertical agreements may be reached via business policies, notices, and providing other information. It emphasises that the effect of the restriction on competition is important, rather than its form. Fixed resale price agreements, minimum resale prices, recommended prices, maximum prices, geographic and customer restrictions, vertical restrictions for after-sales services and parts, and other vertical restrictions on distributors' and auto repair businesses' sale and service capabilities are addressed by the guideline. In particular, the draft guideline outlines circumstances where the exemption in Article 15 of the AML may apply to geographic and customer restrictions imposed by a business operator without significant market power. A business operator with less than 25–30% share of the relevant market will usually not have significant market power. The draft guideline notes that, in theory and in practice, such restrictions usually can increase the quality of distribution services, improve distribution efficiency, and enhance the efficiency and competitiveness of small and medium sized dealers, not generally seriously restrict competition, and enable consumers to share in the benefits of production.

For abuse of dominance conduct in the automotive industry, the draft guideline focuses on conduct in the aftermarket. When defining the relevant market in such cases, brands are an important factor to consider. The draft guideline also notes that, even if a supplier does not have dominance in the sale of new cars, that brand might nonetheless be dominant in the aftermarket. The production, supply, and circulation of aftermarket auto parts and the availability of maintenance technical information and testing and maintenance equipment are covered.

The draft guideline provides a non-exhaustive list of abuse of administrative monopoly conduct that might eliminate or restrict competition in breach of Chapter 5 of the AML. Such conduct includes regulations that restrict market entry and the free flow of vehicles; business establishment or qualification requirements that eliminate or restrict competition; limiting the ability of individuals or other entities to buy, rent, or use the trading system, facilities, or premises of designated suppliers; limiting where second-hand car trades can take place; and requiring that an invoice be issued by a second-hand car dealer for second-hand car trades.


2. Beijing High People’s Court releases Guideline on the Trial of Internet-Related Intellectual Property Right Cases

On 13 April 2016, the Beijing High People’s Court released the Guideline on the Trial of Internet-Related Intellectual Property Right Cases. The guideline contains 42 provisions, covering copyright, trademark, and unfair competition issues. Specifically, there are two competition-related provisions.

Article 35 of the guideline provides that the following conduct harms the plaintiff’s legal rights, distorts normal market competition order, violates the principals of fair competition and good faith and business ethics, and may be found to be unfair competition in violation of Article 2 of the AUCL:

- Unauthorised and unjustified appropriation of another business’s website content, the result that user visits to that website are channelled to the unduly appropriated content
- Unauthorised and unjustified use of another business’s commercial logos, resulting in users being mistaken
- Unauthorised and unjustified changes to predictive search keywords suggestions by search engines, directly affecting the plaintiff’s trade opportunities
- Unauthorised and unjustified insertion of advertisements on other businesses’ websites, thereby free-riding on user visits to those websites
- Unjustified disruption of other businesses’ business operations by interruption, impediment, or other means
In addition, although one of the goals may be to reduce the court’s wide flexibility to apply Article 2 of the AUCL, which is currently being revised, the guideline contains a catch-all clause that refers to other circumstances that amount to unfair competition in violation of Article 2 of the AUCL.

The guideline also has specific rules on bid-based pay-per-click services. Article 38 of the guideline provides that the following factors are used to assess the legality of the purchase and use of bid-based pay-per-click services:

- whether the use of another business’s commercial logos as pay-per-click keywords is unauthorised or without valid justification
- whether those keywords are displayed in the search results (title or website preview) or on the defendant’s webpage after click-through
- whether it would lead to a change in the plaintiff’s trade opportunities or competitive advantages, harming the plaintiff’s legal rights

At the same time, the guideline confirms that the use of bid-based pay-per-click services is a legitimate business model for search engines, who are not obliged to verify keywords used. Search engines only need to remove content from search results if notified by an aggrieved party or if they become otherwise aware of an infringement.

