

23 September 2015

For Immediate Release

Competition Commission Publishes Draft Cartel Leniency Policy

The Competition Commission (Commission) today (23 September) published a draft leniency policy for undertakings engaged in cartel conduct (Draft Cartel Leniency Policy).

Comments on the Draft Cartel Leniency Policy are now sought from all interested parties.

Cartels are arrangements between competitors to fix prices, restrict output, share markets and rig bids which have the object of preventing, restricting or distorting competition. As set out in its Guideline on the First Conduct Rule, the Commission considers cartels are a form of Serious Anti-Competitive Conduct under the Competition Ordinance.

The Draft Cartel Leniency Policy outlines the Commission's approach to leniency for undertakings engaged in cartel conduct. Annexed to the Draft Cartel Leniency Policy is a draft leniency agreement to ensure potential leniency applicants understand the nature of their obligations should they successfully apply for leniency for cartel conduct.

Under the Draft Cartel Leniency Policy, the Commission will agree not to bring proceedings in the Tribunal for a pecuniary penalty against the first cartel member who reports the cartel conduct to the Commission and meets all the requirements for receiving leniency under the policy. These requirements include fully cooperating with the Commission's investigation.

Ms. Anna Wu Hung-yuk, Chairperson of the Commission, said, "The cartel leniency policy is designed to provide clear incentives for cartel participants to cease participating in cartel conduct and to report that conduct to the Competition Commission. Similar policies have proven to be an important tool to help competition authorities around the world combat cartels. However, to be effective, the incentives in the policy need to be reasonable, appropriately balanced and tailored to the local legal framework. We look forward to receiving comments on the draft policy."

Along with the Draft Cartel Leniency Policy, the Commission also published a Guide to the Draft Cartel Leniency Policy summarising the approach of the Commission in preparing the policy.

The Draft Cartel Leniency Policy and Guide to the Draft Cartel Leniency Policy in English and Chinese are available on the Commission's website www.compcomm.hk. Interested persons are invited to submit comments in writing by 18:00 on 23 October 2015.

Submissions should, preferably, be sent by email to consultation@compcomm.hk.

Submissions may also be sent by fax or by post as follows:

By Fax: +852 2522 4997

By Post: Submissions on Draft Cartel Leniency Policy, Competition Commission, Room 3601, 36/F Wu Chung House, 213 Queen's Road East, Wanchai, HONG KONG

All submissions received will be posted on the website of the Commission. If a submission contains confidential information, a non-confidential version of the submission should also be submitted.

Note to the Editor

The Commission is an independent statutory body established to enforce the Competition Ordinance (Cap. 619), which was enacted in June 2012. The objective of the Ordinance is to prohibit conduct that prevents, restricts or distorts competition and mergers that substantially lessen competition in Hong Kong. At the present time, the Merger Rule applies only to a merger involving an undertaking that directly or indirectly holds a carrier licence issued under the Telecommunications Ordinance (Cap. 106).