

Improvement of the Fair Competition Review Mechanism Achievements and Prospects

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01

**Implementation of the Fair Competition
Review System to Help High-Quality
Development**



- ◆ China's economy has shifted from the stage of high speed growth to the stage of high quality development, and the realization of high quality development fundamentally lies in the vitality, innovation and competitiveness of the economy.
- ◆ As the basic policy and legal rules to maintain the order of market competition and promote the full play of the market competition mechanism, fair competition policy is an inherent requirement to improve the socialist market economy system and promote high-quality development.
- ◆ Since the establishment and implementation of the fair competition review system in China, the anti-monopoly authorities have introduced a series of policies and measures to continuously enhance the rigid constraints of the system and to promote the implementation of the fair competition review system.

(A) Adhering to the Systemic Concept, and Constantly Optimizing the Top-Level Design



- ◆ Policy documents such as "Detailed Rules for the Implementation of the Fair Competition Review System (Provisional)", "Guide for Third Party Assessment of the Fair Competition Review", "Notice of the State Administration for Market Regulation and Four Other Ministries on Further Promoting the Fair Competition Review Work", etc., have been promoted and introduced.
- ◆ On June 29 this year, the State Administration for Market Regulation and other five ministries revised and introduced the "Detailed Rules for the Implementation of the Fair Competition Review System", which further clarifies the scope of fair competition review, refines the review criteria, strengthens procedural supervision, and enhances the scientificity and operability of the system.

(B) Adhering to the Synergistic Promotion, and Constantly Strengthening the Coordinated Implementation



- ◆ In December 2016, the Inter-Ministerial Joint Conference on Fair Competition Review was established to coordinate, supervise and guide the national fair competition review work. Currently, the office of the Inter-Ministerial Joint Conference is located at the State Administration for Market Regulation.
- ◆ As of 2019, local governments at all levels above the county level have established a joint conference system, and the fair competition review system has achieved full coverage at the national, provincial, municipal and county levels of government.

(C) Adhering to the Service Development, and Constantly Improving the Effectiveness of the System



- ◆ Since 2017, the anti-monopoly authorities have organized two rounds of cleanup of old policy measures nationwide, with a total of 1.89 million documents on various policies and measures cleaned up , and nearly 30,000 repealed and revised.
- ◆ As of September 2021, all regions and departments have reviewed 987,000 new documents on various policies and measures, and more than 5,600 documents that do not meet the criteria for fair competition review have been revised and adjusted.

(D) Adhering to Problem-Orientation, and Constantly Enhancing the Rigid Constraints



Under the coordination of the Joint Conference and its office, the State Administration for Market Regulation and the Ministry of Justice have incorporated the fair competition review into the quality work assessment system and the model indicator system for the construction of municipal and county-level rule of law governments respectively.

The State Administration for Market Regulation has notified 42 policy measures found to be in violation of the review criteria by key inspections in 2018 and 2019.



02

**Work Experience and Inspiration since the
Implementation of the System**



Correctly Handling the Relations between the "Four Aspects"



- ◆ Correctly handling the relation **between top-level design and grassroots innovation**
- ◆ Correctly handling the relation **between self-censorship and external supervision**
- ◆ Correctly handling the relation **between stock cleanup and increment review**
- ◆ Correctly handling the relation **between the prohibition in principle and exceptions**

◆ Correctly Handling the Relation **between Top-Level Design and Grassroots Innovation**



With the combination of the actual situation in the industry sectors, to improve supporting rules for and provide more specific and clear guidelines on the further improvement of review criteria, the application of exceptions and other aspects. At the same time, to encourage exploration and innovation, the establishment of mechanisms and methods conducive to promoting the implementation of the system, to form a number of promotable, replicable and demonstrative experience and practices.

◆ Correctly Handling the Relation **between Self-Censorship and External Supervision**



On the one hand, to supervise and guide governments and departments at all levels to establish and improve the review mechanism, consolidate review responsibilities, strictly implement the procedural requirements, and constantly strengthen the procedural constraints, standardize the review work, and improve the level of review.

On the other hand, to further strengthen the role of social supervision and law enforcement supervision, establish a regular inspection mechanism, timely notify inspections, and strengthen the rigid constraints of inspections.

◆ Correctly Handling the Relation **between Stock Cleanup and Increment Review**



To do a good job of stock cleanup and increment review throughout the implementation of the fair competition review system. As the continued work on stock cleanup, to do a good job of increment review "very carefully", adhere to the principle of "what shall be reviewed must be reviewed, the review must be standardized", the review will be standardized, solidly guard the "gate" for policy, and resolutely prevent the new issues that exclude or restrict competition.

◆ Correctly Handling the Relation between the Prohibition in Principle and Exceptions



To adhere to the unity of prohibition in principle and exceptions, which could reflect not only both the scientificity and flexibility of the system, but also the ability and level of policy implementation.

The system clearly stipulates that the policy measures considered to have the effect of excluding or restricting competition after review, shall not be introduced or shall be adjusted to meet the requirements before being introduced. At the same time, taking into account the actual situation of economic development, exceptions are made for the policy measures for the purpose of maintaining national security and achieving social security and social public interest.



03

Exploration and Prospects of the Improvement of Fair Competition Review Mechanism

(A) Emphasizing Rule of Law as the Guarantee, Enhancing the Rule of Law Level of the System



Actively promoting the incorporation of the fair competition review system into the Anti-Monopoly Law, improving the legal hierarchy of the fair competition review system, and further enhancing the rule of law level of the fair competition review system.

Promoting the research and development of market access, industrial development, bidding and other key areas and industry-specific fair competition review rules to enhance the relevance and operability of the system.

Studying and introducing the "Handling Methods for Fair Competition Review Reports" to regulate the handling of the fair competition review reports.

(B) Emphasizing Reform-Orientation, Exploring the Establishment of the Third-Party Review Mechanism



Promoting the establishment of a unified review mechanism for specific institutions inside the policy-making organs, strictly implementing a unified review process. Policies and measures involving economic activities of market entities shall not be introduced without a fair competition review. Implementing joint review system for major policy measures.

Encouraging qualified governments and authorities to explore the third-party independent review mechanism and carrying out concentrated review or re-checking in a categorized and classified manner. When this mechanism is ready to be fully rolled out, promoting it nationwide and further improving the scientific and standardized level of review.

(C) Emphasizing Supervision and Assessment, Strengthening the Authority and Effectiveness of the System

Establishing a nationwide unified fair competition review sampling, appraisal, public announcement and third-party evaluation system, and regularly carrying out fair competition review implementation supervision and effect evaluation and analysis.

Promoting the construction of fair competition review information management system and database to improve the review efficiency.

Promoting the local governments to incorporate fair competition review into the government performance appraisal and other systems, strengthen the performance and effectiveness, and constantly improve the effectiveness of the system.

(D) Emphasizing Publicity and Training, Developing and Promoting a Culture of Fair Competition



Adhering to the promotion of the popularization of the law and the promotion of conscious compliance with the law as a fundamental work.

Strengthening the publicity and training of the competition legal system and policies , and vigorously advocating and promoting the culture of fair competition.

Guiding industrial associations to strengthen industrial self-discipline in accordance with the law, strengthen self-education, self-management and self-supervision, to enhance the awareness of fair competition in various industries.

THANK YOU

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WATCHING*

