

# **Anti-Monopoly Law of the People's Republic of China**

**22 June 2006**

## **Chapter I - General Provisions**

### **Article 1. [Objectives of This Law]**

This Law is enacted for the purposes of protecting market competition, preventing and prohibiting monopolistic conduct, promoting efficiency of economic operation, safeguarding the legitimate rights and interests of undertakings, consumers and public interests, and ensuring the healthy development of the socialist market economy.

### **Article 2. [Scope of Application]**

This Law is applicable to monopolistic conduct in economic activities within the territory of the People's Republic of China.

This Law is applicable to monopolistic conduct outside the territory of the People's Republic of China that have eliminative or restrictive effects on competition in the domestic market of the People's Republic of China.

As for monopolistic conduct prohibited by this Law, this Law does not apply where other laws or administrative regulations provide provisions.

### **Article 3. [Monopolistic Conduct]**

“Monopolistic conduct” is defined in this Law as the following activities:

- (i) undertakings concluding monopoly agreements;
- (ii) abuse of dominant market positions by undertakings;
- (iii) concentration of undertakings that have or are likely to have the effects of eliminating or restricting competition;

The monopoly agreements mentioned in the first section are agreements, decisions or other concerted practices that eliminate or restrict competition.

### **Article 4. [Definitions of “Undertaking” and “Relevant Market”]**

An “undertaking” in this Law refers to a natural person, legal person, other organization that engages in manufacturing, selling products, or providing services in a relevant market.

A “relevant market” in this Law refers to the scope or area within which the undertakings compete against each other during a certain period of time for relevant products or services (hereinafter “products”).

## **Article 5. [Anti-Monopoly Authority]**

The State Council shall set up the Anti-Monopoly Commission. The Anti-Monopoly Commission of the State Council shall be responsible to organize, lead, and harmonize the anti-monopoly work.

The authority responsible for the Anti-Monopoly Law enforcement appointed by the State Council (hereinafter “the Anti-Monopoly Law Enforcement Authority”) shall be in charge of the work of Anti-Monopoly Law enforcement pursuant to this Law.

According to necessity, the Anti-Monopoly Law Enforcement Authority under the State Council can authorize the corresponding organs of the People's Government of provinces, autonomous regions, municipalities to be in charge of Anti-Monopoly Law enforcement works pursuant to the Law. .

## **Article 6. [Prohibition of Abuse of Administrative Powers to Restrict Competition]**

Administrative organs and the organizations authorized by the laws or regulations with function of supervising public affairs (hereinafter “the public organizations”) shall not abuse their administrative powers to exclude or restrict competition.

The State shall strengthen and complete the regulating and supervision of the operation of administrative powers, and by deepening reform and transferring government functions so as to prevent and eliminate the activities to exclude and strict competition by abusing administrative powers,

## **Chapter II Monopoly Agreements**

### **Article 7. [Prohibition of Horizontal Monopoly Agreements]**

The following Monopoly Agreements among competing undertakings shall be prohibited:

- (i) fix, maintain or change prices of products;
- (ii) limit the production volume or sales volume of products;
- (iii) segment the sales markets or the raw material purchasing markets;
- (iv) limit the purchase of new technology, new facilities or limit the development of new products, new technology;
- (v) jointly boycott transactions;
- (vi) other monopoly agreements determined by the Anti-Monopoly Law enforcement Authority.

#### **Article 8. [Prohibition of Vertical Monopoly Agreements]**

During trading activities, an undertaking shall be prohibited from fixing the resale prices of products to third persons or imposing other trading conditions that eliminate, restrict competition.

#### **Article 9. [Prohibition of Colluding Bids]**

Undertakings shall be prohibited from colluding on bids in course of inviting bid and bidding to eliminate or restrict competition.

#### **Article 10. [Exemptions of Monopoly Agreements]**

If the undertakings can prove that the concluded agreements aim for the realization of the objectives listed in the following paragraph, and will not substantially eliminate competition in the relevant market, and can enable consumers to share the interests derived from it, Article 7 and Article 8 shall not apply:

- (i) to improve technology, research and develop new product;
- (ii) to upgrade the product quality, reduce cost, enhance efficiency, and unify the specifications and standards of product;
- (iii) to improve operational efficiency and enhance competition capacity of small and medium-sized undertakings ;
- (iv) to realize the social public interests such as to save energy, protect environment, and contribute for disaster;
- (v) to ensure the legitimate interests in foreign trade and economic cooperation. ;
- (vi) during the period of economic depression, to moderate serious decreases in sales volumes or distinct production surpluses;

## **Article 11. [Legal Effect]**

The monopoly agreements prohibited by this Chapter shall have no effect *ab initio* . .

