

A LOOK BACK AT THE YEAR OF THE SNAKE: WHAT CHANGED IN CHINA ANTITRUST, AND WHAT IT MEANS FOR 2026

As 2025 saw global geopolitical tensions rise, supply chains being disrupted, and increasing restrictions around technology flow, China stepped up antitrust enforcement as part of a wider push to shape market order and protect strategic resilience. That shift was clearest in merger control and conduct enforcement, where interventions were more frequent and intrusive. The result was less certainty for global transactions with a Chinese nexus, and greater antitrust risk on commercial conduct in China.

The twelve themes below capture the practical impact of Chinese antitrust enforcement in the Year of the Snake and the points of friction that are likely to define enforcement in the coming year:

1. More conditional clearances and a return of prohibitions
2. Below-threshold call-ins increased in sensitive sectors
3. Two prohibitions and an unwind order
4. Remedies focused increasingly on continuity of supply, access, and “no worse terms”
5. Gun-jumping and remedy-compliance enforcement became more structured
6. Merger review became more methodised, including clearer non-horizontal playbooks
7. Vertical restraints moved towards clearer boundaries, including safe harbours, with resale price maintenance remaining tightly constrained
8. Domestic cases of abuse of dominance remained concentrated in utilities and pharmaceuticals
9. Personal exposure increased for cartel conduct and obstruction
10. Foreign-related probes were more visible and operationally significant
11. Platform governance tightened with unfair-competition tools and “soft” enforcement
12. Courts continued to clarify standards and reinforce enforcement direction.

1. More conditional clearances and a return of prohibitions

China merger control moved towards the interventionist end of the spectrum in 2025. After a quiet prior year, the State Administration for Market Regulation (SAMR) issued six conditional clearances and two prohibitions during the past Year of the Snake,¹ a level of intervention not seen since China’s merger control regime began. The conditional cases spanned sectors with strategic, supply-sensitive or technology-adjacent characteristics, including agribusiness (*Bunge/Viterra*), air cargo (*ANA/Nippon Cargo*), semiconductor design software (*Synopsys/Ansys*), cybersecurity and network testing (*Keysight/Spirent*), lithium mining (the *Codelco/SQM joint venture*) and automotive components (*AAM/Dowlais*) (see our *July 2025 briefing*). The period also produced two merger prohibitions, namely domestic transactions *Yongtong/Huatai* and the *Foshan bottled LPG joint venture*.

Deal-makers should be alert to the increasing risk of China as the gating jurisdiction for transactions involving sensitive inputs, concentrated markets or critical technology supply chains, even where China is not the principal revenue driver. Early advice on filing strategy, stakeholder outreach and possible remedies should be sought as standard practice, as SAMR outcomes become harder to predict.

¹ From 29 January 2025 to 16 February 2026.

2. Below-threshold call-ins increased in sensitive sectors

SAMR used its statutory power to require notification of deals falling below turnover thresholds more frequently during the year. The legal test for this call-in power is simple: where there is evidence that a transaction has, or may have, the effect of excluding or restricting competition, SAMR can require a notification even if the turnover thresholds are not met. In practice, the more prominent call-in cases clustered around sensitive sectors, including semiconductor design (*Synopsys/Ansys*), healthcare supply chains (*Yongtong/Huatai*), cybersecurity products (*Keysight/Spirent*), chipsets (*Qualcomm/Autotalks*) and local utilities infrastructure (*Foshan bottled LPG joint venture*).

This development changes the execution dynamics for sub-threshold deals, especially in sensitive sectors. Transactions that would once have been treated as non-notifiable and crossed off the list can now carry a longer period of uncertainty, including the prospect of SAMR demanding a late-stage filing and a materially extended timeline. The practical implications include setting long-stop dates, how interim operating constraints are framed, and whether voluntary engagement is preferable to unmanaged call-in exposure.

3. Two prohibitions and an unwind order

The past year saw SAMR issue a number of prohibitions and unwind orders in merger control. It prohibited two below-threshold domestic transactions where competition concerns arose from input foreclosure and supply dependency in a pharmaceutical supply chain (*Yongtong/Huatai*, see [our August 2025 newsletter](#)), and coordinated effects and pricing risks in a tightly constrained local public utilities market (*Foshan bottled LPG joint venture*, see [our February 2026 newsletter](#)). Two points stand out. First, SAMR was prepared to prohibit these transactions even though they did not meet the turnover thresholds. Secondly, in *Yongtong/Huatai*, SAMR called-in the transaction almost six years after the deal had completed, and did not hesitate to require the parties to unwind the transaction.

This sharpens the downside of a misjudged China merger control risk assessment and highlights the need to offer sufficient and robust remedies to avoid a prohibition decision (and possibly an unwind order). This also has implications for strategic thinking around the pace and permanence of integration steps. While the published cases involved domestic Chinese parties, the underlying logic is not inherently domestic, and could in theory extend to multinational businesses with a strong local presence where the fact pattern points the same way.

