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Antitrust in China – 2025 Year in Review

This update provides an overview of China's major antitrust developments during 2025 and our expectations for 2026.

In 2025, the Chinese authorities continued to strengthen the antitrust legal framework by introducing new regulations and guidelines, whilst adopting a more assertive approach to enforcement. On the merger control side, there has been a notable increase in the number of conditional approvals, as well as the first prohibition decision ordering the unwinding of a completed merger, which signals heightened scrutiny in China's merger review. With respect to non-merger enforcement, digital platforms remain a key sector in regulatory spotlight, alongside other industries close to people's livelihood such as consumer goods, pharmaceuticals and public utilities. Notably, enforcement in 2025 also shows a growing focus on individual liability.

I. LEGISLATIVE AND REGULATORY DEVELOPMENTS

In 2025, several regulations were revised or introduced to further develop China's antitrust legal framework. The table below provides a summary of the key legislative updates, followed by a detailed analysis.

Instrument	Effective Date	Key Impact
Revised Anti-Unfair Competition Law	15 October 2025	Increased penalties; new offences targeting platform abuse (e.g. data misuse and below-cost pricing)
Guidelines on the Review of Non-Horizontal Mergers (**Non-Horizontal Merger Guidelines**)	15 December 2025	Market share-based screening thresholds; three-step test for competitive effects
Revised Provisions on Prohibition of Monopoly Agreements	1 February 2026	Safe harbour rules for vertical agreements
Antitrust Compliance Guidelines for Internet Platforms (**Platforms Compliance Guidelines**)	13 February 2026	Detailed guidance for platforms on AML compliance, highlighting high risk conduct with illustrative examples
Rules on Pricing Conduct for Internet Platforms (**Platforms Pricing Guidelines**)	10 April 2026	Binding rules on platform pricing conduct; promote price transparency and prohibit unfair price competition (e.g. mandated lowest-price guarantees)
Measures for the Determination of Unlawful Gains in Administrative Penalty Cases (**Unlawful Gains Calculation Measures**)	20 March 2026	Standardised methodology for calculating unlawful gains in penalty cases

Discretion Standards for Administrative Penalties Related to Unlawful Implementation of Concentration of Undertakings (Trial) (**Penalty Guidelines for Unlawful Concentration**)	25 March 2025	Structured penalty framework for gun-jumping; fines up to RMB 5 million (~USD 0.7 million) for cases without anti-competitive effects, and up to 10% revenue for anti-competitive cases

A summary of these selected legislative developments is set out below.

Revised Anti-Unfair Competition Law. The revised Anti-Unfair Competition Law took effect in October 2025 and clarifies the scope of prohibited unfair competition conduct, especially for digital platforms. Some of the key updates include:

- Increased penalties across offenses (such as unfair competition acts by manipulation of data, algorithm and platform rules, false advertising, and obstruction of investigation) with higher fine ceilings and clarified sanctions.
- Emphasis on lawful data acquisition and usage – in particular, the use of data, algorithms, technology, or platform rules to interfere with others' services or mislead users is prohibited.
- Introduction of new offence that prohibits large enterprises from abusing advantages in capital, technology, channels, or influence to impose unreasonable payment terms on SMEs.
- Introduction of new offence that prohibits platforms from compelling below-cost pricing via platform rules, and new requirements for platforms to establish fair-competition rules as well as reporting and dispute-resolution mechanisms.

Non-Horizontal Merger Guidelines. These SAMR guidelines, which took effect in December 2025, set out the approach for reviewing vertical mergers and conglomerate transactions. Together with the Guidelines on Horizontal Merger Review published in 2024 (as discussed in our last client alert), they form China's comprehensive analytical framework for merger review, which provides for greater certainty and transparency.

