

**State Council Order: From August 1, 2024 no tax incentives, selective or differential fiscal rewards or subsidies shall be granted to specific operators**

**ORDER OF THE STATE COUNCIL OF THE PEOPLE'S REPUBLIC OF CHINA  
No. 783**

The "Fair Competition Review Regulations" have been adopted at the 32nd Executive Meeting of the State Council on May 11, 2024, and are hereby promulgated and shall come into effect on August 1, 2024.

Premier Li Qiang  
June 6, 2024

**FAIR COMPETITION REVIEW REGULATIONS**

**Chapter I General Provisions**

***Article 1***

In order to standardize the fair competition review work, promote fair competition in the market, optimize the business environment, and build a unified national market, these Regulations are formulated in accordance with the Anti-Monopoly Law of the People's Republic of China and other laws.

***Article 2***

In drafting laws, administrative regulations, local regulations, rules, normative documents and specific policy measures (hereinafter collectively referred to as "policy measures") involving economic activities of business operators, administrative agencies and organizations authorized by laws and regulations with the function of managing public affairs (hereinafter collectively referred to as "drafting units") shall carry out fair competition review in accordance with the provisions of these Regulations.

***Article 3***

The fair competition review work shall adhere to the leadership of the Communist Party of China and implement the line, principles, policies and decision-making arrangements of the Party and the State. The State shall strengthen the fair competition review work to ensure that all types of business

operators can use production factors equally and participate in market competition fairly in accordance with the law.

***Article 4***

The State Council shall establish a fair competition review coordination mechanism; plan, coordinate and guide the national fair competition review work; study and solve major problems in the fair competition review work; and evaluate the national fair competition review work.

***Article 5***

Local People's governments at or above the county level shall establish and improve the fair competition review work mechanism; ensure the strength of the fair competition review work; and include the fair competition review work funds in the government budget at this level.

***Article 6***

The market supervision and administration department of the State Council shall be responsible for guiding the implementation of the fair competition review system and urging relevant departments and localities to carry out fair competition review work.

The market supervision and administration departments of local People's governments at or above the county level are responsible for

organizing and implementing the fair competition review system in their administrative regions.

#### **Article 7**

The People's governments at or above the county level shall include the fair competition review work in the assessment and evaluation of the construction of a law-based government and the optimization of the business environment.

### **Chapter II Review Standards**

#### **Article 8**

The policies and measures drafted by the drafting units shall not contain the following content that may directly or indirectly restricts market access and exit:

- (I) Illegally setting approval procedures for industries, fields, businesses, and other areas, outside the negative list for market access;
- (II) Illegally setting or granting franchise rights;
- (III) Restricting the business, purchase, or use of goods or services (hereinafter referred to as “goods”) provided by specific operators;
- (IV) Setting unreasonable or discriminatory conditions for market entry or exit;
- (V) Other content that directly or indirectly restricts market access and exit.

#### **Article 9**

The policies and measures drafted by the drafting units shall not contain the following contents that restrict the free flow of goods and resources:

- (I) Restricting the entry of non-local or imported goods and resources into the local market or hindering local operators from moving out, or goods and resources from being exported;
- (II) Excluding, restricting, forcing, or indirectly forcing non-local operators to invest or set up branches locally;
- (III) Excluding, restricting, or indirectly restricting non-local operators from participating in local government procurement and bidding;
- (IV) Setting discriminatory fees, standards, prices, or subsidies for non-local or imported goods and resources;
- (V) Setting discriminatory requirements for non-local operators to invest and operate in the local area in terms of qualification standards, supervision and regulatory enforcement;

- (VI) Other content that restricts the free flow of goods and factors.

#### **Article 10**

The policies and measures drafted by the drafting units shall not contain the following contents that affect the production and business costs without a legal or administrative regulatory basis or State Council approval:

- (I) Granting tax incentives to specific operators;
- (II) Granting selective or differential fiscal rewards or subsidies to specific operators;
- (III) Granting specific operators preferential treatment in obtaining resources, administrative fees, government funds, social insurance fees, and so on;
- (IV) Other contents that affect the production and business costs.

