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For information

**LEGISLATIVE COUNCIL
PANEL ON ECONOMIC DEVELOPMENT**

Report on the Work of the Competition Commission

Purpose

This paper presents an overview of the activities of the Competition Commission (Commission) since the last report in May 2024 and provides an outlook for 2025-26.

Overview

2. The Commission made good progress across its various facets of work in the past year. The key achievements are as follows:

- (a) the Competition Tribunal (Tribunal) handed down judgments in the first case relating to a government subsidy scheme and a case concerning cleansing services. Both cases were ruled in favour of the Commission. Trials of four other cases filed in the Tribunal earlier have been concluded and judgments are pending;
- (b) in the first criminal case for non-compliance with the Commission's investigation powers, the defendant was convicted and sentenced to imprisonment for two months;
- (c) initiated investigations into suspected anti-competitive conduct in the building maintenance sector, and conducted a joint enforcement operation with the Independent Commission Against Corruption (ICAC);
- (d) conducted search in a case relating to the "Pilot Subsidy Scheme for Third-party Logistics Service Providers"¹;

¹ The Pilot Scheme was launched by the Government to encourage the adoption of technology by the logistics sector for enhancing efficiency and productivity.

- (e) hosted the *Hong Kong Competition Exchange 2025*, a flagship international conference that had attracted over 400 representatives from the business sector, legal profession, government departments, academia as well as competition law enforcers and experts from the Mainland, Hong Kong and overseas; and
- (f) launched the “*Small and Medium Enterprises Competition Compliance Hub*”, a brand new one-stop platform providing key information on competition law as well as practical tools to assist small and medium enterprises (SMEs) in grasping competition law and minimising their risk of contraventions.

Relevant achievements are set out in the **Annex**.

3. The Commission’s enforcement, policy and advocacy efforts from May 2024 to April 2025 (the reporting period) are detailed in the following paragraphs.

Enforcement

Complaints and Investigations

4. Statistics relating to the investigation work of the Commission are summarised below:

| | From December 2015 ² to April 2025 | New cases initiated in the reporting period (May 2024 to April 2025) | Ongoing cases as at end of April 2025 |
|---|--|--|---|
| Initial assessment commenced | 270 | 7 | 9 |
| <i>From Complaints</i> | 191 | 3 | 4 |
| <i>From Referrals / Cases initiated by the Commission</i> | 79 | 4 | 5 |
| Investigation commenced | 59 | 1 | 8 |

² The Competition Ordinance was fully implemented on 14 December 2015.

Initial Assessment

5. A key function of the Commission is to investigate conduct that may contravene the competition rules. Under the Competition Ordinance (the Ordinance), regardless of whether cases are originated from complaints received, referrals by the Government or public bodies, or are initiated by the Commission itself (e.g. suspicious cases identified from public enquiries or on the Commission's own initiative), the Commission should have reasonable cause to suspect (RCS) a contravention of any Conduct Rule under the Ordinance before commencing an investigation.

6. The Commission receives and reviews hundreds of complaints each year³. However, under the Ordinance, the Commission is not required to investigate complaints that are found to be misconceived, lacking in substance, trivial, etc.⁴

7. The Commission conducts initial assessment of other complaints, as well as cases of its own volition and by referral, to assess whether the required RCS exists that would allow an investigation to begin. The Commission commenced initial assessment of seven new cases during the reporting period, and nine cases were under initial assessment as at end of April 2025.

8. Under the Ordinance, the Communications Authority (CA) has jurisdiction over anti-competitive conduct in the telecommunications and broadcasting sectors. During the reporting period, the Commission referred two cases in relation to the telecommunications and broadcasting sectors to the CA⁵ for follow-up.

Investigations

9. Once the Commission is satisfied that the required RCS exists based on findings during initial assessment, it may commence an investigation and make use of its investigative powers under the Ordinance⁶ to gather documents

³ During the reporting period, the Commission received 318 complaints (3 129 since December 2015). The complainants' major concerns relating to the First Conduct Rule were cartel conduct and exclusive dealing, whereas their major concerns relating to the Second Conduct Rule were exclusive dealing as well as tying and bundling.

