香港特別行政區政府 商務及經濟發展局 工商及旅遊科

香港添馬添美道二號

政府總部西翼二十三樓

COMMERCE, INDUSTRY AND TOURISM BRANCH COMMERCE AND ECONOMIC **DEVELOPMENT BUREAU**

GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION

23/F, WEST WING CENTRAL GOVERNMENT OFFICES 2 TIM MEI AVENUE TAMAR, HONG KONG

Tel: 2810 2858

Fax: 2918 1273

11 March 2015

Ms Debbie Yau Clerk to Subcommittee Subcommittee on Four Subsidiary Legislation Related to Competition Ordinance Gazetted on 18 February 2015 Legislative Council (Fax: 2543 9197)

Dear Ms Yau,

Subcommittee on Four Subsidiary Legislation Related to Competition Ordinance Gazetted on 18 February 2015

Meeting on 16 March 2015

Thank you for your letter of 4 March 2015 inviting us to attend the meeting of the captioned Subcommittee.

In addition to the information we provided in the Legislative Council Briefs on the four pieces of subsidiary legislation, we would like to supplement that for the Competition (Turnover) Regulation, we set out our proposal by a letter to 5 major chambers of commerce and trade organisations and 14 small and medium-sized enterprise associations in end October 2014 and invited their comments. Four of them subsequently provided feedback to us mainly on the issue of the turnover an undertaking

obtained in Hong Kong, which is the basis for determining the cap of pecuniary penalty in case of contravening the conduct rules of the Competition Ordinance. The Government responded in writing to these organisations in early 2015. We explained that the turnover obtained in Hong Kong would in practice include sales to customers in Hong Kong as well as export sales made from Hong Kong, as the cap of pecuniary penalty should have sufficient deterrent effect. This approach is consistent with that of comparable competition jurisdictions overseas.

Yours sincerely,

(Sam Hui)

for Secretary for Commerce and Economic Development