

2025: The Year Chinese Merger Control Came Back!

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I. Introduction

2025 proved a busy year for merger control in China, as the State Administration for Market Regulation (“SAMR”) – China’s antitrust authority – beefs up merger control enforcement after a post-pandemic lull.

As a result of the impact by the Covid pandemic on the Chinese economy, the national leadership had directed government officials at all levels to take a pragmatic, business-friendly approach in order not to stifle the economic recovery. This approach was also reflected in SAMR’s relatively measured merger control activity, with “only” four adverse decisions in 2023, only one in 2024, and none in the first five months of 2025.

However, with six adverse decisions – five conditional clearances and one prohibition decision – in quick succession since June 2025, SAMR is tightening the screws again.²

II. The Decisions

Let us look at the six adverse decisions in 2025, going backwards in time.

The first adverse SAMR decision – from November 7, 2025 – concerns the establishment of a joint venture between Corporación Nacional del Cobre de Chile (“Codelco”) and Sociedad Química y Minera de Chile (“SQM”).³ Through this transaction, the two mining companies from Chile form a joint venture for the extraction, production, and commercialization of minerals from the

Salar de Atacama, primarily lithium carbonate and lithium hydroxide. The transaction agreement was signed in May 2024, and the notification filed in October 2024 and accepted by SAMR as complete in January 2025. The concerns expressed by SAMR were mainly phrased in horizontal terms: unilateral effects through the strengthening of the parties’ market power, and coordinated effects among the top three lithium carbonate market players. At the same time, SAMR was open to stress the significance of China’s reliance on imports of lithium carbonate, as a key factor in its analysis. Ultimately, SAMR granted conditional clearance, imposing obligations on the parties to respect existing contracts and grant FRAND supply conditions for Chinese customers, follow a specific protocol in case of supply problems, and commit not to exchange competitively sensitive information between the joint venture, its parents, and competitors.

The second adverse decision – from September 28, 2025 – granted conditional clearance for the acquisition of Spirent, a UK company, by Keysight, a U.S. company.⁴ With the transaction agreement signed in March 2024, the parties filed a voluntary notification with SAMR in November 2024, despite the acquisition falling below the filing thresholds. In its conditional decision, SAMR imposed remedies to address the parties’ overlap in the two markets for high-speed Ethernet testing products and for network security testing products. The remedies were the divestiture of Spirent’s business in these two product markets, while another remedy was redacted due to confidentiality concerns.

The third adverse decision – from July 22, 2025 – was SAMR’s prohibition of the *Wuhan Yongtong/Shandong Huatai Pharma* transaction.⁵ The transaction agreement was

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² SAMR’s decision in *Wuhan Yongtong/Shandong Huatai Pharma* was only the third prohibition decision in the entire Chinese merger control history.

³ Codelco/SQM, November 7, 2025, https://www.samr.gov.cn/fides/tzgg/ftj/art/2025/arr_bc88f6088bdb491d90284f3811261fee.html.

⁴ Keysight/Spirent, September 28, 2025, https://www.samr.gov.cn/fides/tzgg/ftj/art/2025/arr_716b7bd719da4370ac9a40f70571f665.html.

⁵ Wuhan Yongtong Pharma/Shandong Beida Gaoke Huatai Pharma, July 22, 2025,

signed in November 2018, and the transaction was closed in March 2019. In January 2025, SAMR requested Wuhan Yongtong to submit a notification, even though the transaction was below the filing thresholds. Wuhan Yongtong duly did so in February 2025. In July 2025, SAMR issued its prohibition decision on the grounds that, post-transaction, the merged entity would use the buyer's dominant position in the upstream market of the pharmaceutical ingredient ("APIs") for pethidine hydrochloride to exclude competition in the downstream market for pethidine hydrochloride injections where the target is active. As a result, SAMR ordered the unwinding of the transaction and the rescission of an exclusive supply agreement with another API manufacturer (which contributed to the buyer's dominant position in the upstream API market).

