**Decree of the State Council of the People's Republic of China**

(No. 303)

The "Provisions of the State Council on Prohibiting regional closures and cancellations in Market Economic Activities" are hereby promulgated, and shall come into force on the date of promulgation.

Premier Zhu Rongji

2001年4月21日

**The Provisions of the State Council on Prohibiting the Imposition of Regional Blockades in Market Economic Activities**

These Provisions are formulated for the purpose of establishing and improving a unified, fair competition, standardized and orderly market system throughout the country, prohibiting regional blockades in market economic activities, breaking down local protections, and maintaining the order of the socialist market economy.

People's governments at all levels and their subordinate departments have the responsibility to eliminate regional blockades and protect fair competition, and shall create a good environment and conditions for the establishment and improvement of a unified, fair competition, standardized, and orderly market system throughout the country.

Article 3 prohibits all forms of regional blockade.

It is forbidden for any unit or individual to violate laws, administrative regulations and the provisions of the State Council by obstructing or interfering in any way the entry of foreign products or engineering construction services (hereinafter referred to as services) into the local market, or conniving or shielding the acts of obstructing or interfering with the entry of foreign products or services into the local market, restricting fair competition.

Local people's governments at all levels and their subordinate departments (including organizations authorized or entrusted with the exercise of administrative power, the same below) are not violating laws, administrative regulations, and the provisions of the State Council by carrying out the following regional blockades:

(1) Restricting or covertly restricting in any way that units or individuals may only operate, purchase, or use locally produced products, or may only accept services provided by local enterprises, designated enterprises, other economic organizations, or individuals;

(2) setting up checkpoints on roads, stations, ports, airports or the boundaries of that administrative region to obstruct the entry of products from other places or the shipment of local products;

(3) Setting discriminatory charging items for foreign products or services, stipulating discriminatory prices, or implementing discriminatory charging standards;

(4) Adopting technical requirements or inspection standards that are different from similar local products or services for foreign products or services, or adopting discriminatory technical measures such as repeated inspections or certifications for foreign products or services, restricting foreign products or services from entering the local market;

(5) Employing such means as monopoly, monopoly, examination and approval, or licensing specifically for products or services from other places, to implement discriminatory treatment and restrict the entry of products or services from outside the field into the local market;

(6) Restricting or excluding local bidding activities of enterprises, other economic organizations, or individuals outside the region by setting discriminatory qualification requirements, evaluation standards, or not releasing information in accordance with law;

(7) Restricting or excluding the investment or establishment of branches in the local areas by means of unequal treatment with local enterprises, other economic organizations or individuals, or discriminatory treatment of foreign enterprises, other economic organizations or individuals' investments or branches established in the local area, infringing upon their lawful rights and interests;

(8) Other acts of implementing regional blockades.

Article 5: No locality may formulate provisions for the implementation of regional blockades or contain the content of regional blockades, obstructing the establishment and improvement of a unified, fair competition, standardized and orderly market system throughout the country, and harming a fair competitive environment.

Article 6: Where the provisions of the departments under the local people's governments at all levels belong to the implementation of regional blockades or contain the content of regional blockades, they shall be changed or revoked by the people's government at the same level; where the people's government at the same level does not change or revoke them, the people's government at the level above shall change or revoke them.

Article 7: Where the provisions of local people's governments at or below the level of a province, autonomous region, or municipality directly under the Central Government are subject to regional blockades or contain content of regional blockades, they shall be changed or revoked by the people's government at the level above;

Article 8: Where the provisions of the people's governments of provinces, autonomous regions, or municipalities directly under the Central Government belong to the implementation of regional blockades or contain content of regional blockades, they shall be changed or revoked by the State Council.

Article 9: Where local people's governments at all levels or their subordinate departments set up regional blockades or stipulate provisions containing the content of regional blockades, they are based on inappropriate provisions of the departments under the State Council, and the State Council is to change or revoke the inappropriate provisions of that department.

Article 10: Where units or individuals are restricted or covertly restricted in any way to only operate, purchase, or use locally produced products, or can only accept services provided by local enterprises, designated enterprises, other economic organizations, or individuals, the people's governments of provinces, autonomous regions, or municipalities directly under the Central Government are to organize investigations and handling by the economic and trade administrative departments and administrative departments for industry and commerce, and the restrictive measures are to be revoked.