4. Remedies focused increasingly on continuity of supply, access, and “no worse terms”

Of the six conditional cases cleared by SAMR over the past year, the remedy packages followed a consistent pattern. Behavioural commitments aimed at preserving continuity of supply, maintaining access, and preventing deterioration of terms for China-based customers appeared repeatedly. These packages often combined contract continuity commitments, supply undertakings, FRAND (fair, reasonable and non-discriminatory)-style obligations, interoperability measures, and restrictions on tying or bundling, alongside reporting and monitoring features. The remedy approach was therefore not merely about market structure in the abstract, but about ensuring workable supply arrangements and limiting the ability to worsen commercial terms for Chinese customers after closing.

SAMR’s preference for behavioural remedies is not wholly new, but the practical weight of these packages should not be underestimated. Such commitments can constrain pricing governance, contracting discretion, product roadmap choices, and dispute handling for up to ten years. They also include monitoring and reporting obligations that require sustained resourcing and clear ownership internally. Remedy risk in China should therefore be assessed as a long-term constraint to operations that extends regulatory engagement well beyond the closing date, and not merely as a marginal hurdle to closing.

5. Gun-jumping and remedy-compliance enforcement became more structured

SAMR moved further towards a benchmark-driven approach to gun-jumping penalties in 2025. It issued a trial penalty guidance in March 2025, providing clearer starting points for fines, specified aggravating and mitigating factors, and a more transparent adjustment logic (see [our April 2025 newsletter](#)). Published enforcement under that framework illustrated that procedural breaches can attract meaningful fines, even where a transaction does not raise substantive competition concerns, particularly where parties take irreversible steps before case acceptance or clearance (see [our July 2025 newsletter](#)). Alongside this, compliance with merger commitments remained a live enforcement concern, including through investigations into whether conditions attached to earlier approvals had been honoured (e.g. *Nvidia/Mellanox* discussed in theme 10 below).

Consequences for procedural missteps are becoming more pronounced. Gun-jumping, including implementing steps before SAMR clearance, now carries a more predictable and increasingly material enforcement response. During the Year of the Snake, SAMR imposed gun-jumping penalties in three cases - namely *Guangzhou Municipal Construction Group* (25

June 2025), the *Zhejiang Provincial HR joint venture* (23 December 2025) and *Huaxin/Walsin Group* (16 January 2026) - with fines typically in the RMB 1.7-1.75 million range (approximately £184,000-189,000). This underlines the need for disciplined controls to ensure that no completion or implementation steps are taken before clearance.

6. Merger review became more streamlined, including clearer non-horizontal playbooks

SAMR continued to push for standardisation and transparency around merger review. Notification requirements were consolidated and updated in September 2025 (see our [October 2025 newsletter](#)), and a public query functionality was introduced to SAMR's online merger control portal. New [non-horizontal merger review guidance](#) was published in December 2025, complementing the [horizontal merger review guidance](#) issued in late 2024 and detailing qualitative and quantitative assessment approaches that are recognisable in international practice, including more structured analysis of vertical foreclosure and conglomerate theories (see our [January 2026 newsletter](#)).

While these process standardisation and systemic upgrades are helpful, it does not necessarily make the review process easier. In practice, a more standardised review tends to mean more structured questions, deeper data requests, and closer scrutiny of the competitive narrative. Deal teams would benefit from identifying and working through issues such as data integrity, customer mapping and switching evidence earlier in the timetable, and resourcing the China workstream on that basis.

7. Vertical restraints moved towards clearer boundaries, including safe harbours, with resale price maintenance remaining tightly constrained

2025 brought clearer boundary-setting for vertical arrangements. In the amended [Provisions on Prohibiting Monopoly Agreements](#) published in December 2025, SAMR introduced a 15% market share "safe harbour" for vertical agreements, facilitating the assessment of certain lower-risk vertical restraints. The position in these Provisions on resale price maintenance (RPM), however, is more stringent; RPM agreements can only benefit from the safe harbour if each party's: (i) market share remains below 5% throughout the agreement period, and (ii) annual turnover falls below RMB 100 million (approximately £10.5 million) (see our [January 2026 newsletter](#)).

These changes have important implications for commercial behaviour in China and offer meaningful comfort for companies with distribution models involving non-price restraints (e.g. exclusivity), provided the analysis is anchored in credible market positioning. By contrast, any mechanism that steers resale pricing, including indirect levers dressed as "guidance", remains exposed.