The fourth adverse decision – from July 14, 2025 – was the conditional approval of the acquisition of Ansys by Synopsys, two U.S. companies.⁶ Since the transaction was below the filing thresholds, SAMR requested the parties to notify in May 2024. In July 2024, the parties submitted the notification as requested. In its conditional clearance decision, SAMR expressed concerns that the transaction would lead to both anti-competitive horizontal effects in a number of electronic design automation ("EDA") software markets (i.e. software for optics, for photons, for register-transfer level power analysis, for transistor-level power integrity analysis, for power device analysis, and for parasite analysis). In addition, SAMR voiced conglomerate concerns – namely that the merged entity could leverage its dominant position in another four markets (for gate-level power integrity analysis, electromagnetic simulation, structural and thermal analysis, and gate-level safety analysis software), in addition to the parasite analysis software

market, to deteriorate compatibility of these products with EDA software and IP products of its competitors. To alleviate the horizontal and conglomerate concerns, SAMR imposed two sets of remedies: the divestiture of the overlapping business and a series of behavioural commitments aimed at ensuring continued and stable supply (including interoperability and absence of bundling).

The fifth adverse decision – from June 30, 2025 – concluded SAMR's review of the acquisition by ANA of Nippon Cargo, both Japanese companies active in air cargo shipment.⁷ This acquisition exceeded the filing thresholds and was notified to SAMR in August 2023. In its conditional clearance decision, SAMR found the acquisition to have an anti-competitive impact due to a high combined market share in the overlap markets for international air cargo services from China to Japan and from Japan to China. The SAMR decision also identified a number of high entry barriers, including a lack of landing slots at Tokyo's Narita and Haneda airports, as well as shortages of platform and fuel cars and ground-handling staff in Tokyo and Osaka airports. To overcome these effects, SAMR ordered the merged entity to transfer up to seven slots per week on the Shanghai Pudong-Tokyo Narita route to the first new entrant, and to guarantee the provision of ground-handling services at Narita and Osaka airports to competitors.

The sixth adverse decision – from June 12, 2025 – was SAMR's condition approval of Bunge's acquisition of Viterra.⁸ Bunge and Viterra are both agricultural products processing and trading companies, Bunge incorporated in Switzerland but headquartered in the U.S., Viterra from the UK. Having exceeded the filing thresholds, the buyer notified the acquisition in October 2023. SAMR found the acquisition to create

https://www.samr.gov.cn/fldes/tzgg/ftj/art/2025/art_7b2564ef1f144dbc9307b42471c38802.html.

⁶ Synopsys/Ansys, July 14, 2025,

https://www.samr.gov.cn/fldes/tzgg/ftj/art/2025/art_3a7b235d312840b5b19c538a6773af5f.html.

⁷ ANA/Nippon Cargo, June 30, 2025,
https://www.samr.gov.cn/fldes/tzgg/ftj/art/2025/art_d7752467113c49d1b41168db859e1a67.html.

⁸ Bunge/Viterra, June 12, 2025,
https://www.samr.gov.cn/fldes/tzgg/ftj/art/2025/art_oc6700f56f174bee8fd90dc8ecb6ffcc.html.

anti-competitive effects in three national trading markets – those for the import of soybean, barley, and rapeseed. The parties' combined market shares identified by SAMR were 20-25 percent, 35-40 percent, and 30-35 percent respectively. In addition, SAMR mentioned other factors contributing to its finding of anti-competitive effects, including China's heavy reliance on imports. To address its concerns, SAMR imposed behavioral remedies, basically obligations to guarantee supply continuity for Chinese buyers.

In a separate but related development, in its annual conference on September 8-9, 2025, SAMR distributed paper-copy booklet containing the "trilogy" of decisions in the *Simcere Pharma/Beijing Tobishi* case – the original SAMR conditional clearance decision; the administrative reconsideration decision; and the court judgment on appeal. The first and third decisions had been released earlier, but the administrative reconsideration decision was made public for the first time.