### **Chapter III Abuse of Dominant Market Position**

## **Article 12. [Prohibition of Abuse of Dominant Market Position]**

Undertakings are prohibited from abuse of dominant market positions to eliminate or restrict competition.

“Dominant Market Position” in this Law refers to a controlling market position held by one undertaking or several undertakings as a whole which is capable of controlling the price or quantity of products or other trading conditions in the relevant market or restricting or affecting other undertakings in entering into the relevant market.

## **Article 13. [Factors for Determining the Dominant Market Position]**

The dominant market position of an undertaking shall be determined based on the following factors:

- (i) market share of the undertaking and the competition situation in the relevant market;
- (ii) ability of the undertaking to control the sales market or the purchase market of the raw materials;
- (iii) financial and technical conditions of the undertaking;
- (iv) the dependent relationship on the undertaking of other undertakings and the extent of it;
- (v) the difficulty of entering the relevant market by other undertakings;
- (vi) other factors relating to the dominant market position of the undertaking..

## **Article 14. [Direct Determination of Dominant Market Position]**

Undertakings that have any of the following conditions, can be concluded to hold a dominant market position:

- (i) the market share of one undertaking in relevant market accounts for more than 1/2;
- (ii) the joint market share of two undertakings as a whole in relevant market accounts for more than 2/3;
- (iii) the joint market share of three undertakings as a whole in relevant market accounts for more than 3/4.

In situations stipulated in the preceding Paragraph 2, Paragraph 3, if an undertaking has market share less than 1/10, it shall not be concluded to hold a dominant market position.

## **Article 15. [Abuses of Dominant Market Position]**

Abuse of dominant market position by undertakings includes:

- (i) [Monopoly Price] selling products at unfair high or buying products at unfair low prices;
- (ii) [Predatory Price] without valid reasons, selling products at prices below cost ;
- (iii) [Refusing Trade] without valid reasons, refusing to trade with trading partners;
- (iv) [Mandatory Trade, Exclusive Trade] compelling trading partners to trade with undertakings, or without valid reasons, restricting trading partners to only trade with the undertaking or the undertakings designated by the undertaking;
- (v) [Tying and Imposing Other Unreasonable Trading Conditions ] contrary to the will of the trading partners, tying products or imposing other unreasonable trading conditions during the deals ;
- (vi) [Differentiated Treatment] without valid reasons, applying differentiated treatment in regards to transaction conditions such as trading prices to equivalent trading partners;
- (vii) other abuses of dominant market position determined by the Anti-Monopoly Law Enforcement Authority.

## **Chapter IV Concentrations of Undertakings**

### **Article 16. [Situations of Concentrations of Undertakings]**

A concentration of undertakings refers to the following situations:

- (1) a merger of undertakings;
- (2) an undertaking's acquisition of shares or assets with voting right of other undertakings to an adequate extent;
- (3) an acquisition of control of other undertakings or the capability of imposing determinative effects on other undertakings by contract or other means.

The concrete criteria for the adequate extent of shares or assets with voting right in the preceding Paragraph 2 shall be determined by the Anti-Monopoly Law Enforcement Authority under the State Council together with the relevant departments of the State Council.

### **Article 17. [Standard for Notification and Calculation of Turnover Etc.]**

Where all parties participating in a concentration have worldwide turnover in the previous year exceeds RMB 12 billion, and one of the parties has total turnover in China in previous year

exceeding RMB 800 million, the undertakings of the concentration shall notify the Anti-Monopoly Law Enforcement Authority under the State Council before the transaction; if a prior notification was not filed with the Anti-Monopoly Law Enforcement Authority under the State Council by the undertakings of the concentration, the concentration shall not be put into practice.

In order to calculate the total turnover mentioned in the preceding paragraphs, it shall include the turnover of undertakings with which the undertaking has controlling or affiliation relationships.

The State Council can set alternative notification standards for special industries or sectors such as banking, insurance, etc.

The Anti-monopoly Law Enforcement Authority under the State Council may adjust the standard for notification of concentrations of undertakings stipulated in the preceding Paragraph 1, in light of the economic development and market situations, and report such adjustments to the State Council for approval before putting them into practice.