8. Domestic cases of abuse of dominance remained concentrated in utilities and pharmaceuticals

Domestic cases of abuse of dominance enforcement continued to cluster in livelihood-facing sectors, most notably public utilities and pharmaceuticals. This is reflected in the abuse of dominance cases opened and concluded over the period, which included two public utilities cases in the urban water supply sector (*Dangtu County Capital Water* and *Fuzhou Public Water Utility*) and one pharmaceuticals case involving an active pharmaceutical ingredient market (*Weifang Zhongyuan Pharmaceuticals*). Across these cases, enforcement focused on conduct that limited access to essential inputs or services where customers had limited practical alternatives, including the use of exclusive supply conditions to restrict downstream choice, unreasonably high pricing, refusal to deal and the imposition of unfair trading conditions.

Businesses operating in, or reliant on, livelihood-facing sectors carry greater exposure where conduct can be characterised as limiting access to essential inputs or taking advantage of pre-existing dependency. The same lens is relevant for merger control reviews in concentrated Chinese markets.

9. Personal exposure increased for cartel conduct and obstruction

The Year of the Snake brought personal accountability into sharper focus in cartel enforcement and obstruction decisions. Individuals linked to cartel coordination or implementation, and individuals who impeded investigations, faced standalone penalties alongside corporate sanctions in a number of cases in 2025 (e.g. *Shanghai Sine United Pharmaceutical and Medicinal Materials* (21 March 2025), *Sichuan Xieli Pharmaceuticals* (27 May 2025)).

These developments underline the need for more effective compliance training for Chinese businesses. Individual exposure means risk turns on everyday judgement: how employees engage competitors, handle competitively sensitive information and respond to regulatory investigations. Training must therefore instil clear red lines and rehearsed responses, not theoretical awareness, as obstruction risk often crystallises in the first hours of an inspection, when behaviour is driven by employee instinct rather than a well-written compliance policy.

10. Foreign-related probes were more visible and operationally significant

The past year featured a cluster of unusually visible foreign-related probes, spanning conduct investigations and merger-related compliance. Some matters progressed with limited public detail, including on scope and status ([Google](#), [Nvidia/Mellanox](#), [Qualcomm/Autotalks](#)). At least one probe was publicly paused ([Dupont](#)), an unusual procedural step even where the rationale was not explained. While the probes cut across sectors, they shared a common feature: each involved a major US group.

SAMR's handling of these cases suggests a preference for public signalling at key moments, without extensive public exposition of theory or procedural posture. While any wider context is difficult to assess from the public record, taken together, the pattern is broadly consistent with remarks from the Director of SAMR (Luo Wen) in late-2024 that foreign-related antitrust enforcement would be strengthened "steadily and prudently" in strategically important sectors.

11. Platform governance tightened with unfair-competition tools and "soft" enforcement

SAMR's enforcement scope in the digital economy continued to widen through a combined toolkit spanning platform governance and unfair-competition law. The revision of the [Anti-Unfair Competition Law](#) expanded options for addressing online conduct in China without requiring dominance, including conduct involving data, algorithms, technology, platform rules and "involution-style" competition (see our [November 2025 briefing](#)). Alongside formal enforcement, "soft" measures became more visible, including talks, guidance, compliance initiatives, and sector engagement that shape expectations and can often become de facto standards. The combined result is more routes to scrutiny of platform-adjacent conduct, including pricing discipline, parity arrangements, ranking and recommendation systems and merchant rule-setting.

Online platforms operating in China should be actively reviewing their product and pricing governance frameworks on an ongoing basis. Risk can crystallise through the design of fees, ranking incentives, promotions, algorithmic decision rules, and information asymmetries between platforms and merchants, as much as through overt exclusionary conduct. Businesses can turn to the [list of typical online unfair competition cases](#) published by SAMR for guidance, particularly around algorithm-enabled conduct.

12. Courts continued to clarify standards and reinforce enforcement direction

Judicial activity in 2025 continued to clarify substantive standards and procedural expectations in competition matters, with much of the practical guidance coming through the Supreme People's Court (SPC) and specialist courts, including the intellectual property courts. Notably, in September 2025, the SPC published a [list of typical antitrust cases](#) in core livelihood areas, which collectively addressed (among other points) the identification and characterisation of restrictive arrangements, the treatment of substance over form, and approaches to loss inference and loss calculation in follow-on damages claims (see [our September 2025 newsletter](#)). The overall effect was incremental but consistent clarification, and reinforced a more rules-based enforcement environment in China.

Forging ahead

As we step into the Year of the Horse, we expect SAMR to gallop ahead with this more interventionist posture. In merger control, the key risk remains the longer tail for below-threshold deals, particularly where the transactions involve sectors which are considered sensitive, supply-critical or highly concentrated. In enforcement against cartels and monopolistic conduct, regulators are likely to continue prioritising livelihood-facing sectors and platform-related risks, supported by more granular rules and published guidance. Finally, with courts increasingly articulating standards through published cases, businesses should plan for a more legally structured enforcement landscape and a greater likelihood that enforcement outcomes will result in follow-on disputes.

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