The *Simcere Pharma/Beijing Tobishi* presented a very interesting fact pattern: back in 2017, Zibo Corp signed a sale and purchase agreement with Simcere Pharma to sell its shares in Beijing Tobishi, but then eventually sold the shares to another company in 2019. Simcere Pharma sued Zibo for breach of contract and was awarded damages. In return, Tobishi filed a complaint with SAMR about Simcere Pharma's refusal to supply batroxobin APIs, and SAMR duly fined Simcere Pharma for abuse of dominance in 2021. In the same year, Simcere Pharma went to arbitration to force Zibo Corp to fulfill its obligation under the sale and purchase agreement, and the arbitrators agreed with Simcere Pharma. As the initial acquisition was not completely off the table, on 29 June and 20 July 2022, Beijing Tobishi and Simcere Pharma both filed voluntary notifications with SAMR.

On September 22, 2023, SAMR issued its conditional clearance decision for the transaction. SAMR expressed both horizontal and vertical antitrust concerns. At the horizontal level, Beijing Tobishi held a 100

percent market share in the downstream batroxobin injections market, while Simcere Pharma was in the process of finalizing its preparations to enter that market. SAMR held that the transaction eliminated a potential competitor in the batroxobin injections market. At the vertical level, SAMR held that the merged entity could withhold or delay supply of APIs upstream to foreclose any competitors of Beijing Tobishi downstream. As a result of this analysis, SAMR imposed a range of far-reaching remedies: the divestiture of Simcere Pharma's batroxobin business (to address the concern that a potential competitor is eliminated); the rescission of Simcere Pharma's exclusive supply agreement with DSM, which had led to its API monopoly upstream in China); a guarantee of supply and a 20 percent price reduction for injections in clinical applications; and (as fallback) a 50 percent price reduction in the event that the supply agreement is not terminated or the divestiture is not implemented on time (or the buyer of the divested does not continue the R&D necessary to bring the injections to market).

Unsatisfied with the SAMR conditional clearance decision, Beijing Tobishi applied for administrative reconsideration – the government-internal administrative review process which is mandatory as a first step to appeal SAMR's merger control decisions. On February 18, 2024, SAMR issued its reconsideration decision, fully upholding the conditional clearance. Upon receipt of the unfavorable reconsideration decision, Beijing Tobishi undertook the second step in the appeal process and sued SAMR before court. Interestingly, at both the administrative reconsideration and the litigation stages, Simcere Pharma acted as third party in support of SAMR's arguments.

On December 30, 2024, the Beijing Intellectual Property Rights Court rendered its judgment in the case. It dismissed the plaintiff's arguments in their entirety. While the outcome of the court litigation was to be expected, the judgment makes very interesting reading, as it touches upon a

number of points with importance beyond the specific case at hand.⁹

III. What's New?

There are a number of learnings from the six adverse SAMR decisions and the SAMR and court decisions in the *Simcere Pharma/Beijing Tobishi* case (together, “New Adverse Decisions”).

A. Narrowing of Enforcement Focus

The New Adverse Decisions show that SAMR has a relatively clear focus in its enforcement – both in terms of the sectors and in terms of the companies affected.

Sector-wise, two of the decisions focus on high-tech products (*Keysight/Spirent* and *Synopsys/Ansys*) and two on APIs (*Wuhan*

⁹ First, since this judgment is the first time that an adverse decision taken by SAMR at the central government level is challenged before court, this judgment shows that such appeals can be done and receive a detailed legal assessment by the judges. Second, the court clarifies that merging parties have standing to appeal prohibition and conditional clearance decisions, but not unconditional clearance decisions. Third, procedural rights (in this case, the right to an oral hearing) during the administrative procedure extend to the merging parties, not their shareholders. Fourth, if SAMR does not require parties to file a below-the-threshold transaction in writing but communicates orally, then the subsequent filing is deemed a voluntary notification. Fifth, SAMR’s competition concerns need to be merger-specific. Sixth, SAMR has no obligation to check the validity of the parties’ transaction agreement. Since Tobishi argued that SAMR should have prohibited the transaction, instead of conditionally clearing it, the court also engaged in a lengthy substantive analysis of the remedies. In particular, it examined whether the remedies were effective, feasible, and timely enough to address the identified competition concerns. The court’s analysis touched upon a number of interesting points such as to why the alternative “fallback” remedy of a 50 percent price reduction (in case