⁴ Section 37 of the Ordinance states that the Commission is not obligated to investigate a complaint if it does not consider it reasonable to do so and may, in particular, refuse to investigate a complaint if it is satisfied that the complaint is trivial, frivolous or vexatious; or if the complaint is misconceived or lacks substance.

⁵ Since December 2015, the Commission has referred a total of 167 cases in relation to the telecommunications and broadcasting sectors to the CA.

⁶ During the initial assessment stage, the Commission can only seek information from relevant parties on a voluntary basis. At the investigation stage, investigation powers under the Ordinance include requiring persons to produce documents or information, mandating their presence before the Commission to answer questions, and entering and conducting searches of relevant premises with a warrant.

and information from relevant parties. During the reporting period, the Commission commenced investigation into one new case.

10. As at end of April 2025, the Commission was investigating eight cases which covered suspected anti-competitive conduct across a variety of sectors, including construction and infrastructure; information technology; and real estate and property management, among others.

11. In August 2024, the Commission and the ICAC conducted their second joint operation. It was a further enforcement action following an in-depth investigation after the two agencies' first collaborated action in April 2024 against a newly-rising syndicate engaging in bid-rigging and corruption. The investigation conducted by the Commission concerned renovation projects of 38 residential estates / buildings, and industrial buildings in Hong Kong Island, Kowloon and the New Territories. The value of the relevant renovation contracts totalled over HK\$1 billion.

12. In November 2024, the Commission searched six premises as part of its probe into suspected anti-competitive conduct involving a government subsidy scheme, namely the *Pilot Subsidy Scheme for Third-party Logistics Service Providers*. Relevant parties were also requested to produce documents and information, and to attend before the Commission to provide information.

13. In February 2025, the West Kowloon Magistrates' Courts ruled on the first criminal case for non-compliance with the Commission's investigation powers. The defendant was convicted and sentenced to imprisonment for two months. The Court's decision underscores the gravity of such actions and serves as a strong deterrent against attempts to interfere with the Commission's enforcement work.

Enforcement Outcomes

14. Following an investigation, if the Commission has reasonable cause to believe that a contravention of the Ordinance has taken place, it may commence proceedings in the Tribunal for pecuniary penalties or disqualification orders, or decide to adopt suitable non-litigation remedies, depending on the nature and facts of each case.

15. The Commission has thus far brought 15 cases to the Tribunal, involving a total of 72 undertakings and individuals. To date, it has achieved success in all eight cases that have completed the relevant legal procedures and been fully resolved at the Tribunal. The remaining seven cases are either pending judgments or awaiting hearings.

Trials

16. During the reporting period, trials of four cases brought to the Tribunal earlier have been concluded after a total of more than 80 days, and judgments are pending in those cases. These include a cartel case relating to the sale of textbooks, Hong Kong's first case on abuse of substantial market power, first case on resale price maintenance, and a price-fixing case concerning the travel services sector.

17. In August 2024, the High Court heard an application for judicial review which challenged the Commission's decision to refuse a leniency marker⁷ to the respondent in an estate agencies' price-fixing case. As of late May 2025, judgment on the said application is pending.

Decisions of the Tribunal

18. In July 2024, the Tribunal handed down judgment in the first cartel case relating to a government subsidy scheme⁸, in which three undertakings and an individual who had settled with the Commission were ordered to pay pecuniary penalties totalling HK\$1.31 million. The individual was also disqualified from acting as a director for a period of two years. As for two other respondents who failed to file a response in the proceedings, the Tribunal, for the first time under the Competition Tribunal Rules (Cap. 619D), ordered them to pay pecuniary penalties in the total sum of HK\$402,000.

