

## China's New Merger Review Regime

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China's Anti-Monopoly Law (AML) was significantly amended in June 2022, with changes taking effect August 1, 2022. Businesses contemplating mergers, acquisitions, or joint ventures should be aware of changes to China's premerger notification requirements and substantially increased penalties for failure to file a required notification. These changes can affect any transaction where the parties derive sufficient turnover from China, regardless of whether the parties have any assets or physical presence in China.

In a new [FAQ on the AML amendments affecting merger reviews](#), Winston and YuandaWinston antitrust attorneys in the U.S. and China answer common questions about how the amended AML and accompanying new draft standards proposed by China's antitrust enforcement agency, the State Administration for Market Regulation (SAMR), will affect transactions by non-Chinese companies that sell products into China or whose business may be considered to impact Chinese domestic markets. Issues addressed in the FAQ include:

- The extent of China's extraterritorial jurisdiction to conduct antitrust review of transactions that occur outside China
- New thresholds for within-China turnover triggering mandatory premerger notification
- Forthcoming guidelines from the SAMR to clarify the AML amendments
- Increased penalties for "gun jumping," the failure to notify SAMR of reportable transactions
- Statistics on how frequently Chinese antitrust enforcers have imposed conditions on mergers

Guidance from experienced antitrust counsel is always recommended at an early stage of any contemplated deal to evaluate where premerger filings may be required and to navigate the risks. With these AML amendments, Chinese antitrust law continues to evolve and demonstrate that China expects its antitrust enforcers to review any transactions—inside or outside China—that may have a significant effect on domestic Chinese commerce.

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