Where checkpoints are set up on roads, stations, ports, airports or at the boundaries of the administrative region to obstruct the entry of products from other places and the shipment of local products, the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government shall organize economic and trade management departments, public security departments, and transportation departments to investigate and deal with them, and revoke the checkpoints.

Article 12: Where discriminatory charging items are set for products or services in other places, discriminatory prices are prescribed, or discriminatory charging standards are to be imposed, the people's governments of provinces, autonomous regions, or municipalities directly under the Central Government are to organize financial departments and price departments to investigate and handle them, and revoke the discriminatory charging items, prices, or charging standards.

Article 13: Where products or services from other places adopt technical requirements or inspection standards that are different from those of similar local products or services, or discriminatory technical measures such as repeated inspections or certifications are adopted for products or services from other places, restricting the entry of products or services from other places into the local market, the people's governments of provinces, autonomous regions, or municipalities directly under the Central Government are to organize quality and technical supervision departments to investigate and handle them, and revoke discriminatory technical measures.

Article 14: Where the people's governments of provinces, autonomous regions, or municipalities directly under the Central Government are to organize economic and trade management departments, administrative departments for industry and commerce, quality and technical supervision departments, and other relevant competent departments to investigate and handle the use of special means such as monopoly, monopoly, examination and approval, or licensing of products or services from other places, and restrict the entry of products or services from other places into the local market, and revoke the discriminatory treatment.

Article 15: Where enterprises outside the region, other economic organizations, or individuals are restricted or excluded from participating in local bidding activities through methods such as setting discriminatory qualification requirements, evaluation standards, or not releasing information in accordance with law, the people's governments of provinces, autonomous regions, or municipalities directly under the Central Government are to organize investigations and handling by the relevant competent departments to remove obstacles.

Article 16: Where enterprises, other economic organizations or individuals from outside the region are restricted or excluded from investing or setting up branches in the local area by means such as unequal treatment with local enterprises, other economic organizations or individuals, or discriminatory treatment is given to enterprises, other economic organizations or individuals investing in or establishing branches in the local area, the people's governments of provinces, autonomous regions, or municipalities directly under the Central Government shall organize economic and trade management departments and administrative departments for industry and commerce to investigate and deal with them and remove obstacles.

Article 17: Where blockades in other areas other than those listed in items (1) to (7) of Article 4 of these Provisions are to be carried out, the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government shall organize investigations and handling by the economic and trade administrative departments, administrative departments for industry and commerce, quality and technical supervision departments, and other relevant competent departments to eliminate the regional blockade.

Article 18: The people's governments of provinces, autonomous regions, and municipalities directly under the Central Government shall, in accordance with the provisions of Articles 10 to 17 of these Provisions, organize the relevant departments under their jurisdiction to investigate and deal with regional blockades, and the decision on handling them shall be made by the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government; when necessary, the economic and trade administration department under the State Council, the administrative department for industry and commerce under the State Council, the quality supervision and inspection and quarantine department under the State Council, or other relevant departments under the State Council may investigate and deal with regional blockade acts involving the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government.

Local people's governments at all levels and their subordinate departments must not obstruct or interfere in any name or manner in the investigation and handling of regional blockades in accordance with these Provisions.

Article 19: Where acts of regional blockade are carried out in accordance with the provisions of local people's governments or their subordinate departments, in addition to investigating and handling and eliminating regional blockades in accordance with the provisions of Articles 10 to 17 of these Provisions, the relevant provisions shall be changed or revoked in accordance with the provisions of Articles 6 to 9 of these Provisions.

Any unit or individual has the right to resist the regional blockade and to report to the people's governments of the relevant provinces, autonomous regions, or municipalities directly under the Central Government, or their economic and trade administration departments, administrative departments for industry and commerce, quality and technical supervision departments, or other relevant departments, up to the economic and trade administration department under the State Council, the administrative department for industry and commerce under the State Council, the quality supervision and inspection and quarantine department under the State Council, or other relevant departments under the State Council.

