



April 18-24, 2026

## Chinese antitrust.

Review №14 (2026)

### QUOTES

Platforms' responses to the \$570 million fine for non-compliance with food safety regulations<sup>1</sup>:

“We will draw lessons from this case and actively standardize and improve our business processes. We will remain true to our original commitments and proactively fulfill our social responsibilities.”

Pinduoduo

“We value and welcome ongoing oversight from all stakeholders in order to jointly promote standardization and improve quality in the field of food safety.”

JD.com

“We will conduct comprehensive investigations and resolutely address any issues in line with food safety regulatory requirements. We will also carry out continuous and systematic efforts to ensure platform compliance and rectify shortcomings.”

Taobao, Tmall and Taobao Flash Sale (formerly Ele.me)

### EVENTS

- **\$570 Million Fine Imposed on Platforms for Food Safety Violations**
- **Meta<sup>2</sup>/Manus Deal Blocked**
- **Guidelines on Regulating Gig Workers' Labor**
- **Chinese Regulators Ban Online Marketing of Illegal Financial Activities**
- **China's First Criminal Case on AI-Related Copyright Infringement**

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<sup>1</sup> Source: SAMR

<sup>2</sup>banned and designated as extremist in Russia.

## **\$570 Million Fine Imposed on Platforms for Food Safety Violations**

On April 17, China's State Administration for Market Regulation (SAMR) fined seven major food delivery platforms for failing to comply with food safety requirements. The violations were linked to a permissive approach toward so-called "ghost kitchens"—vendors operating without proper food service licenses. Under existing regulations, platforms are required to verify sellers' licenses to ensure that each order originates from a legitimate, trustworthy physical establishment. Failure to conduct such checks led to the proliferation of "ghost stores": fictitious vendors that accept orders (e.g., worth 300 yuan, from which the platform takes a commission) and then redirect them to subcontracting platforms, where unknown and unverified contractors fulfill the orders at significantly lower cost (e.g., 50 yuan), pocketing the difference.

The investigation uncovered such practices in a chain of confectionery shops. To sustain artificially low prices, producers substituted high-quality ingredients (e.g., dairy cream) with cheaper alternatives (e.g., vegetable-based substitutes) and replaced fresh fruit with canned products. This triggered a broader market-wide decline in standards, as competitors were forced to cut quality to remain price-competitive, ultimately harming consumers.

Platforms were ordered to block all "ghost stores" and terminate cooperation with subcontracting platforms. Violators—including Pinduoduo, Meituan, JD.com, Taobao Flash Sale (formerly Ele.me), Douyin, Taobao, and Tmall—issued statements accepting the penalties and pledging to rectify violations and support the healthy development of the platform economy. The \$570 million fine is the largest imposed on digital platforms since the revision of China's Food Safety Law in 2015. An additional \$2.8 million in fines was imposed on legal representatives and food safety officers of the platforms.

Sources: SAMR 1, SAMR 2, SAMR 3, SAMR 4

## **Meta/Manus Deal Blocked**

According to a notice published by China's National Development and Reform Commission on April 27, China has blocked foreign investment in Meta's proposed acquisition of Chinese AI startup Manus, requiring the parties to terminate the deal. Manus will continue offering subscription-based products and services via its app and website, and will maintain operations in Singapore.

Earlier, on April 2, a spokesperson for the Ministry of Commerce stated that China supports cross-border business operations and technological cooperation, provided they comply with national laws and regulations.

Source: WeChat

## **Guidelines on Regulating Gig Workers' Labor**

The General Office of the CPC Central Committee and the State Council have issued recommendations on regulating labor conditions in new forms of employment—marking the first formal policy document aimed at protecting the rights of couriers, ride-hailing drivers, and other platform-based workers. Within three to five years, the system is expected to deliver more reliable services, more harmonious labor relations, improved working conditions, and stronger protection of workers' rights.

China has long debated the lack of social protections for gig workers compared to traditional employment. The document calls for onboarding and training systems, improved occupational health and safety, fair compensation based on workload and task complexity, and timely, full payment of wages.

Given the specifics of the digital economy, the guidelines also introduce

requirements to ensure workers' right to understand platform algorithms; to optimize algorithms with input from unions and worker representatives; and to apply fair and transparent mechanisms for task allocation, pricing, and delivery time calculations.

Source: WeChat

## **Chinese Regulators Ban Online Marketing of Illegal Financial Activities**

The People's Bank of China, together with SAMR and other authorities, has issued new rules regulating the online marketing of financial products, prohibiting platforms from promoting illegal financial activities. The measures, effective September 30, aim to mitigate risks associated with platforms becoming key distribution channels for financial products.

While platforms enhance efficiency and accessibility, they also create risks such as misleading advertising and excessive competition. The new rules prohibit facilitating illegal fundraising, unauthorized securities trading, and virtual currency-related activities. They also address emerging marketing practices such as algorithmic recommendations and livestream promotions, and ban misleading advertising terms like "low interest rates" or "low thresholds."

According to the central bank, the measures reflect China's broader efforts to strengthen investor and consumer protection, enhance oversight of financial activities, and promote the healthy development of the fintech sector.

Sources: WeChat, China Daily

## **China's First Criminal Case of AI-Related Copyright Infringement**

At a press conference, the Beijing High People's Court reported on a case involving copyright infringement using AI tools. The defendants used open-source software to modify copyrighted images and produce jigsaw puzzles, selling over 3,000 units and generating illegal profits exceeding 270,000 yuan (approximately \$40,000).

The court of first instance ruled that the defendants had reproduced and distributed copyrighted works for profit without authorization. The corporate entity was fined 100,000 yuan (approximately \$14,000), while individual defendants were sentenced to one year and six months in prison and fined 60,000 yuan each (approximately \$9,000).

The case sets an important precedent by clarifying the legal boundaries of AI use and reinforcing that AI technologies do not exempt users from liability for copyright violations.

Source: WeChat