Unlike the provisions in the soon to be amended AUCL, which are of general application, this guideline only applies to cases handled by the Beijing High People’s Court. However, in light of the fact that many disputes between Internet companies are litigated in Beijing, the guideline will be important for many market players.

Sources: [http://bjgy.chinacourt.org/article/detail/2016/04/id/1839981.shtml](http://bjgy.chinacourt.org/article/detail/2016/04/id/1839981.shtml)

2. Cases

1. **Shaanxi Price Bureau imposes fines for price fixing in the motor vehicle inspection industry in Shaanxi**

The Shaanxi Price Bureau fined the Shaanxi Motor Vehicle Inspection Industry Association and 31 motor vehicle inspection businesses in Xi’an, Shangluo, and Yangling for price fixing.

Motor vehicle inspection fees were originally government guided in Shaanxi, and they became liberalised on 15 November 2015. The Shaanxi Price Bureau found that, in mid-November 2015, the industry association had organised for the motor vehicle inspection businesses to discuss collective price increases through WeChat, the social media platform. They also had 3 meetings during November and December 2015 to discuss the unified fee increases and agree on the timing of the fee increase and the penalty mechanism. In mid-December 2015, some motor vehicle inspection businesses in Xi’an, Shangluo, and Yangling publicly announced that motor vehicle inspection fees would increase. On 18 December 2015, the Shaanxi Price Bureau, along with relevant government departments, held a “remind and warn” meeting for motor vehicle inspection businesses and emphasised that price collusion, agreements to increase prices, and driving up prices were prohibited. However, from 21 December 2015, motor vehicle inspection fees in Xi’an, Shangluo, and Yangling increased significantly, with an average fee increase of 100%.

The Shaanxi Price Bureau found that the industry association and motor vehicle inspection businesses had violated Article 13(1) of the AML. It imposed a total fine of over RMB 5.76 million on the industry association and motor vehicle inspection businesses. The first business to voluntary report the illegal conduct and provide important evidence was exempt from penalty. The 4 businesses that had either provided important evidence or had minor illegal conduct that was rectified quickly were each fined 3% of last year’s sales. The remaining 26 businesses were fined between 6–8% of last year’s sales, and the industry association was fined RMB 250,000.

2. **Shanghai Price Bureau fines Hanook Tire for RPM**

On 13 April 2016, the NDRC reported that the Shanghai Price Bureau recently fined Hanook Tire for engaging in RPM.

From 2012 to 2013, Hanook signed agreements with its distributors in Shanghai relating to the sale of truck and bus tires and passenger car tires. Those agreements contained provisions that restricted the minimum resale price. The penalty for not complying with the minimum resale price was either termination of the agreement or the deduction of moneys from a market discipline bond, which some distributors were required to pay to ensure that they complied with the minimum resale price. Hanook also formulated a recommended price list that contained the minimum wholesale price and wrote market discipline letters requesting that distributors not sell below the recommended price.

The Shanghai Price Bureau held that Hanook and the distributors had reached and implemented a monopoly agreement in breach of Article 14(2) of the AML and had eliminated and restricted market competition, distorted the normal market competition order, and harmed the legitimate interests of other businesses and consumers.

Hanook was ordered to stop the illegal conduct and fined RMB 2.1752 million (1% of previous year’s relevant sales). In determining the sanctions, the Shanghai Price Bureau took into account the fact that Hanook had already stopped the conduct before the investigation began, actively cooperated with the investigation, promptly returned the bond moneys, and voluntarily mitigated the harm.

*Source: [http://jjs.ndrc.gov.cn/gzdt/201604/t20160413_798065.html](http://jjs.ndrc.gov.cn/gzdt/201604/t20160413_798065.html)*

3. **Guangdong Foshan AIC fines local cemetery for illegal bundling and false advertising**

On 1 April 2016, the SAIC reported that the Guangdong Foshan Administration for Industry and Commerce (AIC) fined a local cemetery for restricting competition and false advertising in violation of the AUCL. The administrative penalty decision was made on 25 December 2015.