#### **Article 18. [Exemption of Notification]**

If a concentration of undertakings fulfills any of the following circumstances, the undertakings need not file the notification with the Anti-monopoly Law Enforcement Authority under the State Council:

- (1) One undertaking involved in the concentration owns more than 50% of the shares or the assets with voting rights of each and every other undertaking;
- (2) More than 50% of the shares or the assets with voting rights of every undertaking involved in the concentration are owned by the same undertaking which is not involved in the concentration.

#### **Article 19. [Documents Needed for Notification of a Concentration]**

Undertakings that make notification of a concentration shall submit the following documents and information to the Anti-Monopoly Law Enforcement Authority under the State Council:

- (1) an application;
- (2) explanations regarding the influence on the competition in the relevant market by the concentration;
- (3) the agreement of the concentration;

(4) the financial accounting reports of the undertakings involved in the concentration in the preceding accounting year, which are audited by a certified public accountant;

(5) other documents and information required by the Anti-monopoly Law Enforcement Authority under the State Council.

The application shall indicate clearly the name, address, business scope, worldwide turnover in the previous year, total assets and total turnover of the previous year in China's domestic market, market share in the relevant market, and the total value of transaction and the proposed execution date of the concentration, etc.

#### **Article 20. [Supplementation of Documents]**

In case the documents and information submitted by the undertakings are not complete, the undertakings shall supplement the documents and information within the time limit stipulated by the Anti-Monopoly Law Enforcement Authority under the State Council. Notification shall be deemed as failed to notify if the documents fails to be supplemented within the set period by the undertakings.

#### **Article 21. [Preliminary Review]**

The Anti-Monopoly Law Enforcement Authority under the State Council shall conduct preliminary review and decide on whether to initiate further review within 30 working days from the date of receipt of the documents and information submitted in compliance with Article 19 by the undertakings, and shall inform the undertakings of the decision in writing. Before the Anti-Monopoly Law Enforcement Authority under the State Council make the decision on whether to initiate further review is adopted, the undertakings shall refrain from implementing the concentration.

Where the Anti-monopoly Law Enforcement Authority under the State Council makes the decision of non-initiation of the further review or no decision of further review at the expiry of the period of time, the undertakings may implement the concentration.

#### **Article 22. [Further Review]**

If the Anti-monopoly Law Enforcement Authority under the State Council makes a decision to further review, it shall complete the review within 90 working days from the date of its decision, decide whether to prohibit the concentration of the undertakings and notify the undertakings in writing; it shall indicate the reasons in the decision to prohibit the concentration. The undertakings shall not implement the concentration during the period of review.

Under any of the following circumstances, the Anti-monopoly Law Enforcement Authority under the State Council may extend the time limit stipulated in the second paragraph by written notice to the undertakings, provided that the extension does not exceed 60 working days at the maximum:

- (1) the undertakings agree to extend the time limit for the review;
- (2) the documents submitted by the undertakings are inaccurate and need further verification;
- or
- (3) the relevant circumstances have significantly changed after notification by the undertakings.

If the Anti-monopoly Law Enforcement Authority under the State Council fails to make decision at the expiry of the period of time, it is deemed as not prohibited by it.

### **Article 23. [Elements for Consideration]**

The following elements shall be taken into consideration when conduct the review of the concentration by the undertakings:

- (1) the market shares of the undertakings participating in the concentration on the relevant market and their ability to control the market;
- (2) the extent of concentration in the relevant market;
- (3) the likelihood to exclude and restrict competition in the relevant market as a result of the proposed concentration;
- (4) the effect of the proposed concentration on market access and technological progress;
- (5) the effect of the proposed concentration on consumers and other related undertakings;
- (6) the effect of the proposed concentration on the development of the national economy and public interest;
- (7) other elements determined by the Anti-Monopoly Law Enforcement Authority under the State Council.

### **Article 24. [Making Decision]**

The Anti-Monopoly Authority under the State Council shall make a decision to prohibit a concentration if the concentration has or may have the effect of excluding or restricting competition. However, the Anti-Monopoly Authority under the State Council may make a decision not to prohibit a concentration where the undertakings can prove that the concentration can improve competition conditions and situation, and the positive elements obviously outweigh the negative elements, or the concentration satisfies the request of public interest.

If the Anti-Monopoly Law Enforcement Authority under the State Council decides not to prohibit the concentration, the Authority can attach restrictive conditions to the implementation of the concentration.

#### **Article 25. [Publication of Decision]**

The Anti-monopoly Law Enforcement Authority under the State Council shall publish the decision prohibiting the concentration or the decision attaching restrictive conditions to the concentration in time.

