



NEWSLETTER

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By Lifang & Partners

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Guidelines of Sichuan Province on Anti-Monopoly Compliance for Undertakings Released

On February 26, 2021, the Administration for Market Regulation of Sichuan Province issued the *Guidelines of Sichuan Province on Anti-Monopoly Compliance for Undertakings* (“**Guidelines**”). The Guidelines is divided into six chapters, including general principles, key points for prevention and control of risks of violating the law, mechanisms for prevention and control of risks of violating the law, mechanisms for handling the risks of violating the law, compliance protection and supplementary provisions. In addition, the Guidelines also lists the antitrust laws and regulations reference catalog and typical antitrust cases as annexes. ([More](#))

First Antitrust Case in Fujian: 2 Officials Held Accountable for Administrative Monopoly

On February 25, 2021, the Administration for Market Regulation of Fujian Province (“**Fujian AMR**”) issued a press release on the first antitrust case in Fujian. In December 2020, the Fujian AMR initiated an investigation into the suspected abuse of administrative power by the Fuzhou Municipal Transportation Bureau. After investigation, the Fujian AMR believed that the Bureau violated the *Anti-Monopoly Law* by formulating relevant documents to instruct Fuzhou transportation companies to install and use the designated “Antubang” platform. Therefore, the Fujian AMR issued an administrative proposal to the Fuzhou People’s Government, suggesting that the Bureau be ordered to correct the relevant behavior. During the investigation, the Bureau took the initiative to carry out several rectifications and held the two relative people in charge accountable. ([More](#))

Fujian AMR Corrects Administrative Monopoly Behavior of Gutian Government in Pharmaceutical Field

On February 25, 2021, the Fujian AMR issued a press release saying that in December 2020, the Fujian AMR launched an investigation into the Gutian County People’s Government (“**Gutian Government**”) for allegedly abusing its administrative power to exclude or restrict competition. The Fujian AMR found that on September 29, 2019, the Gutian Government issued a notice in the pharmaceutical field which contains several provisions that are suspected of local protection and constitutes the abuse of administrative power to exclude or restrict competition. The Fujian AMR decided to close the investigation according to law considering the Gutian Government has taken the initiative to stop the behavior and made it public to society during the investigation. ([More](#))

Hebei Deploys Antitrust and Fair Competition Review Work in 2021

On February 23, 2021, the Administration for Market Regulation of Hebei Province (“**Hebei AMR**”) held the 2021 Hebei Video and Telephone Conference on Price Regulation, Antitrust and Anti-Unfair Competition Work. The Hebei AMR emphasized the need to strengthen antitrust enforcement and fair competition review, to strengthen the allocation and integration of law enforcement forces, to organize and carry out special law enforcement actions on the monopoly of urban public enterprises, and to do a solid job of reviewing monopoly clues, to achieve rapid verification, effective disposal and timely feedback. It also needs to fully implement the *Detailed Rules for the Implementation of the Fair Competi-*

tion Review System, to strictly control the introduction of policies and implement third-party assessments, to thoroughly investigate problems of violating fair competition review standards to eliminate or restrict competition, and to create a fair competition atmosphere. ([More](#))

Jilin Deploys Antitrust and Fair Competition Review Work in 2021

On February 20, 2021, the Jilin Video and Telephone Conference on Market Regulation was held in Changchun. According to the meeting, Jilin market regulators will strengthen antitrust and anti-unfair competition enforcement, implement the *Antitrust Guidelines for the Platform Economy Industry*, strengthen guidance, standardize the healthy development of the platform economy, and focus on the investigation and punishment of administrative monopoly behaviors in the fields of education, medicine, transportation, and people's livelihoods, as authorized by the State Administration for Market Regulation ("SAMR"). The regulators will publish the *Competition Compliance Guidance for Business Operators* and establish a joint conference system against unfair competition, strengthen the protection of trade secrets and build 10 trade secret protection bases, strengthen the rigid constraints of the fair competition review system, implement the basic status of competition policy, improve the fair competition review mechanism, strengthen performance appraisal and regular spot checks, carry out cross-checks of fair competition review, promote the implementation of entity responsibilities, and implement third-party assessments covering more than 300 departments. ([More](#))