The cemetery, which was the only commercial cemetery in town, forced its customers to buy its tombstones and use its tombstone-installing services when selling tombs to the customers. The Foshan AIC found that the cemetery had violated Article 6 of the AUCL.


4. **Hainan AIC fines sugarcane monopsony for imposing unreasonable conditions and overcharging**

On 15 April 2016, the Hainan AIC announced that it had sanctioned Changjianghai Brown Sugar Co for imposing unreasonable conditions and overcharging sugarcane farmers in violation of Article 6 of the AUCL and relevant regulations.

The authority held that Changjianghai had a monopoly position as the only company purchasing raw sugarcane in the region. During the 2015 season, when purchasing raw sugarcane from local farmers, Changjianghai unilaterally deducted a fixed weight (for muddy water) from the total raw sugarcane weight. The Hainan AIC found that Changjianghai had illegally overcharged sugarcane farmers and restricted competition, and confiscated illegal gains of RMB 100,144 and imposed a fine of RMB 200,288.

5. **Shandong and Ningxia AICs fine local bus companies for unfair competition**

On 21 April 2016, the SAIC reported a case where the Shandong AIC and the Ningxia AIC fined local bus companies for breaching Article 6 of the AUCL, which provides that public enterprises and other state-sanctioned monopolies must not force others to purchase goods from designated parties and restrict competition, and related unfair competition regulations.

In the Shandong case, the Jinan Public Transportation Company provided elderly citizens in Jinan with free bus cards as the relevant rules provide that elderly people can take public transportation for free. However, when handing out free bus cards, it required users to buy passenger accident insurance provided by a designated insurance company. The Jinan Public Transportation Company was ordered to stop the illegal conduct and fined. Also, since the applicable regulation requires the relevant authority to buy passenger accident insurance for elderly people who enjoy free bus transportation, the Jinan Municipality Government decided to include the purchase of such insurance into the scope of public procurement.

In the Ningxia case, the Yinchuan Public Transportation Company charged a maintenance fee of RMB 15 from each transport card user. As of 28 January 2015, it has charged a total of about RMB 4.67 million in maintenance fees. The Yinchuan Public Transportation Company was also ordered to stop the illegal conduct and fined.


6. **SPC dismisses application to re-try taxi abuse of dominance case in Shaanxi**

On 17 March 2016, the Supreme People’s Court (SPC) released its decision to dismiss an application to re-try a case in Shaanxi involving taxis and exclusive dealing. In that case, two private local taxi companies sued three other local taxi companies for exclusive dealing. The SPC made its decision on 10 December 2015.

The case goes back to May 2013, when the two plaintiffs accused the three defendants of abuse of dominance. The plaintiffs alleged that, by signing contracts with the self-employed taxi drivers that prevented them from freely choosing other taxi companies, the three taxi operators breached the AML. Both the Xi’an Intermediate People’s Court (at first instance) and the Shaanxi High People’s Court (at second instance) rejected the plaintiffs’ claim, finding that the three defendants were not dominant.

When reviewing the re-trial application, the SPC decided two main issues. First, whether the existing evidence is sufficient to prove that the three taxi operators held a dominant market position and engaged in exclusive dealing. The SPC found that there was insufficient evidence to prove such dominance or the existence of the exclusive dealing conduct. Second, whether it is appropriate for the plaintiffs to bear the burden to prove the defendants’ dominant market position. The SPC upheld the first-instance court decision on this issue.

