

Regulations of the State Council on the Thresholds for Reporting of Concentration of Business Operators

(August 3, 2008)

Article 1

These Regulations are formulated in accordance with the Anti-trust Law of the People's Republic of China for the purpose of clarifying the thresholds for reporting of concentration of business operators.

Article 2

The concentration of business operators means:

- 1) Consolidation or merger of business operators;
- 2) Acquiring by a business operator of the right to control other business operators via acquisition of equity interests or assets; or
- 3) A business operator, by way of contract or similar ways, acquires the right to control or the ability to exert decisive influence on other business operators.

Article 3

The business operators involved in a concentration shall report to the competent department of commerce of the State Council and may not exercise that concentration without going through such reporting procedure if one of the following thresholds is touched:

- 1) The turnover in the aggregate that was achieved world-wide in the preceding accounting year by all the business operators taking part in the concentration exceeds RMB 10 billion, and the turnover that was achieved by at least two of them respectively within the territory of China in the preceding accounting year exceeds RMB 400 million;
- 2) The turnover in the aggregate that was achieved within the territory of China in the preceding accounting year by all the business operators taking part in the concentration exceeds RMB 2 billion, and the turnover achieved by at least two of them respectively within the territory of China in the preceding accounting year exceeds RMB 400 million.

The actual situations of special sectors such as banking, insurance, securities and futures shall be taken into account when calculating turnovers; detailed measures will be formulated by the competent department of commerce of the State Council in consultation with related departments of the State Council.

Article 4

The competent department of commerce of the State Council shall conduct investigation in accordance with law if the facts and evidences collected according to the stated procedures demonstrate that a concentration of business operators, though not touching the reporting thresholds as provided in the Article 3 of these Regulations, has or may have effects of excluding or restricting competition.

Article 5

These Regulations come into force on the date of being published.