



# Developments and Innovations of China's Fair Competition Review System

**March 30, 2022**

**I**

**Progress in the Implementation of China's Fair Competition Review System**

**II**

**The Achievements of the Implementation of the Detailed Rules for the Implementation of the Fair Competition Review System**

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**Exploration and Prospects for Improving the Fair Competition Review System**

The Chinese government has always attached great importance to the in-depth promotion of the implementation of fair competition policies. President Xi Jinping has put forward clear requirements for improving the Fair Competition Review System on many occasions. Premier Li Keqiang emphasised the need to build a high-standard market system, strengthen the fundamental position of competition policies, and continuously stimulate the vitality of various market players when he delivered the report on the work of the government at this year's two sessions.

## I. Progress in the Implementation of China's Fair Competition Review System

**(1)**

**Completing the 2021 Fair Competition Review Inspections with a high-quality level**

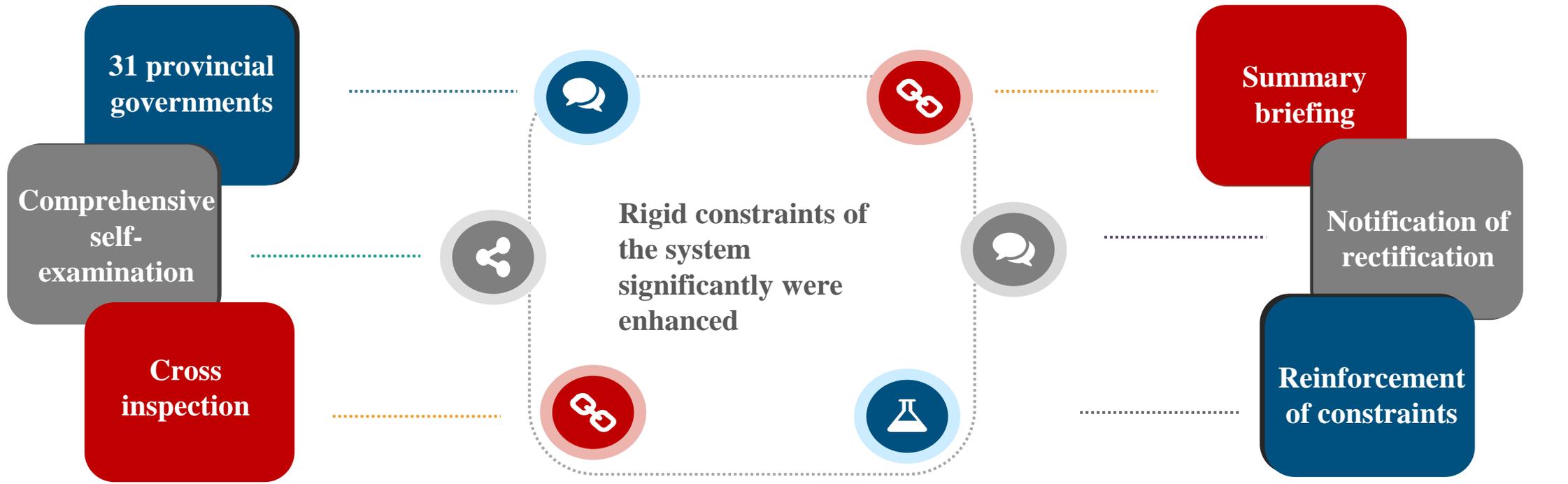
**(2)**

**Organizing third-party assessments at the national level**

**(3)**

**Conducting research on the application of fair competition review exceptions**

# (1) Completing the 2021 Fair Competition Review Inspections with a high-quality level



Provinces (regions and municipalities)

Conducting self-examination from the perspectives of the overall organization, review quality, problems and difficulties in the implementation of the system and recommendations, and forming a self-examination report

Online Cross inspection

Conducting random inspections of documents involving the economic activities of market players issued by 31 provincial governments and 187 randomly selected organizations since 2021