19. In February 2025, the Tribunal handed down judgment in a cleansing service cartel case.⁹ All of the two undertakings and three individuals involved in the case agreed to enter into a settlement with the Commission, resulting in HK\$22.29 million of penalties in total and director disqualification orders against the three individuals for a period of two years.

⁷ Under the Commission's Leniency Policy for Undertakings Engaged in Cartel Conduct, the first step in obtaining leniency is to obtain a leniency marker. A leniency marker holds a leniency applicant's place at the front of the queue for leniency for a period of time set by the Commission to allow the leniency applicant to conduct an internal investigation and gather information necessary to perfect its leniency application.

⁸ The parties involved in the case engaged in cartel conduct when providing quotations for IT solutions in applications for government subsidy under the Distance Business Programme.

⁹ The parties involved in the case exchanged commercially sensitive information, which constitutes price fixing, while bidding for 17 tenders submitted to the Housing Authority (HA). These tenders, which were submitted to provide cleansing services in public housing estates and other HA-managed buildings, involved contracts worth around HK\$180 million.

Non-litigation Remedies

20. Since December 2015, the Commission has adopted non-litigation remedies in six cases, including accepting commitments in accordance with Section 60 of the Ordinance¹⁰ and issuing infringement notices under Section 67 of the Ordinance¹¹ as enforcement outcomes.

Other Enforcement Efforts

21. Following concerns raised by the Commission, a car manufacturer amended its car warranty manual in October 2024 to clarify that maintenance and repairs of its vehicles, including the traction battery, can be done at non-authorised service providers without voiding the relevant warranties. The amendments serve to facilitate greater competition among car maintenance and repair service providers, thereby ensuring that consumer choice is uninhibited. This may also result in lower maintenance and repair costs for the brand's car owners.

22. During the reporting period, the Commission continued to strengthen cooperation with other enforcement agencies. In December 2024, the Commission signed a Memorandum of Understanding (MoU) with the ICAC. The MoU established a framework for collaboration on matters including referral of cases, joint investigations and research, with the aim of enhancing the overall effectiveness in combating illegal activities that involve both anti-competitive and corruption elements. The two agencies also conducted their first joint enforcement training with a total of 30 staff members completed the training.

Policy Advisory

23. Another important statutory function of the Commission is advising the Government on competition matters. During the reporting period, the Commission provided advice to various bureaux, departments and public bodies on more than 20 public policies and initiatives. Examples include guidelines on good and effective competition practices for the estate agency sector, enhanced contract price fluctuation system for construction works, and the producer

¹⁰ Section 60 of the Ordinance provides that the Commission may accept a commitment from a person to take any action, or refrain from taking any action, that the Commission considers appropriate to address its concerns about a possible contravention of a competition rule. The Commission may agree not to commence or to terminate an investigation in relation to matters addressed by the commitment; as well as not to bring proceedings in the Tribunal or terminate them.

¹¹ According to section 67 of the Ordinance, where the Commission has reasonable cause to believe that a contravention of the First Conduct Rule has occurred and the contravention involves serious anti-competitive conduct, and the Commission has not yet brought proceedings in the Tribunal in respect of the contravention, the Commission may issue infringement notices.

responsibility scheme for vehicle tyres.

24. The Commission reached out to a number of government departments and public bodies, and provided targeted training to enhance understanding of competition law and policy among officials who are responsible for different policy areas and sectoral regulation. Among others, the Commission conducted two training sessions for the Securities and Futures Commission on topics including ways to identify and tackle anti-competitive conduct, in particular conduct relating to the exchange of sensitive information. The sessions have attracted an audience of about 80 officers. The Commission also held a seminar for the Hong Kong Monetary Authority which focused on the application of competition law in the banking and financial services industry. The event has recorded a turnout of over 300 participants.

25. During the past year, the Commission collaborated with the Civil Service Bureau again to provide thematic training for Senior Administrative Officers and Executive Officers. The training for Senior Administrative Officers focused on competition impact assessments and integrating competition considerations into the policy-making process, while the training for Executive Officers centred on identifying and preventing potential bid-rigging and other anti-competitive conduct in public procurement.

