

# **Provisions on Standardizing Competition in Foreign Investment and Cooperation**

Ministry of Commerce, 18 March 2013

Source: Unofficial translation by Inclusive Development International

[Excerpts]

## **Article 5**

Acts of unfair competition in the field of foreign investment and cooperation include:

1. Commercial bribery to gain market trading opportunities;
2. Exclude competitors through unfair price competition;
3. Colluded bidding;
4. Slandering competitors;
5. False marketing;
6. Other acts that are defined as acts of unfair competition in accordance with laws.

## **Article 7(2)**

[Companies] shall comply with the laws and regulations of host countries, respect local custom and practices, attend to environmental protection, safeguard legitimate interests of local employees, actively participate in the public welfare of local community, and fulfil necessary social responsibility.

## **Article 9**

Reporting of acts of unfair competition shall be made to the MOFCOM, shall not be made anonymously, shall contain accurate and substantial content and shall be accompanied with the relevant evidence.

## **Article 11**

MOFCOM will collaborate with the relevant authorities to establish an overseas investment and cooperation bad credit record system. Any overseas-investment-or-cooperation-related act of unfair competition in violation of these Provisions will be recorded and notified to the relevant authorities and institutions. Implicated enterprises will not be allowed to enjoy any state subsidizing policy for a period of 3 years.

## **Article 12**

Any violation of these Provisions will be punishable in accordance with the Administrative Regulation on Contracting Foreign Projects, Administrative Measures on Overseas Investments, and the Administrative Regulations on Foreign Labor Cooperation.

If in the course of investigating and handling acts of unfair competition, the competent commercial departments discover that the relevant acts are suspected of constituting a crime, they shall be promptly transferred to the judicial organs for handling according to law.

Companies whose legitimate interests are negative affected by unfair competition may seek judicial remedy in accordance with laws.