Notification of rectification

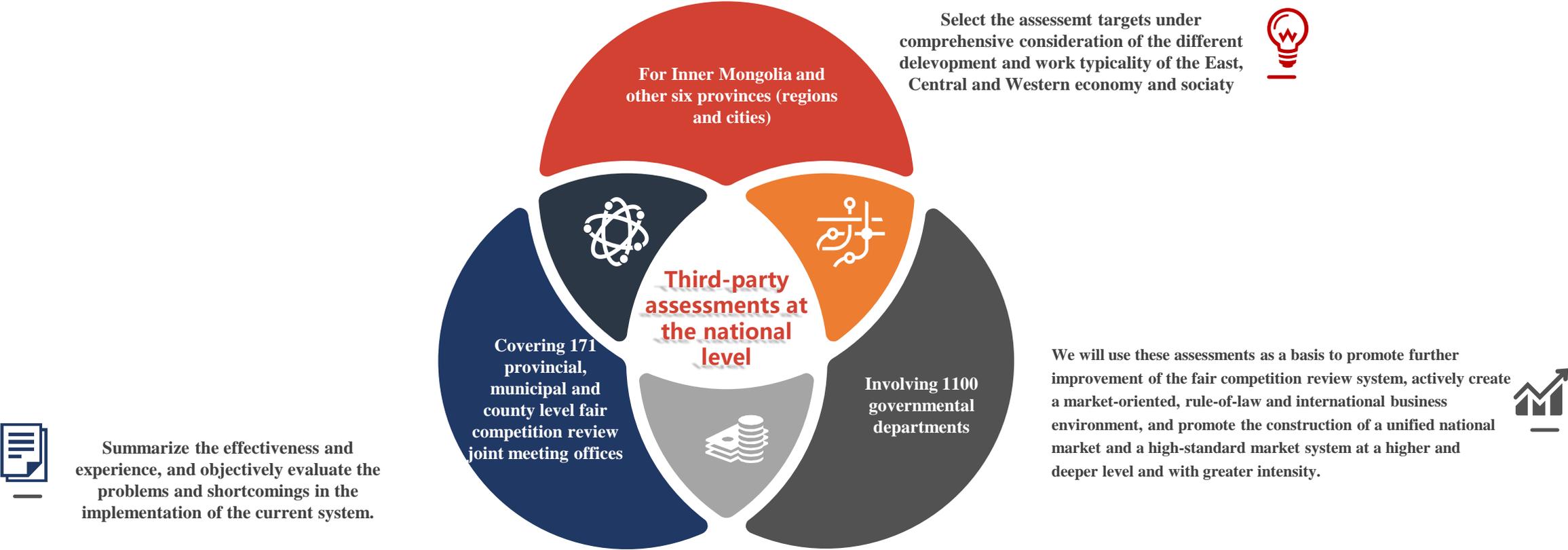
Guiding the provincial market regulators to urge the relevant departments to rectify in a timely manner the policy and measure documents found in the cross-inspection to be in violation of the fair competition review standards

Improve the review effectiveness

Through supervision and closed-loop rectification, sorting out existing problems, analyzing and finding the causes, to promote the improvement of the review mechanism

## (2) Organizing third-party assessments at the national level

In January 2022, in order to comprehensively summarize the achievement and experience of the implementation of the system and improve the fair competition review system, the SAMR launched the evaluation of the implementation of the fair competition review system.



### (3) Conducting research on the application of fair competition review exceptions

In order to further improve the review mechanism, unify the review standards, strengthen the authority of the system and rigid constraints, we are carrying out a special research on the application of the fair competition review exceptions and dynamic adjustment. The research will investigate and summarize the specific circumstances, conditions of application, analytical framework, and working procedures for the application of the fair competition review exceptions, and on this basis, refine the substantive and procedural rules for the application of the fair competition review exceptions.