### **Chapter V Abuse of Administrative Powers to Exclude, Restrict Competition**

#### **Article 26. [Designated Deals]**

Administrative organs and public organizations shall not abuse their administrative powers to require, in any manner or in disguised form, undertakings and individuals to deal in, purchase or use only the products supplied by any undertakings designated by them.

#### **Article 27. [Regional Blockade]**

Administrative organs and public organizations shall not abuse their administrative powers to take the following measures hindering the free circulation and adequate competition of the commodities among the regions :

- (1) to set discriminatory charging items, implement discriminatory charging standards, or fix discriminatory prices;
- (2) to impose technical requirements or inspection standards on products originated from other regions, which are different from those on local likely products, or take discriminatory technical measures such as repeated inspection or certification on products originated from other regions, so as to restrict entry of products originated from other regions into the local markets;
- (3) to conduct special measures such as administrative licensing or approving targeting products originated from other regions, so as to restrict entry of products originated from other regions into the local markets;
- (4) set up checkpoints or other means to block the entry of products originated from other regions or exit of their own local products.

#### **Article 28. [Restriction on Bidding]**

Administrative organs and public organizations shall not abuse their administrative powers to restrict or reject the participation of undertakings from other regions in local bidding activities by measures such as prescribing discriminatory qualification requirements or assessment standards, or by not publishing information according to law.

#### **Article 29. [Restriction on Market Access]**

Administrative organs and public organizations shall not abuse their administrative powers to restrict or reject investment or establishment of branches from undertakings in other regions, by resorting to such manners as according treatment unequal to that on their local undertakings.

#### **Article 30. [Forced Restrictions on Competition]**

Administrative organs and public organizations shall not abuse their administrative powers to compel undertakings to pursue monopolistic conducts which are prohibited under this Law.

#### **Article 31. [Prohibited Conducts]**

Administrative organs and public organizations shall not abuse their administrative powers to set rules with contents which eliminate or restrict competition.

### **Chapter VI Anti-Monopoly Authority**

#### **Article 32. [Composition of the Anti-Monopoly Commission under the State Council ]**

The Anti-Monopoly Commission under the State Council is composed of the principals of relevant departments and organs of the State Council and certain experts. Its rules of procedures and work are stipulated by the State Council.

#### **Article 33. [Functions of the Anti-Monopoly Commission]**

The Anti-Monopoly Commission under the State Council performs the following functions:

- (1) studying and formulating policies relating to competition;
- (2) organizing investigation, evaluation to the overall competition condition in market, and publish the evaluation reports;
- (3) supervising, harmonizing the Anti-monopoly Law Enforcement Authority under the State Council and the relevant industrial directing and supervising departments of the State Council in regard of their Anti-monopoly Law Enforcement work;
- (4) harmonizing the handling to major anti-monopoly cases;
- (5) other functions stipulated by the State Council.

#### **Article 34. [Function of the Anti-monopoly Law Enforcement Authority under the State Council ]**

The Anti-monopoly Law Enforcement Authority under the State Council performs the following functions:

- (1) putting forward and publish anti-monopoly guidelines and specific measures;
- (2) investigating and evaluating market competition conditions;
- (3) investigating and handling suspect Monopolistic Conducts;
- (4) ceasing monopolistic conducts;
- (5) accepting and reviewing notification of concentrations of the undertakings;
- (6) other functions stipulated by the State Council.

#### **Article 35. [Report Against Monopolistic Conducts]**

Any organizations or individuals may report to the Anti-Monopoly Law Enforcement Authority the suspect Monopolistic Conducts prohibited by this Law. The Anti-monopoly Authority shall keep the confidentiality for the reporting party.

If the report is in writing, and including related facts and necessary evidences, the Anti-Monopoly Law Enforcement Authority shall conduct necessary investigation.

#### **Article 36. [Investigatory Functions and Powers]**

When conducting investigations of the suspect Monopolistic Conducts, the Anti-Monopoly Authority can take the following measures:

- (1) conducting inspection of business locations or other relevant places of the undertakings;

- (2) questioning the undertakings under investigation, interested parties and other relevant entities or individuals, requesting them to provide relevant information;
- (3) examining, copying or requesting the undertakings, interested parties and other relevant entities or individuals subject to the investigation to submit relevant documents and information including related documents, agreements, contracts, accounting books, correspondence, electronic data etc. and receive questioning;
- (4) sealing or retaining relevant evidence;
- (5) inquiring and freezing the bank account of the undertakings;

In order to adopt above mentioned measures, it shall report in writing to the main responsible person of the Anti-Monopoly Enforcement Authority, and obtain approval.