#### **Article 11**

The policies and measures drafted by the drafting units shall not contain the following contents that affect the production and business activities:

- (I) Forcing or indirectly forcing operators to engage in monopolistic behavior or providing convenience for such behavior;
- (II) Setting government-guided prices or government-set prices beyond legal limits, providing preferential prices for specific operators;
- (III) Illegally intervening in the price levels of goods and factors regulated by the market;
- (IV) Other contents that affect the production and business activities.

#### **Article 12**

Policies and measures drafted by the drafting unit may be issued if they have or may have the effect of eliminating or restricting competition, but meet one of the following circumstances, and there is no alternative plan with less negative impact on fair competition, and a reasonable implementation period or termination conditions can be determined:

- (I) To safeguard national security and development interests;
- (II) To promote scientific and technological progress and enhance national innovation capabilities;
- (III) To achieve social public interests such as energy conservation, environmental protection, disaster relief and assistance;

(IV) Other circumstances as stipulated by laws and administrative regulations.

### **Chapter III Review Mechanism**

#### ***Article 13***

For policies and measures to be issued by departments, the drafting units shall conduct fair competition review during the drafting stage.

For policies and measures to be jointly issued by multiple departments, the leading drafting unit shall conduct fair competition review during the drafting stage.

#### ***Article 14***

For policies and measures to be issued by the People's government at or above the county level or submitted to the People's Congress and its standing committee for deliberation, the market supervision and management department of the People's government at the same level shall conduct fair competition review during the drafting stage together with the drafting unit. The drafting unit shall conduct a preliminary review and submit the draft policy measures and preliminary review opinions to the market supervision and management department for review.

#### ***Article 15***

The state encourages regions with qualifications to explore the establishment of a cross-regional and cross-departmental fair competition review work mechanism.

#### ***Article 16***

When conducting fair competition review, the opinions of relevant operators, industry associations, chambers of commerce and other stakeholders on the impact of fair competition shall be heard. If it involves the interests of the public, the opinions of the public shall be heard.

#### ***Article 17***

When conducting fair competition review, the review conclusion shall be made in accordance with the review standards stipulated in these Regulations after evaluating the impact on fair competition.

If the provisions of Article 12 of these Regulations apply, detailed explanations shall be given in the review conclusion.

#### ***Article 18***

Policies and measures that have not been reviewed for fair competition, or that are found to violate the provisions of Articles 8 to 11 of these Regulations and do not comply with the provisions of Article 12 after fair competition review, shall not be issued.

#### ***Article 19***

Relevant departments, units and individuals shall keep confidential the state secrets, commercial secrets and personal privacy learned during the fair competition review process in accordance with the law.

### **Chapter IV Supervision and Guarantee**

#### ***Article 20***

The market supervision and administration department of the State Council shall strengthen the supervision and guarantee of fair competition review work, and establish and improve the mechanisms for spot check, report handling and supervision of fair competition review.

#### ***Article 21***

The market supervision and administration department shall establish and improve the spot check mechanism for fair competition review, organize spot checks on relevant policies and measures, and urge the drafting unit to make rectifications if any violation of the provisions of these Regulations is found after verification.

The market supervision and administration department shall report the spot check situation to the People's government at the same level, and the spot check results may be made public.

#### ***Article 22***

Any unit or individual may report to the market supervision and administration department for policies and measures that violate the provisions of these Regulations. After receiving the report, the market supervision and administration department shall handle it in a timely manner or transfer it to the relevant department for handling.

The market supervision and administration department shall make public the telephone number, mailbox or email address for accepting reports.

#### ***Article 23***

The State Council shall regularly supervise the establishment of the fair competition review

mechanism of local People's governments at or above the county level, the implementation of fair competition review work, and the handling of reports. The market supervision and administration department of the State Council shall be responsible for specific implementation.

#### ***Article 24***

If the drafting unit fails to carry out fair competition review in accordance with the provisions of these Regulations, and fails to make rectification after the deadline after being urged by the market supervision and administration department, the higher-level market supervision and administration department may interview its person in charge.

#### ***Article 25***

If the fair competition review is not carried out in accordance with the provisions of these Regulations, causing serious adverse effects, the directly responsible supervisor and other directly responsible persons of the drafting unit shall be punished according to law.

### **Chapter V Supplementary Provisions**

#### ***Article 26***

The market supervision and administration department of the State Council shall formulate specific implementation measures for fair competition review in accordance with these Regulations.

#### ***Article 27***

These Regulations shall come into force on August 1, 2024.