Notably, SAMR introduces market share-based screening thresholds to guide its preliminary assessment of competitive effects, to be followed by an in-depth competitive analysis:

Combined Market Shares	**Preliminary Evaluation**
More than 50%	Presumption of anti-competitive effects

35% to 50%	Likely to have anti-competitive effects
25% to 35%	Unlikely to have anti-competitive effects
Below 25%	Safe harbour: Presumption of no anti-competitive effects

SAMR also discusses the analytical approaches for assessing both unilateral effects and coordinated effects of vertical and conglomerate concentrations. With respect to unilateral effects, SAMR outlines a three-step test in assessing competitive effects, which takes into account: (i) the combined entity's ability to foreclose competitors; (ii) the combined entity's incentive to foreclose; and (iii) any actual competition harm or anti-competitive effects.

Analytically, SAMR evaluates potential unilateral and coordinated effects across all relevant markets, considering factors such as transaction purpose, market shares and control, concentration levels, entry and innovation conditions, impacts on consumers and businesses, and broader national economic implications. Assessments may also benchmark against a "no-merger" counterfactual, including foreseeable future competition.

Revised Provisions on Prohibition of Monopoly Agreements. The 2022 amendments to the Anti-Monopoly Law (**AML**) authorize SAMR to establish safe harbour rules for vertical agreements. In late 2025, SAMR announced revisions to the Provisions on the Prohibition of Monopoly Agreements, providing detailed guidance on the safe harbour rules for certain vertical agreements. These revisions have come into effect from 1 February 2026. Notably, the revisions adopt different safe harbour rules on price-related vertical agreements (e.g. resale price maintenance (**RPM**)) and non-price vertical restraints:

- For price-related vertical agreements such as RPM, parties can apply for safe harbour if each party's market share is below 5% and the turnover of the goods covered by the agreement is under RMB 100 million (~USD 14 million) during any agreement year;
- For other non-price vertical agreements (which are usually considered to be lower risk), a wider safe harbour is available, provided that each party's market share is below 15% during any agreement year (with no turnover requirement).

In assessing the eligibility for safe harbour, both the upstream and downstream parties should meet the thresholds respectively. Where multiple counterparties in the same relevant market are involved (e.g. an upstream supplier entered into vertical agreements with various downstream distributors), the downstream distributors' market shares in the same market and turnover of the goods must be aggregated. It should also be noted that the safe harbour rules do not offer absolute protection – if there is evidence showing that the vertical agreement has anti-competitive effects, the safe harbour will not apply.

Platforms Compliance Guidelines. These SAMR guidelines, which came into effect on 13 February 2026, provide guidance to internet platforms on effective compliance with the

AML. While these guidelines are not legally binding, they offer insightful clarification of existing legal principles and their application on internet platforms. For example, the guidelines provide illustrative examples of potential risk scenarios which platforms should avoid, including algorithmic collusion, facilitation of entry into anti-competitive agreements, unfairly high prices, “choose-one-from-two" requirements, parity clauses and discriminatory treatment. Platform operators are encouraged to proactively conduct risk assessments and self-inspections to mitigate antitrust compliance risks.

Platform Pricing Guidelines. These guidelines, which will take effect on 10 April 2026 and remain valid for five years, establish a binding framework governing price-related conduct by platform operators and in-platform operators. Specifically, in-platform operators shall be able to set their own price in accordance with the law; and platforms shall not impose unreasonable restrictions on them, such as mandating lowest-price guarantees across platforms or requiring automatic price-drop functions, save when uniform pricing is implemented by the platform operator based on the platform’s business model. The guidelines also strengthen requirements on price transparency: platform operators and in-platform operators shall clearly disclose prices, units, service items, delivery fees, unavoidable charges, and all applicable promotion rules. In terms of price competition conduct, operators are not allowed to engage in unfair pricing practices, including selling below cost to exclude competitors or using algorithms to covertly charge different consumers different prices under the same conditions. Consumer price protections are also reinforced: auto-renewals must include advance reminders and simple opt-out mechanisms, and any ancillary services must be clearly presented with straightforward cancellation options.