*Source: [http://wenshu.court.gov.cn/content/content?DocID=a910cfde-2d01-4fe4-9795-13b152f5bce4&KeyWord=%E7%A7%A6%E9%83%BD](http://wenshu.court.gov.cn/content/content?DocID=a910cfde-2d01-4fe4-9795-13b152f5bce4&KeyWord=%E7%A7%A6%E9%83%BD)*

3. **News of Anti-Monopoly Enforcement Agencies and the Courts**

1. **China-US Antitrust High Level Dialogue held in Washington DC**

On 13 April 2016, the Third China-US Antitrust High Level Dialogue was held in Washington, DC, joined by representatives from the Ministry of Commerce (MOFCOM), the NDRC, the SAIC, the US Federal Trade Commission (US FTC) and US Department of Justice (US DoJ). They discussed matters relating to antitrust lawmaking, case enforcement, international cooperation, enforcement to promote innovation, and competition advocacy.
The China-US Antitrust High Level Dialogue is a cooperation mechanism established under the antitrust memorandum of understanding (MOU) signed by the 5 competition agencies of China and the United States in July 2011. It is held in China and the United States alternately on a regular basis.

Sources: http://fldj.mofcom.gov.cn/article/xxfb/201604/20160401299821.shtml

2. 12th EU-China Competition Policy Week activities held in Beijing

During the week of 14 March 2016, the Chinese competition agencies and the Directorate-General for Competition of the European Commission (DG Comp) held seminars for the 12th EU-China Competition Policy Week in Beijing. On 14–15 March 2016, the NDRC Price Supervision and Anti-Monopoly Bureau and the DG Comp held a seminar where NDRC officials discussed 4 of the 6 antitrust guidelines (commitments, leniency, anticompetitive agreement exemption procedures, and calculation of fines and illegal gains) that it is currently drafting. Representatives from the DG Comp, the Polish Office of Competition and Consumer Protection, and the Portuguese Competition Authority discussed the design, policies, systems, and practices of the EU, Polish, and Portuguese relating to exemption, commitment, and fines. They also made suggestions for the drafting of the antitrust guidelines. Experts from Peking University and Tsinghua University and officials from the NDRC Price Department also participated.

On 16 March 2016, the SAIC and the DG Comp discussed the quantification of harm to competition and responsibility for anticompetitive conduct and other topical and difficult issues. Officials from the DG Comp, certain European competition agencies, and some local market supervision bureaus attended.

The MOFCOM Anti-Monopoly Bureau and the DG Comp held an antitrust seminar on 17 March 2016, which was attended by government officials and experts from the European Union, Ireland, the EU-China Trade Project, and the Chinese competition agencies.

Sources: http://jjs.ndrc.gov.cn/gzdt/201603/t20160317_792961.html
http://fldj.mofcom.gov.cn/article/xxfb/201603/20160301278686.shtml

3. MOFCOM releases list of unconditionally cleared mergers for the first quarter of 2016

On 6 April 2016, the MOFCOM released a list of 81 mergers that it unconditionally cleared in the first quarter of 2016.


4. MOFCOM signs MOU with the Japan Fair Trade Commission

On 11 April 2016, the MOFCOM and the Japan Fair Trade Commission signed a MOU on antitrust cooperation. They agreed to exchange ideas on matters relating to competition policy and merger control regulation and enforcement and to hold seminars with the Japanese Business Federation and Japan-China Economic Association.

5. Update on the MOFCOM’s Activities

From 28–30 March 2016, Deputy Director-General of the MOFCOM Anti-Monopoly Bureau Han Chunlin led a delegation to Shenzhen to conduct field investigations for merger cases. He held a business forum and made in-depth project site visits. Representatives from the Shenzhen Fair Trade Promotion Agency also participated in these activities.

On 14 April 2016, Deputy Director-General Han met with representatives from the US FTC and US DoJ in Washington, DC to discuss the progress of antitrust merger review work and related matters.


6. NDRC reports on its anti-price monopoly activities during the Twelfth Five-Year Plan (2011–2015) period

The NDRC reported on its anti-price monopoly activities during the Twelfth Five-Year Plan period running from 2011 to 2015.