International and Mainland Liaison

26. Strengthening liaison and cooperation with Mainland and overseas competition agencies has always been one of the work priorities of the Commission. The Commission joined the International Competition Network (ICN) in December 2013 and has since actively participated in several of its working groups. Since May 2024, the Commission has served as a co-chair of the Institutional Effectiveness Working Group (AEWG), one of the five core working groups of the ICN. The AEWG is committed to helping competition agencies around the world enhance their organisational and enforcement capabilities. During its term, the Commission will take a leading role and work with other members of the group to implement and promote best practices in strategic planning, operations, and enforcement tools and procedures.

27. During the reporting period, representatives of the Commission also participated in a number of international conferences and events relating to competition law and policy, including the ICN Annual Conference held in Brazil in May 2024, and the Global Forum on Competition held by the Competition Committee of the Organisation for Economic Co-operation and Development (OECD) in France in December of the same year. During the events, the

Commission proactively shared updates on Hong Kong's competition law regime, as well as its enforcement and advocacy work, with participants from around the world.

28. In January 2025, the Commission delegation paid a visit to the State Administration for Market Regulation in Beijing. Both parties shared updates on their respective work in enforcement, advocacy, capacity building and other areas. The Commission also introduced its initiatives in promoting exchanges and cooperation between the Mainland and overseas competition communities.

29. With its unique historical background, Hong Kong has long acted as a connector between East and West. In February 2025, the Commission hosted its flagship international conference, *Hong Kong Competition Exchange 2025*. Over 400 representatives from businesses, the legal community, government departments, academia as well as competition law enforcers and experts from the Mainland, Hong Kong and overseas gathered for exhaustive discourse and experience sharing, deepening international cooperation on competition matters. Featuring eight panel sessions, topical issues ranging from competition and innovation in aviation, finance, technology and green transition, updates of Mainland's Anti-Monopoly Law to challenges in investigating and adjudicating cases in digital markets were discussed.

Public Advocacy and Education

30. The Commission has continued its momentum in raising public awareness of the Ordinance and encouraging compliance through a range of education and engagement events. During the reporting period, the Commission conducted a total of 63 engagement briefings, workshops, exhibitions and media events in either physical or online formats. Whilst some of these events offered a general overview of the Ordinance to the public, others were tailored for specific audiences, such as statutory bodies, professional organisations and sectors including property management, estate agents, education, legal, engineering and surveying, etc.

31. Enhancing understanding of the Ordinance among businesses, in particular SMEs, has been a focus of the Commission's advocacy work. In January 2025, the Commission launched the "Small and Medium Enterprises Competition Compliance Hub" (SME Hub), a brand new one-stop platform providing key information on competition law as well as practical tools on risk assessment and a template Competition Compliance Programme. The SME Hub is aimed at assisting SMEs in grasping key elements of the Ordinance and developing internal compliance strategies that best suit their needs, with a view

to minimising their risk of contravening the Ordinance.

32. Engagement with the younger generation continues to be an important aspect of the Commission's advocacy efforts. The Commission rolled out the "*Post to Compete*" Advocacy Challenge in February 2024, inviting senior secondary students to formulate social media campaigns to promote the Ordinance. With close to 200 teams from over 80 schools signing up, the contest concluded on a high note in August 2024, successfully raising awareness of fair competition amongst the youth.

33. In July and August 2024, riding on the Paris Olympic Games, the Commission launched a publicity campaign to disseminate the message of fair competition. In addition to television, radio and online announcements, the Commission also leveraged various social media platforms to promote the topic and encourage reporting of anti-competitive behaviour.

34. The Commission also strengthened its use of social media during the reporting period, with a total of 171 posts about competition law and the Commission's work published on its Facebook page, Instagram and LinkedIn accounts.