Unlawful Gains Calculation Measures. These SAMR guidelines, which have come into force on 20 March 2026, standardize how market regulation authorities identify and calculate unlawful gains in administrative punishment cases. When assessing unlawful gains, authorities may deduct lawful and necessary business expenses that are supported by complete and truthful documentation, as well as taxes paid before the imposition of administrative penalties. The specific calculation rules are provided as follows:

Type of Violation	**Basis for Calculating Unlawful Gains**
Price violations (overcharging/underpaying)	Based on the price used by the violator when overcharging or underpaying
Pyramid selling activities	Based on the total income obtained from carrying out the pyramid selling activities
Providing facilitation conditions for illegal acts	Based on the total income obtained from committing the illegal act

Penalty Guidelines for Unlawful Concentration. These SAMR trial guidelines, which became effective from March 2025, establish a structured framework for determining penalties and exercising enforcement discretion for undertakings that implement concentrations in violation of the AML.

Type of Concentration	Penalty Framework
Without anti-competitive effects	• Fines up to RMB 5 million (~USD 0.7 million). • Base fine is RMB 2.5 million (~USD 0.35 million), subject to adjustments for mitigating or aggravating factors. • In severe cases, fines may be multiplied by two to five times.
With actual or potential anti-competitive effects	• SAMR may impose structural or behavioural remedies, including orders to unwind or restore the pre-concentration state. • Fines up to 10% of the undertaking's previous year's sales revenue. • In severe cases, fines may be multiplied by two to five times.

The guidelines also provide for penalty exemptions where undertakings voluntarily report and restore the pre-concentration state before discovery, or where violations result from unforeseeable and unavoidable circumstances despite due diligence.

Other legislation updates. In addition to the legislative updates noted above, SAMR also issued the ***Specification for Notification of Concentration of Undertakings***, which came into effect on 1 October 2025. The specification unifies all existing guidance on merger filing and serves as a "one-stop-shop" detailing filing thresholds, required documentation, and procedural rules to standardize and improve the efficiency of merger reviews.

II. MERGER CONTROL

Merger Review

In 2025, SAMR reviewed a total of 706 merger cases, compared to 643 cases in 2024. Of these, 687 were granted unconditional approval, 5 received conditional clearance (versus only 1 in the previous year) and 1 case was prohibited.

Of the cases reviewed, SAMR completed most reviews (close to 86%) within 30 days under the simplified procedure. Less than 15% of the cases warranted a Phase II review. Around 40% of

the mergers reviewed involved foreign enterprises. Overall, the manufacturing sector accounted for the largest number of merger cases being reviewed.

Notably, SAMR called in a below-threshold transaction which was already completed back in 2019, and eventually ordered the unwinding of the transaction:

> ***Wuhan Yongtong / Shandong Huatai.*** This concerns the vertical acquisition of Shandong Huatai by Wuhan Yongtong, which was a below-threshold transaction that completed in 2019. In January 2025, SAMR called in the transaction based on evidence of anti-competitive effects. Following a 5-month review, SAMR concluded in July 2025 that the transaction was indeed anti-competitive and ordered the unwinding of the merger.
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> Wuhan Yongtong was a dominant supplier of the papaverine hydrochloride active pharmaceutical ingredient, while Shandong Huatai was a downstream producer of papaverine hydrochloride injections. SAMR found that post-transaction, the combined entity controlled essential raw materials for papaverine hydrochloride injection, which created strong dependency among downstream producers and enabled price increases, thus harming consumers. SAMR concluded that the transaction significantly restricted competition and ordered Wuhan Yongtong to unwind the transaction by divesting its stake in Shandong Huatai, as well as to terminate an exclusive distribution agreement.
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> This is a case of significant importance, as this marks the first time a completed merger is ordered to be unwound since the Anti-Monopoly Law came into effect in 2008. It signals a more aggressive approach towards merger enforcement, and demonstrates SAMR's willingness to call in below-threshold transactions to restore fair competition, particularly within the pharmaceutical sector.

