



国家市场监督管理总局反垄断局

State Administration for Market Regulation Antimonopoly Bureau



Reform of Standard for Declaration of Concentration of Business Operators

October 21, 2020

Current Standard

- **Article 21 of the *Anti-Monopoly Law*:** Business operators shall declare in advance the concentration reaching the threshold of declaration prescribed by the State Council to the Anti-monopoly Law Enforcement Agency, and otherwise, they shall not implement the concentration.
- **Article 3 of the *Provisions of the State Council on the Standard for Declaration of Concentration of Business Operators*:** Where a concentration of business operators reaches any of the following thresholds, the business operators concerned shall file a prior notification with the competent commerce department of the State Council, and no such concentration may be implemented without the clearance of prior notification:
 - (i) The combined worldwide turnover of all the business operators concerned in the preceding financial year is more than RMB 10 billion, and the nationwide turnover within China of each of at least two of the business operators concerned in the preceding financial year is more than RMB 400 million; or
 - (ii) The combined nationwide turnover within China of all the business operators concerned in the preceding financial year is more than RMB 2 billion, and the nationwide turnover within China of each of at least two of the business operators concerned in the preceding financial year is more than RMB 400 million.

Background of the Reform

- Since the *Anti-Monopoly Law* was officially implemented in August 2008, China's economy has experienced rapid growth. The market environment has shown many new features, and the work related to anti-monopoly is facing many new changes and challenges.
- In terms of standard for declaration of concentration of business operators, the traditional quantitative standard with turnover as the core has played a major role in the past, but it can no longer adapt to the current economic development nor meet the needs of changes in the current domestic and international situations and the regulatory needs, and therefore needs to be adjusted and improved.

Current Progress

- Third-party institutions are being entrusted to carry out the research report on relevant topics.
- Key points of the research report:
- Theory and practice of declaration standards of major jurisdictions in the world;
- The existing declaration standards have the following problems: they are simple and lack of dynamics, which can neither adapt to the rapid growth of enterprises nor cover new competition in the new economic era.
- Ideas for reform: introduce a dynamic adjustment mechanism and a multi-index mechanism.



Thank you!