Yongtong/Shandong Huatai Pharma and Simcere Pharma/Beijing Tobishi). One case each focuses on minerals (*Codelco/SQM*), on air transport (*ANA/Nippon Cargo*) and on food products (*Bunge/Viterra*).¹⁰

Company-wise, apart from the two pharma transactions, all parties to the other transactions were foreign companies. This pattern is consistent with the general merger control practice in China. Around 80 percent of conditional clearances and prohibitions involved transactions with only foreign parties.

sector and company focus is that parties to new transactions, and their lawyers, can more easily anticipate whether their transactions will be viewed problematic by SAMR, and anticipate challenges early on.

B. Call-in of Transactions Below the Thresholds

of failure to terminate an exclusive supply agreement or divest the overlapping business) was appropriate (in the court’s view, because cooperation by a third party not directly bound by the SAMR conditional clearance decision was required).

¹⁰ There have been conditional clearance decisions in the past in all three sectors: Glencore/Xstrata for minerals and metals; Shanghai Airport/China Eastern Logistics/JV and Korean Air/Asiana for air transport, and Potash 1, Potash 2 and Marubeni/Gavilon for food products. See Glencore/Xstrata, April 16, 2013, <https://fldj.mofcom.gov.cn/article/ztxx/201304/20130400091222.shtml>; Shanghai Airport/China Eastern Logistics/JV, September 13, 2022, https://www.samr.gov.cn/fldes/tzgg/ftj/art/2023/ارت_b22512c79afb44a8b6e5674d6d89983b.html; Agrium/Potash Corporation of Saskatchewan, November 6, 2017, <https://fldj.mofcom.gov.cn/article/ztxx/201711/20171102666641.shtml>; Uralkali/Silvinit, June 2, 2011, <https://fldj.mofcom.gov.cn/article/ztxx/201106/20110607583288.shtml>; Marubeni/Gavilon, April 22, 2013, <https://fldj.mofcom.gov.cn/article/ztxx/201304/20130400100376.shtml>; and Korean Air/Asiana, December 26, 2022, https://www.samr.gov.cn/fldes/tzgg/ftj/art/2023/ارت_a774b134f6a24f918965f05e9333fa82.html.

SAMR is using now the newly acquired power to “call in” transactions below the thresholds – enshrined in the AML since the 2022 revision – quite regularly. In fact, four among the seven New Adverse Decisions were adopted against transactions which were below the notification thresholds.

Among these four below-the-thresholds transactions, SAMR requested the parties to file in writing in two of them (*Synopsys/Ansys* and *Wuhan Yongtong/Shandong Huatai Pharma*), while in *Keysight/Spirent* and *Simcere Pharma/Beijing Tobishi* the parties were reported to have filed a voluntary notification. In the latter case, it appears that first the target in the hostile takeover (Beijing Tobishi) filed a notification and the buyer (Simcere Pharma) followed shortly after. This particular background helps explain the voluntary filing. In contrast, in *Keysight/Spirent*, the most likely explanations are that either the parties took the initiative in order to gain more legal certainty or SAMR requested the parties to file – but through an oral conversation.¹¹

C. Stopping the Clock

The New Adverse Decisions show how SAMR’s uses the stop-the-clock mechanism, enshrined in the AML since the 2022 revision. Unfortunately, on this point too, the new decisions confirm pre-existing patterns. Among the seven procedures leading to the New Adverse Decisions, SAMR stopped the clock in six of them. This is consistent with the general trend since 2022: in around 80 percent of adverse decisions, the investigation was paused.

In four of these six procedures, the clock was stopped mid-phase 3 (i.e. the 60-day

extension of the in-depth review phase). When looking at all adverse decisions cases since the AML revision in 2022, the percentage of mid-phase 3 pauses is similar, at around 60 percent. In contrast, in *ANA/Nippon Cargo*, the pause came earlier, already at around two months into phase 2 (i.e. the in-depth review phase). However, the handling of the stop-the-clock mechanism was extraordinary in that case, as discussed below.

