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Chinese antitrust.

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QUOTES

The future of cyberspace must be created jointly by all countries, and all countries must ensure its security. <...> [It is necessary] to create an open and inclusive cyberspace. The web lives on interconnectedness, and its key essence is openness. Cyberspace should serve as a huge arena where "a hundred flowers bloom" and not as a battlefield where a digital iron curtain is put up. It is necessary to follow the principles of justice and legality, to protest against any form of scientific and technological or cyber hegemony.

Wang Yi, Head of the Office of the Foreign Affairs Commission of the CPC Central Committee, at a meeting of high representatives of the BRICS countries in charge of security issues ¹

EVENTS

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- **SAMR supported making platform regulation the norm**
- **MOFCOM gave foreign business clarifications on legislation**
- **The Ministry of Transport held a meeting with taxi platforms**
- **Beijing authorities support national business development plan**
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- **Fair Competition Area in the Greater Bay Region**
- **Guangzhou will provide access to international Internet**
- **Head of China Unicom Appointed Head of Data Management**

¹ Source: <https://english.news.cn/20230725/889e8ec09d5d4e80b6eb852a0601a0a0/c.html>

The Politburo noted the importance of developing digital platforms

On July 24th, under the chairmanship of Xi Jinping, a meeting of the Politburo of the CPC Central Committee on economic work in the coming six months was held. The meeting noted the need to promote the deep integration of the digital economy into advanced manufacturing and modern services, as well as to promote the safe development of artificial intelligence. One of the requirements was to promote the regulated, healthy and orderly development of digital platforms.

The mention at such a high political level continues a series of positive signals for Internet platforms after more than a two-year campaign to increase their regulation (fight against "disorderly expansion of capital"). Earlier, State Council Premier Li Qiang called for a permanent channel for authorities to interact with digital platforms, and the National Development and Reform Commission (NDRC) noted 10 "exemplary" investment cases of digital platforms, welcoming the contribution of platforms to the country's technological sovereignty. Separately, representatives of the Beijing city committee also met with digital companies, where they announced a huge space and numerous opportunities for their development against the backdrop of the growing importance of the digital economy in national development.

Sources:

https://www.gov.cn/yaowen/liebiao/202307/content_6894002.htm

<https://baijiahao.baidu.com/s?id=1772333251819221675&wfr=spider&for=pc>

https://www.beijing.gov.cn/gongkai/ldhd/202307/t20230725_3206101.html

SAMR supported making platform regulation the norm

At a workshop for market regulators at all levels, SAMR emphasized the importance of balancing regulation and development promotion, and the need to improve and develop the platform economy's ongoing regulation mechanism to ensure its healthy and sustainable development. Also required:

- create permanent channels of communication between companies and authorities;
- introduce new measures to support openness and development of foreign trade;
- improve the legal basis for equal participation in fair competition of all market entities;
- Strictly control unfair competition and unlawful interference in market activities, etc.

Source: https://www.samr.gov.cn/xw/zj/art/2023/art_e3da3402b689413b9afb3f64a5a47c27.html

MOFCOM gave foreign business clarifications on legislation

The Ministry of Commerce of China (MOFCOM) held a round table for foreign business associations to provide clarifications on the current laws, regulations and policies. Representatives of the department addressed such pressing issues as cross-border data transmission, export control, anti-espionage law, etc. They confirmed that the Chinese authorities attach great importance to attracting foreign investment and strive to create a fair and predictable business environment.

The lack of transparency and vague language of the current legislation is one of the

key factors hindering the presence of foreign companies in the Chinese market. At the end of the round table, the participants stated that they had a much better understanding of the applicable policies and initiatives, which increased confidence in their long-term development in China.

Source: <https://www.globaltimes.cn/page/202307/1294848.shtml>

The Ministry of Transport held a meeting with taxi platforms

The Ministry of Transportation of China held a meeting with leading online taxi aggregators and platforms, including DiDi, Amap, T3, Caocao, etc. According to the Ministry of Transportation, the development of taxi platforms is becoming more streamlined, and the level of compliance is steadily increasing, but some platforms are continue to act as irresponsible market actors: constantly changing the rules of transportation, violating the rights of passengers and drivers, violating a fair competitive order, which creates hidden risks, and sometimes even leads to security incidents. Platforms are required to:

- 1) protect fair competition;
- 2) comply with their obligations as subjects of this industry;
- 3) protect the legitimate rights and interests of drivers and passengers, including reducing commissions;
- 4) ensure compliance as soon as possible;
- 5) strengthen control over the safety of transportation.