Shortly into 2026, SAMR already issued another prohibition in January 2026, which concerns a proposed joint venture amongst a group of gas suppliers in Foshan. The objective of the proposed JV is to invest in, construct, and operate bottled LPG storage and distribution stations in the Nanhai District of Foshan City. SAMR found that the bottled LPG market in Nanhai is highly prone to coordinated conduct, and the transaction would significantly increase the joint venture's market control. After being notified by SAMR that the transaction may have the effect of excluding or restricting competition, the parties failed to submit a commitment plan within the prescribed timeframe. Consequently, SAMR issued a prohibition decision to block the transaction.

Apart from the prohibition decisions above, SAMR also granted conditional clearance in five cases in 2025:

> **(1)** ***Codelco/SQM.*** This is the joint venture between Codelco and SQM, two Chilean mining companies in the lithium sector. The JV received conditional clearance in November 2025, with stringent supply obligations imposed to protect Chinese battery manufacturers.

Specifically, China has been heavily reliant on Chilean lithium imports and SQM has been China's largest lithium carbonate import supplier since 2021, with market shares between 45 and 70 per cent. The JV combines SQM's mining rights to Chile's Atacama salt flat through 2030 with Codelco's rights to the same project from 2031 to 2060, which further increases the JV's potential to substantially control China's imported lithium carbonate market. As such, SAMR conditionally cleared the JV and imposed the following key remedies for 10 years:

- Maintain minimum annual supply volumes of lithium carbonate to Chinese customers;
- Supply lithium products to Chinese customers on FRAND terms and ensure prices remain within market benchmarks;
- Prohibited from refusing, restricting or delaying supplies to Chinese customers, and must make best efforts to maintain supply in case of major disruptions, including reporting to SAMR and establishing a dedicated support team;
- Maintain independent competition between the JV and other market operators, and prohibit the exchange of competitively sensitive information except as required by law.

(2) *Keysight/Spirent.* SAMR conditionally cleared the Keysight/Spirent transaction in September 2025. The case was accepted for review on 17 February 2024, with the clock stopped on 14 July 2025 and restarted on 16 September 2025, marking an approximately two-month suspension. SAMR raised concerns about global and domestic markets for high-speed Ethernet test products and network security testing products. The authority found that the transaction would significantly increase market concentration, eliminate close competition, and raise entry barriers in markets where customers rely heavily on both parties' technologies.

To address SAMR's competitive concerns, SAMR imposed a structural remedy by requiring Keysight to divest Spirent's high-speed Ethernet testing and network security testing businesses to ***Viavi Solutions Inc***., including all assets and employees necessary to maintain viability and competitiveness. SAMR also imposed an additional confidential remedy for a 5-year compliance period.

(3) *Synopsys/Ansys.* As mentioned in our last client alert, SAMR exercised its discretionary powers to call in this merger for review in May 2024, even though the acquisition was below the revised notification thresholds.

In July 2025, SAMR issued a conditional clearance and imposed structural and behavioural remedies, including:

- Divestiture of Synopsys' optical and photonic device simulation business and Ansys' power consumption analysis software business;
- Continued supply of relevant EDA products to Chinese customers on FRAND terms;
- Prohibition on bundling of Synopsys and Ansys products; and

- The combined entity to support industry-standard formats and maintain interoperability agreements at the request of Chinese customers or third-party vendors.

The divestiture obligations took effect immediately and end upon completion, whereas the behavioural commitments remain effective for 10 years.