## II. The Achievement of the Implementation of the Detailed Rules for the Implementation of the Fair Competition Review System

(1)

**The local organization and coordination became more effective**

(2)

**Rigid constraints were significantly enhanced**

(3)

**The review effectiveness was further improved**

Since the implementation of the Detailed Rules for the Implementation of the Fair Competition Review System less than a year ago, with the joint efforts of market supervision departments around the country, obvious results have been achieved. 244,000 new policy and measure documents have been reviewed nationwide in 2021, 442,000 policy documents have been cleaned up, 11,200 documents that violate the review standards have been corrected and repealed, and the effectiveness of the system has been further improved, effectively maintaining a large national unified market and fair competition.

## (1) The local organization and coordination became more effective



### The coordination role of local joint meetings has been further enhanced

- Firstly, the fair competition review work joint meetings at all levels has gradually gotten "promoted": Most of the conveners of provincial joint meetings are the staff working in provincial governments; the members of some local joint meetings have covered all the local governmental departments at the same level. The joint meeting offices have given full play to its leading role in arranging and assigning key tasks, promoting the effective implementation of the work, summarizing the effectiveness of the implementation of the system, and analyzing the problems that exist.



### Local implementation of the Detailed Rules as an important element and goal of improving the market economy system

- Secondly, all local governments will fully implement the relevant requirements of including the fair competition review system in important local documents such as the local 14th Five-Year Plan for National Economic and Social Development and outline of Vision 2035, to strengthen the implementation of the system.



### Optimizing the business environment

- Thirdly, the implementation of the newly revised "Detailed Rules for the Implementation of the Fair Competition Review System" shall be regarded as an important measure to optimize the business environment, build a high-standard market system, and promote high-quality development; the local governments shall promote local legislation, issue special documents, and put forward specific requirements to further enhance the authority of the fair competition review.

## (2) Rigid constraints were significantly enhanced



### Promoting the establishment of a joint review mechanism for major policy measures

- Firstly, promoting the establishment of a joint review mechanism for major policy measures , establishing a sound complaint and reporting system, optimizing the review measures, and strengthening the external review supervision.



### Enhancing rigid constraints through assessments and random inspections

- Secondly, urging all local governments to include the fair competition review work into the assessment and evaluation system of government performance, business environment, rule of law construction and quality work, and assess, score and rank the implementation of the system, to effectively promote the comprehensive development of fair competition review.
- Thirdly, some local governments have established and improved the random inspection system for fair competition review work. Their local policies and measures have been inspected randomly, so that the problems found could be rectified in a timely manner.