### **Article 37. [Requirement for Enforcement of the Law]**

There shall be at least two investigating officers from the Anti-monopoly Law Enforcement Authority, in carrying out investigations regarding suspect Monopolistic Conducts. And they shall present valid documents proving their identity and capability to carry out the investigation.

When officers conduct questioning and investigation, they shall make written record, and it shall be signed by the persons questioned or investigated.

### **Article 38. [Confidentiality]**

The Anti-monopoly Law Enforcement Authority and its staff shall keep confidentiality of the commercial secrets obtained when carrying out their duties pursuant to law.

### **Article 39. [Obligations of Cooperation to the Investigation]**

The undertakings, interested parties or other relevant entities or individuals subject to the investigation shall cooperate with the Anti-monopoly Law Enforcement Authority to perform the function pursuant to the Law, and shall not refuse or hinder the investigation of the Anti-monopoly Law Enforcement Authority.

### **Article 40. [Statements and Defenses]**

The undertakings and interested parties subject to investigation are entitled to submit statements and defenses. The Anti-monopoly Law Enforcement Authority shall conduct verifications to the

alleged facts, justifications and evidences raised by the undertakings and interested parties subject to investigation.

#### **Article 41. [Disposal of illegal Conducts]**

Where the Anti-monopoly Law Enforcement Authority after investigating and verifying the suspect Monopolistic Conducts determines the conduct constitutes Monopolistic Conducts, it shall make a decision in accordance with the Law, and may publish the decision to the public.

#### **Article 42. [System of Undertaking by the Undertakings]**

If the undertakings subject to the investigation admits the suspect Monopolistic Conducts being invested by the Anti-Monopoly Law Enforcement Authority and undertakes to take specific measures within certain time limit to eliminate the effect of the Monopolistic Conducts, the Anti-Monopoly Law Enforcement Authority may decide to suspend the investigation; The decision of the suspension of the investigation shall state the detailed content of the commitment by the undertaking.

Where the Anti-Monopoly Law Enforcement Authority decides to suspend the investigation, it shall supervise the conditions of the performance of the commitment by the undertakings. Where the undertakings perform the commitments, the Anti-Monopoly Law Enforcement Authority may decide to terminate the investigation, and may decide to reduce or relieve the penalties.

The Anti-Monopoly Law Enforcement Authority shall restore the investigation, where one of the following circumstances occurs:

- (1) the undertaking fails to perform the commitments;
- (2) substantial changes occurred to the facts based on which the decision to suspend the investigation was made;
- (3) the decision to suspend the investigation was made based on incomplete or untrue information provided by the undertaking.

#### **Article 43. [Administrative Reconsideration and Administrative Litigations]**

Where the undertakings and interested parties are dissatisfied with the decisions made by the Anti-Monopoly Law Enforcement Authority, they may apply for administrative reconsideration; if they do not agree with the result of the administrative review, can initiate administrative litigations in accordance with law.

#### **Article 44. [Relationship between the Anti-Monopoly Authority and Relevant Authorities]**

If there are relevant laws and administrative regulations stipulating that the Monopolistic Conducts prohibited by this Law shall be investigated and handled by the relevant departments or supervisory organs, the laws and regulations are to be applied. The relevant departments and supervisory organs shall notify the result of the investigation on the Monopolistic Conducts to the Anti-Monopoly Law Commission under the State Council.

Where the relevant departments and supervisory organs fail to investigate and handle the Monopolistic Conducts prohibited by this Law in accordance with the above paragraph, the Anti-Monopoly Law Enforcement Authority under the State Council could conduct the investigation and handling. When investigating and handling of the Monopolistic Conducts, the Anti-Monopoly Law Enforcement Authority under the State Council shall consult for the opinions of the relevant departments and supervisory organs.

### **Chapter VII Legal Liability**

#### **Article 45. [Penalty Against Monopoly Agreement]**

In case the undertakings violate the relevant provisions of this Law, concluding and executing Monopoly Agreements, the Anti-Monopoly Law Enforcement Authority shall order the undertakings to cease such act, impose fines more than 1% and less than 10% of the total turnover in the preceding year and confiscate the illegal gains; where the Monopoly Agreement is not implemented, a fine less than RMB 2 million can be imposed.