During this period, it investigated 97 price monopoly cases and imposed total sanctions of RMB 10.397 billion. The NDRC Price Supervision and Anti-Monopoly Bureau directly investigated 29 cases and province-level price authorities investigated 68 cases. Of these cases, 76 involved price monopoly agreements, 13 related to abuse of dominance, and 8 were administrative monopoly cases. The NDRC noted that competition policy was being promoted as part of the broader economic policy system, that the establishment of a fair competition review system was being researched, and that antitrust guidelines were being drafted. The NDRC also strengthened international cooperation on antitrust matters. It signed MOUs with various other competition agencies, participated in free trade agreement negotiations, and organised and participated in international antitrust conferences.

The NDRC stated that it will continue to ensure that its antitrust work serves overall macroeconomic development and resolves the competition issues that arise from economic and social construction and are of public interest. It will continue to improve antitrust rules, fairly and impartially enforce the law, maintain good market order, and promote the development and protection of consumer interests.


7. NDRC publishes enforcement statistics and typical cases relating to its price supervision platform

On 28 April 2016, the NDRC released some enforcement statistics and cases relating to its 12358 price supervision platform.

The NDRC launched its 12358 price supervision platform in January 2015 to receive consumer complaints about pricing conduct. The platform received most complaints about sectors such as transportation, retailing, real estate and property management, pharmaceuticals, and social services. Serious unfair pricing practices also occurred in areas such as education, resources, hotels and tourism. Until the end of March 2016, NDRC and its local agencies imposed total sanctions of RMB 10.812 billion for various illegal pricing practices, including fines, confiscation of illegal gains, and refunds to consumers. The NDRC also provided a list of 10 typical cases that originated from consumer complaints. One of these cases was the motor vehicle inspection price fixing case in Shaanxi (reported in this bulletin).

8. **NDRC reminds hotel industry on unfair pricing practices**

On 30 April 2016, the NDRC circulated a document warning hotels not to use the new tax policy as an excuse to engage in illegal pricing conduct. As the hotels are required to charge value-added tax from 1 May 2016 to replace the previous business tax, the NDRC was concerned that some hotels were trying to take the opportunity to jointly raise hotel prices.


9. **Update on the NDRC’s Activities**

The NDRC has completed its public consultation on the draft antitrust guidelines on commitments and leniency. It received comments from foreign competition agencies, businesses, industry associations, research institutions, law firms, and other organisations and individuals. They provided many comments and suggestions, and the overall view was that the guidelines would improve the transparency and predictability of antitrust enforcement and decrease compliance costs. The NDRC said that it would seriously consider the comments and improve the draft guidelines, and expressed its appreciation for the support.

On 7 March 2016, Director-General of the NDRC Price Supervision and Anti-Monopoly Bureau Zhang Handong met with the Head of Trade of the European Union Delegation to China Francisco Perez Canado. They discussed competition cooperation between the European Union and the NDRC. On 17 March 2016, NDRC Deputy Director Hu Zucai met with EU Commissioner for Competition Margrethe Vestager. They discussed China’s competition policies, the EU’s state aid rules, and the further enhancement of Sino-EU cooperation on competition matters.

On 13 April 2016, Director-General Zhang met with representatives from the US FTC and the US DoJ in Washington, DC to discuss technical matters. They discussed the drafting of the antitrust guidelines, the relationship between the Chinese competition agencies and other government departments, and the deepening of bilateral cooperation. Deputy Director Hu also visited the New York office of the US DoJ and met with Chief Jeffrey Martino on 15 April 2016.

[http://jjs.ndrc.gov.cn/gzdt/201604/t20160419_798524.html](http://jjs.ndrc.gov.cn/gzdt/201604/t20160419_798524.html)

10. **SAIC embarks on enforcement campaign to address anticompetitive conduct by public enterprises in certain industries**

On 7 April 2016, the SAIC launched a national enforcement campaign targeting anticompetitive conduct by public enterprises. The enforcement campaign will run from April to October 2016.