Yunnan AMR Fines Local Water Supply Company CNY 2.5m for Abuse of Market Dominance

On February 18, 2021, SAMR announced that the Administration for Market Regulation of Yunnan Province ("Yunnan AMR") has fined Mengzi Sitongtaixing Water Supply Co., Ltd. ("Sitongtaixing") for abuse of dominant position. In December 2018, the Yunnan AMR initiated an investigation into Sitongtaixing and found that the company has abused its dominant position in the market of urban public water supply service to attach unreasonable trading conditions without justified reasons. The violation lasted four years and unfair trading conditions were imposed on a number of construction companies. The Yunnan AMR concluded that the company should be given severe punishment. On January 21, 2021, the Yunnan AMR issued its administrative punishment decision, ordering the company to stop illegal activities and imposing a fine of 6% of the company's 2018 sales, totaling about CNY 2.5 million. ([More](#))

Overseas News

UK Consumer Watchdog Which? Sues Qualcomm for Allegedly Breaching Competition Law

On February 25, 2021, the British consumer group Which? announced that it has filed a lawsuit against US technology giant Qualcomm. Which? claims that Qualcomm has breached UK competition law by taking advantage of its dominance in the patent-licensing and chipset markets. The result is that Qualcomm is able to charge manufacturers like Apple and Samsung inflated fees for technology licences, which have then been passed on to consumers in the form of higher smartphone prices. Which? is seeking damages for all affected Apple and Samsung smartphones purchased since 1st October 2015. Which? estimates that if it wins, Qualcomm will need to compensate approximately 29 million British consumers about £482.5 million. It estimates that individual consumers could be due up to £30

depending on the number and type of smartphones purchased during that period, although it is expected at this stage that most consumers would receive around £17. ([More](#))

One of America's Largest Chicken Producers Pleads Guilty to Price Fixing and is Sentenced to a \$107 Million Criminal Fine

On February 23, 2021, the Department of Justice announced that Pilgrim's Pride Corporation ("Pilgrim's"), a major broiler chicken producer based in Greeley, Colorado, has pleaded guilty and has been sentenced to pay approximately \$107 million in criminal fines for its participation in a conspiracy to fix prices and rig bids for broiler chicken products. According to the plea agreement, from as early as 2012 and continuing at least into 2017, Pilgrim's participated in a conspiracy to suppress and eliminate competition for sales of broiler chicken products in the United States that affected at least \$361 million in Pilgrim's sales of broiler chicken products. Pilgrim's is the first company to plead guilty for its role in a conspiracy to fix prices and rig bids for broiler chicken products. Ten executives and employees at major broiler chicken producers have also previously been charged. The investigation remains ongoing. ([More](#))

House Judiciary Antitrust Subcommittee Announces Series of Hearings on Proposals to Curb the Dominance of Online Platforms and Modernize Antitrust Law

On February 18, 2021, the House Judiciary Subcommittee on Antitrust, Commercial, and Administrative Law announced it will hold a series of hearings to consider legislative proposals to address the rise and abuse of market power online and to modernize the antitrust laws. The first hearing, entitled, "Reviving Competition, Part 1: Proposals to Address Gatekeeper Power and Lower Barriers to Entry Online," was scheduled to take place on February 25 at 10:00 a.m. E.T. On February 19, the House Judiciary Committee published the official notice of this hearing on its website. ([More](#))

European Commission Adopts Final Measures to Preserve the Divestment of Former Aleris Plant in Belgium Following Novelis' Acquisition of Aleris

On February 18, 2021, the European Commission announced that it has adopted final measures to preserve the divestment of the former Aleris plant in Duffel, Belgium, by Novelis under the EU Merger Regulation. To obtain clearance of its acquisition of Aleris in 2019, Novelis offered to divest the plant in binding commitments but failed to close the sale within the deadline set in those commitments, despite extensions granted. As a result of the breach of this condition of the Commission's 2019 clearance decision, the decision and the commitments became inapplicable. The Commission, therefore, adopted provisional interim measures to preserve competition. Novelis later sold the Duffel plant, as authorised by the Commission in compliance with the interim measures. The Commission believes that the decision adopted will ensure that competition is preserved by imposing final measures on Novelis. ([More](#))

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