If the undertakings involved in Monopoly Agreement on its own initiative report information concerning the conclusion of Monopoly Agreements and provide important evidences to the Anti-Monopoly Law Enforcement Authority, they may be given a mitigated punishment or be exempted from punishment as specified in the preceding paragraph in accordance with the circumstances.

#### **Article 46. [Penalty Against Abuse of Dominant Market Position]**

In case the undertakings violate the relevant provisions of this Law, abuse of dominant market position and eliminate or restrict competition, the Anti-Monopoly Law Enforcement Authority shall order the undertakings to cease such act, confiscate the illegal gains and impose fines more than 1% and less than 10% of the total turnover in the preceding year.

#### **Article 47. [Penalty against the Concentration Implemented Violating This Law]**

In case the undertakings implemented the concentration in violation of the relevant provisions of this Law, the Anti-Monopoly Law Enforcement Authority under the State Council shall impose fines more than RMB 1 million and less than RMB 5 million and may order the undertakings to stop implementing the concentration or dispose whole or part of the stock, to transfer part of its business or to take other necessary measures to revert to the condition of the undertakings before the concentration.

#### **Article 48. [Factors to be Considered for Fines]**

As for the imposition of the fines stipulated by the Article 45, 46 and 47 of this Law, the Anti-Monopoly Law Enforcement Authority shall take elements such as the nature, extent and time it lasts of the illegal act into consideration in determining the specific amount of the fines.

#### **Article 49. [Obligations to Compensate the Injury]**

Where the undertakings implement Monopolistic Conducts and cause loss to others, the undertakings shall be responsible for the civil liabilities in accordance with the laws; if constitutes crime, they shall be imposed criminal liability in accordance with the laws.

#### **Article 50. [Penalty Against Abuse of Administrative Power Limiting Competition]**

Where administrative organs and public organizations abuse administrative powers, performing activities which exclude and restrict competition, the superior entity shall order them to revoke and modify the act; where the circumstances are serious, the entity of the same level or in the superior level shall impose administrative penalty on the chief officer directly responsible for it in accordance with the laws. Where there is other stipulations in laws and administrative regulations concerning the disposal of activities excluding or restricting competition by administrative organs and public organizations' abusing administrative powers, the other stipulations shall apply.

#### **Article 51. [Penalty Against Refusal or Hindrance of Investigation]**

In case of violating the regulations of this Law, if there is any of the following conducts, the Anti-Monopoly Law Enforcement Authority shall order it to correct and may impose the fine below RMB 20,000 on the individuals, and below RMB 500,000 on entities; in serious circumstances, it shall impose fines above 20,000 RMB and below 200,000 RMB on the individuals, above 500,000 RMB and below 5,000,000 RMB on entities; If the conduct commits

the public security supervision regulations, the police shall impose security supervisory penalties pursuant to laws: if constitutes crimes, criminal liabilities shall be imposed.

- (1) hinder or refuse to be investigated;
- (2) refuse to submit relevant materials and information or submit fraudulent materials or information;
- (2) conceal, destroy or remove the evidence.

#### **Article 52. [Responsibilities of the Enforcer]**

In the case that the staffs of the Anti-Monopoly Law Enforcement Authority abuse the powers, fail to fulfil the duties, conduct irregularities for favouritism, or disclose business secrets of the undertakings obtained in the course of the enforcement of the Law, if it constitutes crime, criminal liabilities shall be imposed; if it does not constitute crime, the relevant staff shall be given administrative sanctions pursuant to the laws..

### **Chapter VIII Supplementary Provisions**

#### **Article 53. [Applications to the Undertakings' Group and Industrial Associations]**

This Law is applicable to the conducts eliminating or restrict competition practiced by the entities such as the undertakings' group and industrial associations.

#### **Article 54. [Applications to the Abuse of Intellectual Property Right]**

Where the undertakings utilize the intellectual property rights pursuant to the stipulations in laws and administrative regulations relating to intellectual property, this Law is not applicable. However, this Law is applicable to the conducts by the undertakings eliminating or restricting competition by the abuse of the rights stipulated by the Intellectual Property Right Laws or administrative regulations.

#### **Article 55. [Exemptions to Farmers and Farmers' Professional Economic Organizations]**

This Law is not applicable to the cooperation, association or other concerted conducts which do not substantially restrict competition by agricultural producers and the farmers' professional

economic organizations during the course of the production, processing, sales, transportation, storage and other operating activities of the agricultural products.

**Article 56. [Effective Date]**

This Law is effective as of [date].