The focus of the campaign will be on the water, electricity, gas, public transportation, and the funeral service industries. The SAIC stated that forced transactions, overcharging, tying, imposing unreasonable conditions, and other anticompetitive practices were prevalent in these industries, which has provoked a strong public reaction. It called upon public enterprises to investigate and rectify such conduct, noting that it might impose lighter sanctions for enterprises that adopt corrective measures.
Provincial AICs have begun to implement antitrust campaigns in response to the SAIC. For example, the Xinjiang AIC started a special antitrust enforcement campaign across the region on 12 April 2016, focusing on anticompetitive practices of public utilities enterprises in sectors including pharmaceuticals, education, tourism and retailing. AICs in Hebei, Sichuan, Liaoning, and Shandong have also implemented similar antitrust campaigns.


11. **SAIC reports on its consumer protection related activities in 2015**

On 16 March 2016, the SAIC released a report on its nationwide consumer protection activities in 2015, which includes AML enforcement. It investigated 12 cases involving telecommunications, water, medicines, gas, electricity, gas, radio and television, salt, and other public sectors and industries of public interest. Of these cases, 4 involved anticompetitive agreements and 8 were cases of abuse of dominance. In particular, it pointed out its Inner Mongolia office’s investigation of the local branches of China Mobile and China Unicom for abuse of dominance as being effective in regulating conduct and promoting tariff reform in the telecommunications industry. The SAIC also renewed its MOU on anti-unfair competition and anti-monopoly cooperation with the Russian competition agency for 2016–2017, and signed a MOU with the Canadian Competition Bureau to jointly promote anti-monopoly and anti-unfair competition cooperation and stop anticompetitive conduct and fraudulent marketing.


12. **Update on the SAIC’s Activities**

On 24 March 2016, the SAIC Antimonopoly and Anti-Unfair Competition Enforcement Bureau met with Director of Intellectual Property & Competition at Ericsson, Dina Kallay. They talked about the draft antitrust guidelines on the abuse of intellectual property rights recently prepared by the SAIC and related matters.

On 30 March 2016, the SAIC Antimonopoly and Anti-Unfair Competition Enforcement Bureau held a seminar in the city of Haikou to discuss significant competition cases. Representatives of local SAIC branches attended the seminar. They discussed cases involving commercial bribery in the pharmaceuticals and home decoration sectors.

On 6 April 2016, the SAIC and the Shenzhen State Administration for Industry and Commerce Administration Institute held a 7-day training course for 145 key officials from industry and commerce departments and market regulation departments who are working on antitrust enforcement around China. It was the first time that the SAIC Antimonopoly and Anti-Unfair Competition Enforcement Bureau and the Administration Institute had held a training course on antitrust enforcement, and it was designed to strengthen the specialised and professional nature of the training. An associate professor from the Shenzhen Party School delivered the opening lecture which explained the Fifth Plenum of the 18th Party Congress in-depth.

On 26 April 2016, a competition law enforcement conference was held in Anhui. Deputy Director of the SAIC, Wang Jiangping, emphasised the importance of competition law enforcement in market supervision. He reported that, in 2015, the SAIC and its local authorities investigated 68,170 competition-related cases, continued to investigate major cases, and authorised five provincial bureaus to launch investigations in 12 antitrust cases involving tobacco, telecommunications, water supply, pharmaceuticals, gas, electricity, and insurance industries.
4. Central and Local Government News

1. **President Xi Jinping chairs forum on Internet security and information technology**

   On 19 April 2016, President Xi Jinping chaired a forum on Internet security and information technology in Beijing. He emphasised the need to promote economic and social development in accordance with the concepts of innovation, coordination, green thinking, openness, and sharing. When talking about “enhancing the sense of mission and responsibility of Internet businesses,” President Xi pointed out that vicious competition and abuses of dominance occur in China’s Internet market, about which small and medium-sized businesses have complaints. He said that market should be further regulated to encourage healthy competition, which would not only help businesses to increase their innovation efforts, enhance competitiveness, and expand the market, but also balance the interests of all parties, maintain the national interests, and better serve the people.