Source: http://www.ce.cn/xwzx/gnsz/gdxw/202307/27/t20230727_38648101.shtml

Beijing authorities support national business development plan

Beijing hosted a seminar for private businesses, attended by the heads of major companies, including Xiaomi, JD.com, Kuaishou, Landspace, Joynn Bio, Longfor, and others. In welcoming addresses, businessmen expressed their willingness to support SMEs, stimulate consumption, and develop the digital economy. The secretary of the city committee, in turn, confirmed that private business is an important driving force for China's development, and expressed the hope that large companies can be at the forefront, improving international competitiveness, developing themselves and their country. He called fair competition and equal treatment of all market participants an important aspect of business support.

Source: <https://news.ifeng.com/c/8RlBkPAdfMH>

Reuters: Beijing demanded to soften language on internal risks for IPO

According to Reuters, Chinese authorities have required law firms to use more lenient language when describing business risks associated with China when applying for an IPO abroad, otherwise it could become an obstacle to approval of such applications. In a meeting with local lawyers, the China Securities Regulatory Commission requested that the listing program refrain from making negative comments about China's policies, business and legal environment. At the same time, previously Chinese companies planning an overseas IPO, as a rule, indicated all changes in economic, political and social conditions among the business risks. The innovation may increase the timing of entering foreign exchanges or even put this process on hold.

Source: [https://www.reuters.com/world/china/beijing-pushes-toning-down-china-risks-ipo-prospectuses-sources-2023-07-24/#:~:text=July%2024%20\(Reuters\)%20%2D%20Beijing,familiar%20with%20the%20matter%20said.](https://www.reuters.com/world/china/beijing-pushes-toning-down-china-risks-ipo-prospectuses-sources-2023-07-24/#:~:text=July%2024%20(Reuters)%20%2D%20Beijing,familiar%20with%20the%20matter%20said.)

Fair Competition Area in the Greater Bay Region

The Guangdong Market Authority signed a Memorandum of Understanding with the Hong Kong Competition Commission to promote the effective implementation of competition policy and law in the Greater Bay Area (Guangdong-Hong Kong-Macau Province). At the signing ceremony, the parties also published the Antitrust Compliance Guide for Guangdong and Hong Kong Companies, which explains amendments to the PRC Antimonopoly Law, provides representative antitrust cases and warnings about key risks, and provides guidance on compliance management. This move is made in order to promote effective growth and business development in the region, as well as to increase the integration of markets in the Greater Bay Area in order to bring it to the international level.

Source: https://www.samr.gov.cn/fldys/sjdt/dfdt/art/2023/art_91c5d17ecb634e409f4ec9975fcb70ed.html

Guangzhou will provide access to international Internet

The city of Guangzhou in southern China has offered to provide limited access to "cross-border" Internet in its territory in cooperation with universities and research institutes in Hong Kong and Macau. As part of a pilot scheme, students and researchers in one of the districts of the city will have access to international scientific databases, subject to cybersecurity. Currently, many sites and resources are inaccessible in mainland China (this ban does not apply to Hong Kong and Macau), and many are forced to use foreign phone numbers and VPN programs. The pilot scheme will create a fiber optic network, with the help of which those who will enter the so-called. "white list" will be able to use access to the "international Internet".

Source: <https://www.scmp.com/news/china/politics/article/3228754/guangzhou-set-limited-cross-border-internet-scientific-research>

Head of China Unicom Appointed Head of Data Management

The State Council of the People's Republic of China has officially appointed Chairman of the State Telecommunications Company China Unicom Liu Liehong as the first head of the newly established National Data Administration. Previously, Liu Liehong served as Deputy Head of the Cyberspace Administration and Vice Minister of Industry and Informatization. The creation of a new department was approved in March this year as part of the restructuring of the state apparatus. The office will report to the National Development and Reform Committee and will take over the functions of coordinating the creation of data infrastructure, planning the implementation of digital China and digital society strategies, etc.

Source: https://www.gov.cn/govweb/gwyzjg/renmian/202307/content_6895168.htm