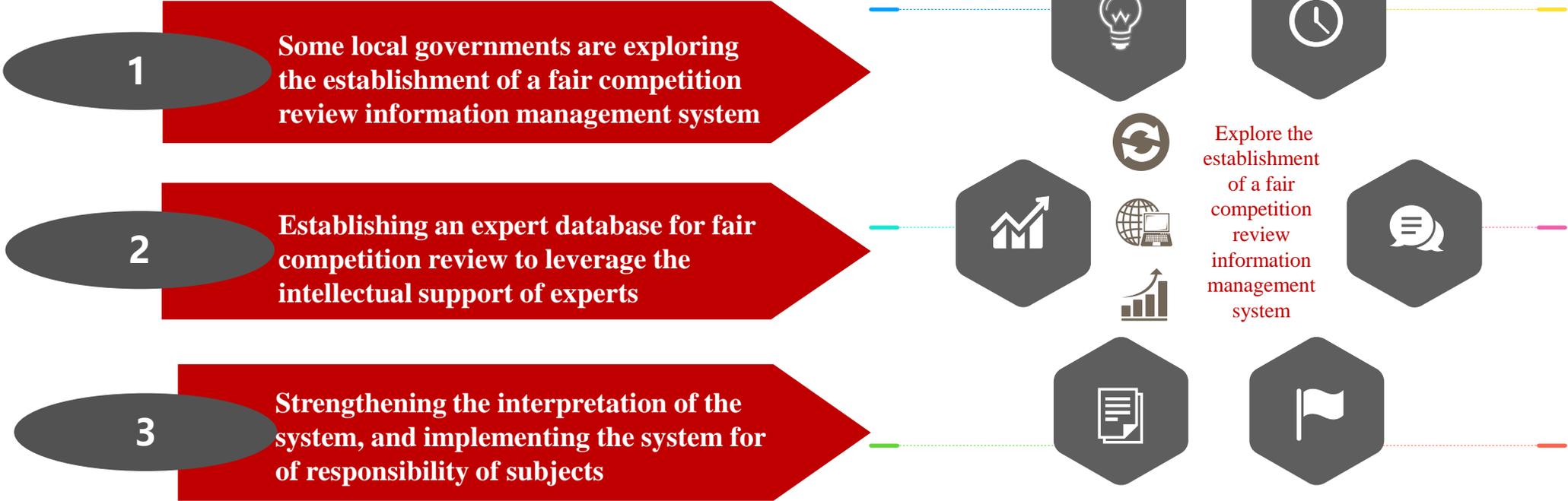


### Wide use of third-party assessments

- Fourthly, the wide use of third-party assessments has promoted the implementation of the system. At present, most provinces (municipalities and districts) assess the overall situation of the proposed policy measures or the implementation of the fair competition review system through third parties.

### (3) The review effectiveness was further improved

#### The review effectiveness was further improved



The full implementation of the fair competition review system is an inherent requirement to accelerate the improvement of the socialist market economy system. Since the implementation of the fair competition review system in 2016, it has achieved full coverage of governments at the national, provincial, municipal and county levels, 3,402 million pieces of various policies and measures in all regions and departments have been cleaned up, 42,000 pieces have been repealed and revised; as of the end of 2021, 1,278 million pieces of increased policies and measures have been reviewed, 11,000 pieces of documents that did not meet the criteria of fair competition review have been revised and adjusted, which effectively prevents the introduction of policies and measures that exclude or restrict competition, continuously strengthens the fundamental position of fair competition policies, promotes the construction of a unified, open, competitive and orderly modern market system, and makes positive contributions to promoting high-quality development.

### III. Exploration and Prospects for Improving the Fair Competition Review System

**(1)**

**Highlighting the safeguarding function of rule of law, strengthening the authority of the system and rigid constraints**