Some of the pauses involved very lengthy periods of time. In *ANA/Nippon Cargo* the review procedure was paused for close to one year and a half; in *Bunge/Viterra* for over 11 months. Again, this is unfortunately consistent with past practice – in around half of the cases where the clock was stopped, the pause lasted longer than six months, and in more than one third of these cases, the pause was 11 months or more.

D. Market Shares in the Substantive Analysis

In terms of SAMR’s substantive analysis, the New Adverse Decisions also confirm prior patterns. Historically, around 90 percent of adverse decisions involved transactions where the parties had market shares above 35 percent.¹² In six of the seven New Adverse Decisions, the market shares of the parties were above 35 percent. Only in *Bunge/Viterra*, the combined market shares were lower – 20-25 percent, 30-35 percent and 35-40 percent for imported barley, soybeans, and rapeseeds respectively. This relatively low level of combined market share resembles the approach which SAMR’s predecessor authority (the Ministry of Commerce, “MOFCOM”) followed in the *Marubeni/Gavilon* case. There, MOFCOM did not mention the level of combined market share expressly in the public decision. However, the sales and market-related data

¹¹ In *Beijing Tobishi v. SAMR*, the Beijing Intellectual Property Rights Court confirmed that notification following an oral SAMR request is deemed a voluntary notification.

¹² The new horizontal merger guidelines indicate that a combined market share of 35 to 50 percent in horizontal mergers in particular merits SAMR’s

detailed attention. Guidelines for the Review of Horizontal Concentrations between Business Operators, December 10, 2024, https://www.samr.gov.cn/zw/zfxgk/fdzdgknr/fld_zfes/art/2024/art_635d601b816e412e88265f83d4f6794d.html, art. 22.

scattered throughout the decision allowed an approximate calculation of the combined share in the imported soybeans market: less than 18.6 percent.¹³

Like the *Marubeni/Gavilon* decision, SAMR's decision in *Bunge/Viterra* defined the relevant product market as that for the *import* of barley, soybeans, and rapeseeds – domestic produce was excluded. Interestingly, despite this relatively narrow market definition and the relatively low market shares, SAMR (as back then MOFCOM) still imposed remedies.

In *Codelco/SQM*, the issue was similar to that in *Bunge/Viterra*: SAMR defined an import market for lithium carbonate. Domestic lithium carbonate was found to be higher priced, hence belonging to a different relevant market, without SAMR conducting an in-depth analysis on this point. On the lithium carbonate import market, one of the joint venture partners (SQM) was reported to hold a market share of 50-55 percent in the last year of reference. In turn, Codelco only seems to hold mining rights, without ongoing operations (and sales) yet. In short, while the market shares mentioned in the *Codelco/SQM* decision are relatively high, the definition of the relevant market is narrow, and there seems to be a potential overlap only. Yet SAMR's intervention does not come as a surprise, as minerals and metals clearly continue to be a sensitive sector where antitrust scrutiny should be expected.¹⁴

In short, the pattern emerging from the New Adverse Decisions is in line with past enforcement practice: in general, SAMR intervenes at market share levels similar to other antitrust authorities globally, but for

some sectors such as food and minerals, intervention can be triggered at lower levels.

E. Diverse Remedies

Consistent with past practice, the types of remedies imposed in the New Adverse Decisions were quite diverse, with a heavy focus on behavioural remedies. While divestiture was the only remedy in *Keysight/Spirent*, and *Codelco/SQM* and *Bunge/Viterra* were cleared with only behavioural remedies, the remaining four cases saw the imposition of a combination of structural and behavioural remedies.¹⁵

Even among the behavioural remedies, there is notable diversity. Four decisions – *Codelco/SQM*, *Synopsys/Ansys*, *Bunge/Viterra* and (to an extent) *Simcere Pharma/Beijing Tobishi* – essentially imposed some kind of obligation of continued and stable supply to customers post-transaction (including stability of sales conditions¹⁶ and promises not to impose unreasonable conditions, deteriorate interoperability or engage in bundling). Two decisions – *Wuhan Yongtong/Shandong Huatai Pharma* and *Simcere Pharma/Beijing Tobishi* – imposed the quasi-structural remedy of terminating an agreement with a third party (for the exclusive supply of APIs, creating a dominant position upstream and thereby giving rise to foreclosure concerns).