(4) ***ANA/Nippon Cargo Airlines.*** Back in October 2023, SAMR accepted the case for review and exercised its powers to "stop-the-clock" for 17 months, finally granting conditional clearance in July 2025. In particular, SAMR raised concerns about the China–Japan and Japan–China international air cargo markets, finding that the transaction would significantly increase market concentration, with ANA and NCA holding a combined 40–45% capacity share. The merged entity would also control critical air rights and schedules at Tokyo Narita, reinforcing network advantages, while high entry barriers (capital intensity, exhausted air rights, scarce passenger capacity) further limited competitive pressure. As such, SAMR imposed the following structural and behavioural remedies, with the behavioural remedies lasting for approximately 10 years till 2035:

- Continued performance of existing agreements with other airlines for ground services at Tokyo Narita and Osaka Kansai;
- Prohibition on unjustified refusal or delay in renewing cargo ground service agreements, with renewals on prevailing market and FRAND terms;
- Provision of ground handling services to new entrants upon request on fair and timely terms;
- Transfer of up to 7 pairs per week of all-cargo flight slots on the Shanghai Pudong–Tokyo Narita route to the first eligible new entrant under specified conditions; and
- An additional confidential commitment.

(5) ***Bunge/Viterra.*** This is the merger of two leading agribusiness solutions providers. The case was accepted for review in January 2024, with SAMR issuing its conditional clearance in June 2025, after suspending the review for approximately 11 months under the 'stop-the-clock' mechanism. During its review, SAMR raised concerns about China's import markets for soybeans, barley, and rapeseed, as well as related agricultural commodity trading. The authority found that the transaction would significantly increase market concentration. The combined entity would also control substantial global supply and logistics resources, becoming the world's second-largest soybean trader and the largest exporter from key origins. Given China's high import dependency and the absence of significant new entrants, SAMR concluded that the deal could lead to higher prices, reduced supply reliability, and diminished customer choice.

As such, SAMR imposed behavioural remedies effective for 5 years, including:

- Continued performance of all existing customer contracts unless terminated for cause;

- Timely, stable, and sufficient supply of soybeans, barley, and rapeseed to Chinese customers on FRAND terms, including price controls tied to benchmark market prices and quarterly reporting obligations; and
- Best efforts commitment to fulfil supply obligations during global crop shortages.

SAMR's recent actions underscore intensified scrutiny of mergers involving major technology firms and tightened enforcement of the AML. SAMR also imposed its first gun-jumping penalty under the new trial benchmarks of the ***Penalty Guidelines for Unlawful Concentration*** (see above for details). In December 2025, the authority fined Zhejiang Talent Development Group RMB 800,000 (~USD 112,000) and Zhejiang Public Information Industry RMB 900,000 (~USD 126,000) for failure to notify a joint venture prior to implementation.

III. NON-MERGER ENFORCEMENT

Similar to previous years, the enforcement decisions published by SAMR in 2025 indicate a continued focus on the usual sectors, including pharmaceuticals, public utilities, transportation services and healthcare, with 13 enforcement decisions published in 2025. Pharmaceutical enforcement has been the strongest focus, accounting for five cases out of the 13.

Notably, we see an enforcement trend with increasing focus on individual liability. In a case decided by the Shanghai AMR in March 2025, a senior executive of Shanghai Xinyi was held liable as the directly responsible individual in a horizontal monopoly agreement involving three pharmaceutical companies. This was the first time personal liability for concluding a monopoly agreement was imposed after the 2022 AML amendment. The executive was fined RMB 500,000 (~USD 70,000), in addition to confiscation orders and fines imposed on the three companies.

In separate decisions issued by the Tianjin AMR in April and June 2025, an individual was treated as an "undertaking" and held liable for organising and facilitating a horizontal monopoly agreement among four pharmaceutical ingredient manufacturers. Although he was not a party to the agreement, he was fined RMB 5 million (~USD 0.70 million), the statutory maximum under the AML. In the same case, the Tianjin AMR confiscated the four companies' illegal gains and imposed fines amounting to 8% of their 2023 sales, with leniency reductions for two of the companies. The total penalties on the four companies were about RMB 354.3 million (~USD 49.6 million), and each of four senior executives found personally responsible for the agreement was separately fined RMB 600,000 (~USD 84,000).