Outlook

35. The Competition Ordinance was fully implemented in Hong Kong in December 2015 and this year will mark the 10th anniversary of the Ordinance coming into full force in the city. After a decade of hard work, the Commission has become more mature, with numerous milestones achieved across various aspects of its work. Going forward, the Commission will continue to make steady strides, endeavouring to safeguard and promote a level-playing field for businesses, and make further contributions to benefit consumers as well as the overall economy of Hong Kong.

36. Enforcement of the Ordinance remains a key focus of the Commission's work. The Commission will give priority to investigations and enforcement actions that would result in the greatest overall benefit to competition and consumers in Hong Kong, with a continued focus on three particular areas: anti-competitive conduct concerning livelihood issues, cartels that aim to exploit government or public funding, and anti-competitive conduct affecting digital markets.

37. The Tribunal has concluded trials of four cases filed earlier by the Commission, including the first case on the abuse of substantial market power

and the first case on resale price maintenance in Hong Kong. Judgments on these cases are pending. Legal proceedings for three other cases will continue. The Commission expects that the Tribunal's decisions will help clarify relevant principles of law, perfect the competition law framework in Hong Kong and provide clear guidance for the Commission's future enforcement.

38. Riding on the launch of the SME Hub, the Commission will organise its first competition compliance training to support SMEs in implementing their competition compliance programmes, with a view to preventing and deterring anti-competitive conduct at the outset.

39. The Commission will continue to reach out to relevant bureaux, departments and regulators on issues closely related to people's livelihoods and Hong Kong's economic development, with the aim of assisting them in understanding competition and the development of relevant industries or markets. The Commission will also provide specific policy advice and recommendations to enhance the effectiveness of public policies and regulations for the benefit of consumers and the general public.

40. On the publicity front, the Commission will carry on organising both physical and online events, as well as leveraging social media platforms to step up promotions and to extensively engage with different stakeholders and sectors.

Advice Sought

41. Members are invited to note the report above.

Competition Commission
May 2025

Hong Kong Competition Commission

Key Achievements (from May 2024 to April 2025)



INTERNATIONAL & MAINLAND LIAISON

Appointed as co-chair of Agency Effectiveness Working Group of International Competition Network



DECISION OF TRIBUNAL

Competition Tribunal handed down judgment in first cartel case relating to government subsidy scheme, ruling in favour of the Commission



ADVOCACY & EDUCATION

Riding on Paris Olympic Games, a publicity campaign was launched to promote fair competition



JOINT OPERATION

Joint operation with ICAC against illegal activities over building maintenance



ADVOCACY & EDUCATION

"Post to Compete" Social Media Challenge targeting senior secondary students concluded



AMENDMENTS TO CAR WARRANTY MANUAL

Following Commission's concerns, a car manufacturer amended its warranty manual to clarify that maintenance and repairs can be done at non-authorised service providers without invalidating the warranties

May 2024

Jul 2024

Jul-Aug 2024

Aug 2024

Oct 2024

Cases in initial assessment*

9 cases

Cases under investigation*

8 cases

*As at end of April 2025

Feb 2025

Jan 2025

Dec 2024

Nov 2024



COURT DECISION

Defendant in first criminal case for non-compliance with the Commission's investigation powers was convicted and sentenced to 2 months' imprisonment



INTERNATIONAL & MAINLAND LIAISON

Hosted flagship international conference, Hong Kong Competition Exchange 2025



DECISION OF TRIBUNAL

Competition Tribunal handed down judgment in a cleansing service cartel case, ruling in favour of the Commission



INTERNATIONAL & MAINLAND LIAISON

Visit to the State Administration for Market Regulation, both parties shared updates on various aspects of work



ADVOCACY & EDUCATION

Launch of "Small and Medium Enterprises Competition Compliance Hub"



STRENGTHENING COOPERATION ON ENFORCEMENT

Signing of MoU with ICAC and first joint enforcement training conducted



SEARCH OF PREMISES

Executed search warrants at 6 premises in a case relating to "Pilot Subsidy Scheme for Third-party Logistics Service Providers"