Interestingly, six of the seven New Adverse Decisions confirm a relatively new development – an increase in remedies which are not made public (i.e. remedies which are redacted in their entirety in the public SAMR decisions): one in each of *Codelco/SQM*, *Keysight/Spirent* and *Synopsys/Ansys*, and two in *Bunge/Viterra*.¹⁷

¹³ Adrian Emch, *Recent Developments in Chinese Merger Control - MOFCOM Shifts up a Gear*, May 13, 2013, see <https://legalblogs.wolterskluwer.com/competition-blog/recent-developments-in-chinese-merger-control-mofcom-shifts-up-a-gear/>.

¹⁴ See, for example, *Glencore/Xstrata*, April 16, 2013, <https://fldj.mofcom.gov.cn/article/ztxx/201304/20130400091222.shtml>.

¹⁵ In my view, the slot sale remedy in *ANA/Nippon Cargo* is similar to a divestiture.

¹⁶ In the *Simcere Pharma/Beijing Tobishi* case, SAMR even imposed a 20 percent price reduction post-transaction.

¹⁷ Before the New Adverse Decisions, SAMR only fully redacted remedies in two cases, *Broadcom/VMware* and *Nvidia/Mellanox* (two remedies in each case).

In *Wuhan Yongtong/Shandong Huatai Pharma*, the SAMR decision arguably also contained remedies which go beyond what is indispensable to address the identified competition concern: *in addition* to ordering the unwinding of the acquisition, SAMR imposed the termination of the exclusive supply agreement with a third party and a voluntary commitment on the part of the (failed) buyer to acquire other companies in the same product market. In contrast, in *Simcere Pharma/Beijing Tobishi*, the SAMR decision included not an additional, but an *alternative*, remedy in case the divestiture or the termination of the exclusive supply agreement (i.e. a 50 percent price reduction) failed to be implemented. Like the remedy diversity in the New Adverse Decisions, the alternative remedy signals a certain openness on SAMR's side to consider the exact means through which the identified competition concerns are removed.

Finally, there is also visible diversity in terms of the duration of the behavioral remedies: ten years for *Codelco/SQM*, *Synopsys/Ansys* and *ANA/Nippon Cargo*, six years in *Simcere Pharma/Beijing Tobishi*, and five years in *Keysight/Spirent* and *Bunge/Viterra*.

IV. Conclusions

Chinese merger control is back. Notably, SAMR is now making frequent use of the call-in powers for below-the-thresholds transactions.

This now regularly resort to call-in powers and in particular SAMR's order to unwind the *Wuhan Yongtong/Shandong Huatai Pharma* transaction – despite not being notifiable and having closed over six years ago – sends a chilling signal to dealmakers. With the increasingly frequent call-ins and the risk of a future unwinding order, companies need to consider all options, including informal contacts with SAMR or voluntary notifications, when planning complex or sensitive deals affecting China.

On the upside, the adverse merger decisions adopted by SAMR in 2025 – and the recent court judgment in *Simcere Pharma/Beijing Tobishi* – show that SAMR largely follows pre-existing patterns in terms of sector focus, substantive analysis and, to an extent, the types of remedies it imposes. This consistency with past cases allows companies to somewhat reduce the legal uncertainty arising from SAMR's exercise of call-in powers.

Procedurally, SAMR's use of the stop-the-clock mechanism also shows some recognizable patterns (in particular at which point in the procedure the mechanism is triggered). However, there are still important differences in terms of the length of the pause, which provides considerable uncertainty for parties to plan their complex transactions.