In another notable case, Jiangsu AMR handed down the first penalty against individuals for obstruction of antitrust investigation. In May 2025, Jiangsu AMR fined ***Sichuan Xieli Pharmaceutical*** (***Xieli***) and six individuals a total of RMB 4.4 million (~USD 0.62 million) for obstructing the authority's antitrust investigation. Specifically, Xieli was investigated for a potential monopoly over a domestically produced pharmaceutical raw material. During the process, Xieli and its employees obstructed the investigation through "violent" means, including concealing employees' whereabouts and breaking computers during an on-site inspection.

Recently, SAMR also announced the investigation into Ctrip (a prominent OTA in China) and the investigation into food delivery platforms. This signals that SAMR is continuing to scrutinise, with

an increasingly proactive enforcement approach, online platform operators in 2026.

IV. ANTITRUST LITIGATION

On the litigation front, the Supreme People's Court (**SPC**) handed down a landmark decision, shedding light on a refined approach to market definition in abuse of dominance cases.

Li Zhen v. Alibaba Group, ***Taobao***, and ***Tmall***. This case provides important clarification on the role of market definition in abuse of dominance cases. The SPC confirmed that market definition and dominance assessment are merely analytical tools for determining whether the alleged conduct has any anti-competitive effects. Accordingly, where sufficient evidence demonstrates that the conduct lacks anti-competitive effects or is supported by legitimate justification, it is then unnecessary to define the relevant market or determine whether a dominant position exists. This judgment builds upon the traditional approach with market definition and outlines a further refined analytical framework for the adjudication of abuse of dominance cases.

In addition, the SPC published a total of five representative anti-monopoly cases for the year of 2025. Particularly, there are two key cases worth highlighting:

- **Non-compete clause may constitute unlawful horizontal anti-competitive agreement:** The case concerns the invalidation of a non-compete clause that restricted a supplier from dealing with a buyer's downstream customers. Specifically, a buyer and supplier entered into a formaldehyde supply agreement containing a non-compete clause prohibiting the supplier from selling to the buyer's customers. Subsequently, the supplier sold to one of the buyers' downstream customers and thus the buyer sued for contractual breach of the non-compete clause. On appeal, the SPC held that the non-compete clause effectively divided the regional formaldehyde market, amounting to a horizontal monopoly agreement, and therefore was invalid. As a result, the SPC dismissed the buyer's appeal as it lacked contractual basis.
- **Industry association found to have engaged in monopolistic conduct by coordinating price collusion among cement operators:** The case concerns a provincial cement industry association found to have coordinated monopoly agreements among 13 cement companies to uniformly increase prices, constituting a classic hub-and-spoke arrangement. On appeal, the SPC held that the association had created communication channels which coordinated staggered production, exchange of market information and pricing discussions. These activities demonstrated a shared intention to restrict price competition, and the manufacturers did subsequently raise prices in line with these communications. The SPC concluded that the association played an active role in organising, coordinating and promoting horizontal monopoly agreements.

V. CONCLUSION

Throughout 2025, Chinese authorities have continued to strengthen the regulatory framework governing the AML, issuing comprehensive guidance on compliance obligations, enforcement priorities and legal interpretation. This period has also witnessed heightened scrutiny of digital platforms, with the introduction of various new rules specifically targeting anti-competitive practices in the digital economy. In parallel, SAMR has demonstrated a more assertive approach in merger review, including calling in below-threshold transactions and unwinding a completed merger. Against this backdrop, businesses are advised to closely monitor any regulatory and

enforcement developments in the AML space, regularly self-assess and proactively plan for compliance for effective risk management.

The following Gibson Dunn lawyers prepared this update: Sébastien Evrard and Katie Cheung.

Gibson Dunn lawyers are available to assist in addressing any questions you may have regarding these issues. Please contact the Gibson Dunn lawyer with whom you usually work, any member of the firm's Antitrust and Competition practice group, or the authors in the firm's Hong Kong office:

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