**(2)**

**Highlighting “development-oriented”, innovating in and perfecting the fair competition review mechanism**

**(3)**

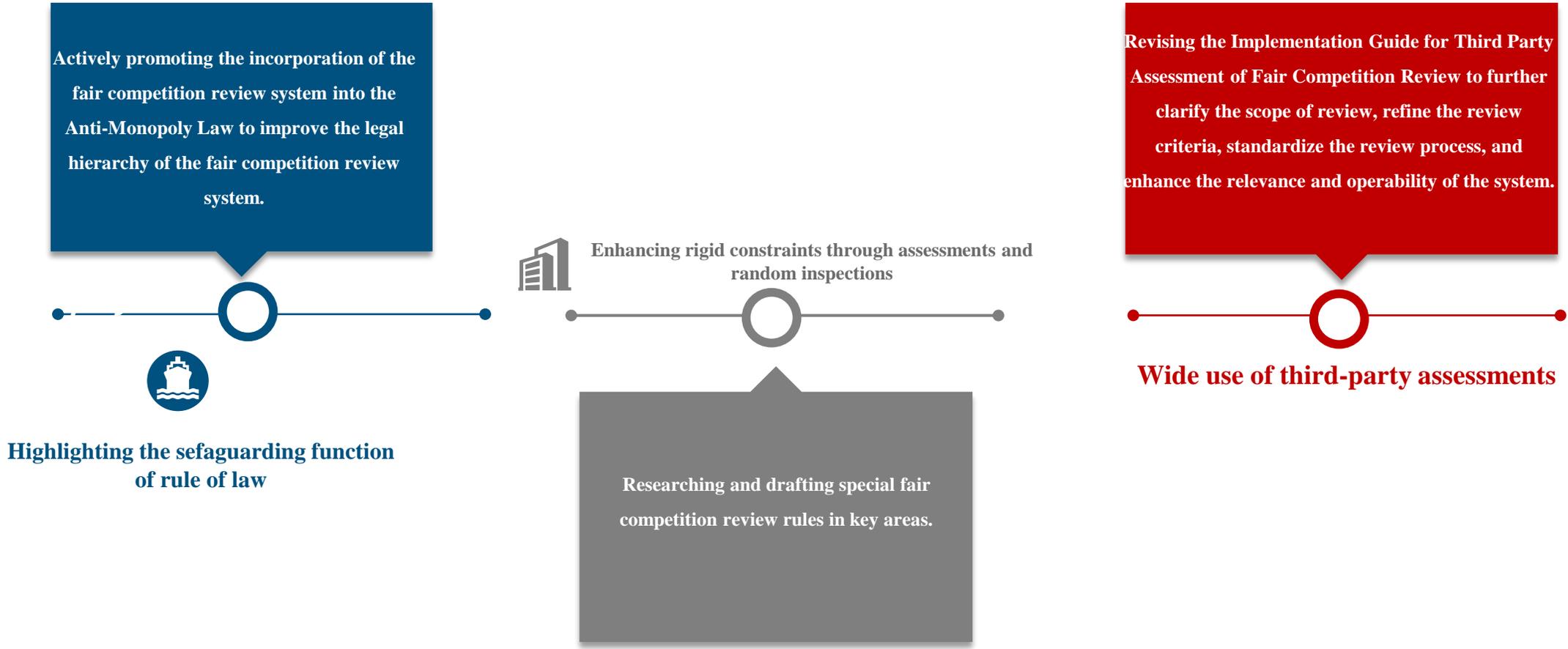
**Highlighting the supervision and assessment, strengthening the authority of the system and rigid constraints**

**(4)**

**Highlighting publicity and training, creating and promoting a culture of fair competition**

# (1) Highlighting the safeguarding function of rule of law, strengthening the authority of the system and rigid constraints

As a next step, we will actively explore the innovation and improvement of the implementation mechanism for fair competition review, base on strengthening the basic system supply of fair competition governance, so as to comprehensively and deeply promote the implementation of the system.



## (2) Highlighting “development-oriented” , innovating in and perfecting the fair competition review mechanism



### Fair competition review pilot work

- Carrying out pilot projects of fair competition review of information construction, joint review of major policy measures, processing of complaints and reports in provinces where it is feasible to carry out the work, to improve the effectiveness of the review.



### Promoting third-party assessments

- Completing the third-party assessments of the implementation of fair competition review at the national level with high quality and promoting the further improvement of the system.



### Research on exception application

- Doing research on the application of fair competition review exceptions to enhance the normality and operability of the system.



### **Strengthening the authority of the system and rigid constraints**

- Promoting the establishment of a unified fair competition review random inspection and assessment system, promoting the incorporation of fair competition review into governmental performance assessment system and other systems around the country, and continuously improving the effectiveness of the system. Rectifying and supervising the rectification of policies and measures introduced in violation of fair competition review standards found through assessments, complaints and reports and random inspections.



### **Highlighting awareness trainings**

- Promoting the establishment of a nationwide unified third-party evaluation system for fair competition review and guiding professional social experts to actively participate in fair competition review to help improve the quality and effectiveness of the review of policy measures.



### **Promoting a culture of fair competition**

- Carrying out trainings on fair competition review to enhance the capacity and level of fair competition review. Vigorously advocating and promoting the fair competition culture, enhancing the awareness of fair competition in the whole society, and maintaining the national unified market and fair competition.



Thanks for listening! Looking  
forward to your comments!

**Fair Competition Review Division,  
Competition Policy Coordination Bureau**

**March 30, 2022**