

China Law Update

Posted at 11:38 AM on January 18, 2011 by Sheppard Mullin

[China Issues New Rules Against Price Fixing](#)

On December 29, 2010, the National Development and Reform Commission promulgated Regulations against Price Fixing (the “Regulations”) which will take effect on February 1, 2011.

The Regulations cover matters including price fixing agreements, abuse of market power, and abuse of government power. Some of the key provisions are summarized as follows:

- Business competitors are prohibited from entering into agreements to fix or alter the price of their goods or services.
- Manufacturers and distributors/retailers are not allowed to form agreements to fix the price of or set price floors for their commodities.
- Companies with market power are prohibited from engaging in business practices such as selling for unfairly high prices, paying unfairly low prices, charging differential prices, or charging unreasonable fees.
- Governments or governmental agencies must not make rules that eliminate or restrict price competition or implement policies of price discrimination based on geographical location.

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