After receiving the report, the people's government of the relevant province, autonomous region, or municipality directly under the Central Government, or its economic and trade administration department, administrative department for industry and commerce, quality and technical supervision department, or other relevant departments, shall, within 5 working days from the date of receipt of the report, instruct the people's government of the province, autonomous region, or municipality directly under the Central Government to complete the investigation and handling within 30 working days, or the people's government of the province, autonomous region, or municipality directly under the Central Government shall directly investigate and handle it within 30 working days in accordance with these Provisions; The processing time may be extended appropriately, but the extension shall not exceed 30 working days.

After receiving the report, the economic and trade administration department under the State Council, the administrative department for industry and commerce under the State Council, the quality supervision, inspection and quarantine department under the State Council, or other relevant departments under the State Council shall, within 5 working days, transfer the report materials to the people's governments of the relevant provinces, autonomous regions, and municipalities directly under the Central Government.

Governments and departments accepting whistle-blowing shall keep the whistle-blower's confidentiality confidential. Rewards shall be given to units and individuals who have made meritorious contributions to reporting.

Article 21: Where local people's governments or subordinate departments violate these Provisions by imposing regional blockades, conniving or shielding regional blockades, or obstructing or interfering in the investigation and handling of regional blockades, the people's governments of provinces, autonomous regions, or municipalities directly under the Central Government shall give a circular and criticism; where the people's governments of provinces, autonomous regions, or municipalities directly under the Central Government violate these Provisions by imposing regional blockades, conniving or shielding regional blockades, or obstructing or interfering in the investigation and handling of regional blockades, the State Council shall give a circular and criticism. Directly responsible managers and other directly responsible personnel shall be given administrative sanctions of demotion or removal in accordance with legally prescribed procedures and according to the seriousness of the circumstances;

Article 22: Where a local people's government or its subordinate department formulates provisions for the implementation of a regional blockade or containing the content of a regional blockade in violation of these Provisions, in addition to changing or revoking the relevant provisions in accordance with the provisions of Articles 6 to 9 of these Provisions, the principal responsible person of the local people's government or the department to which it belongs and the responsible person who signed the provision shall be given an administrative sanction of demotion or dismissal in accordance with legal procedures and according to the seriousness of the circumstances.

Article 23: Where the government or relevant departments that receive reports of blockades in areas fail to conduct investigations, handles, or disclose the informants' circumstances within the prescribed time limit, the directly responsible managers and other directly responsible personnel shall be given administrative sanctions of demotion, removal, or even dismissal from public office in accordance with legal procedures and on the basis of the seriousness of the circumstances.

Article 24: Where violence, threats, or other such means are used to bully and dominate the market, to buy and sell by force, or to obstruct products or services from other places from entering the local market, constituting conduct in violation of the administration of public security, the public security organs are to punish them in accordance with the provisions of the "Regulations of the People's Republic of China on Punishments for The Administration of Public Security"; where a crime is constituted, criminal responsibility is to be pursued in accordance with law.

Where a business unit commits any of the acts provided for in the preceding paragraph, the administrative department for industry and commerce shall punish the business unit in accordance with law, until it is ordered to stop production and business, seal it, and revoke its business license.

Article 25: Fees and other improper income collected by local people's governments or their subordinate departments for abusing their administrative power and carrying out regional blockades shall be returned to the relevant enterprises, other economic organizations or individuals;

Article 26: Where local people's governments or the staff of their subordinate departments retaliate against and frame units or individuals that report regional blockades, they shall be given administrative sanctions of demotion, removal, or even dismissal from public office in accordance with legal procedures and on the basis of the seriousness of the circumstances;

Article 27: In accordance with the provisions of the Administrative Supervision Law, the Supervision Organs are to carry out supervision over the regional closure of administrative organs and their staff.

Article 28: These Provisions take effect on the date of distribution.

As of the date of implementation of these Provisions, where the provisions of local people's governments at all levels and their subordinate departments conflict with these Provisions or departments conflict, all or part of the conflict shall become invalid on their own.

Where, in accordance with the Provisions of the Constitution and relevant laws that local regulations must not conflict with the Constitution, laws, and administrative regulations, and where local regulations conflict with these Provisions from the date these Provisions take effect, these Provisions shall be implemented.