   **Source:** [http://news.xinhuanet.com/newmedia/2016-04/26/c_135312437.htm](http://news.xinhuanet.com/newmedia/2016-04/26/c_135312437.htm)

2. **Revision of the AML and AUCL in China’s legislative plan**

   On 13 April 2016, the State Council published its 2016 legislative plan. According to a notice issued by the General Office of the State Council, the amendment of both the AML (as a research project, to be prepared by the MOFCOM, the NDRC, and the SAIC) and the AUCL (as an urgent matter required to comprehensively deepen reforms) are included in the 2016 legislative plan.

   **Source:** [http://www.gov.cn/zhengce/content/2016-04/13/content_5063670.htm](http://www.gov.cn/zhengce/content/2016-04/13/content_5063670.htm)

3. **China calls for efficient antitrust enforcement in the 13th Five-Year Plan**

   China’s latest Five-Year Plan for 2016-2020 sets out that the Chinese government should establish a fair and efficient antitrust enforcement mechanism with a clear definition of powers and responsibilities, and with unified standards and legal basis. The government should also strengthen the protection of intellectual property rights and deepen international cooperation in antitrust enforcement to create a more sound business environment to attract foreign investment. The plan also aims to eliminate sectorial monopolies and regional barriers.


5. News of State-Owned Enterprises

1. **SASAC provides update on SOE reforms**

   On 12 March 2016, Xiao Yaqing, Director and Deputy Party Secretary of State-owned Assets Supervision and Administration Commission, provided an update on the ongoing reforms and developments in relation to state-owned enterprises (SOEs). Director Xiao stressed that China would not experience another upsurge in layoffs like the one seen in the 1990s during the ongoing reform to revitalise inefficient and overstaffed SOEs. He also mentioned that the reform would mainly be pushed forward through mergers and acquisitions, instead of bankruptcies.
6. Other News/Media Comments

1. Antitrust investigations reportedly becoming roadblocks for Chinese businesses’ mergers and acquisitions overseas

On 25 April 2016, the 21st Century Business Herald reported that antitrust reviews are becoming one of the roadblocks for Chinese companies, especially SOEs, acquiring companies overseas. As many Chinese SOEs are ultimately controlled by the government, deals of Chinese companies may be subjected to antitrust review in the major jurisdictions, particularly in the EU.

Source: http://m.21jingji.com/article/20160423/c1c7937454da9295338f20017b9e6b41.html
## Major Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AML</td>
<td>Anti-Monopoly Law 2007, PRC</td>
</tr>
<tr>
<td>MOFCOM</td>
<td>Ministry of Commerce, PRC (MOFCOM is one of China’s three competition enforcement agencies which applies the AML and is responsible for enforcing the merger control regime under the AML)</td>
</tr>
<tr>
<td>NDRC</td>
<td>National Development and Reform Commission, PRC (NDRC is one of China’s three competition enforcement agencies which applies the AML and is responsible for enforcing price-related infringements of the AML in the areas of restrictive agreements and abuse of dominant market position)</td>
</tr>
<tr>
<td>SAIC</td>
<td>State Administration for Industry and Commerce, PRC (SAIC is one of China’s three competition enforcement agencies which applies the AML and is responsible for enforcing non price-related infringements of the AML in the areas of restrictive agreements and abuse of dominant market position)</td>
</tr>
<tr>
<td>PRC</td>
<td>People’s Republic of China</td>
</tr>
</tbody>
</table>

Disclaimer:  
*By clicking on the links you are entering third party websites. Please refer to the relevant websites for terms and conditions of use. *This publication provides general information only.