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## For Immediate Release

## Competition Commission launches public consultation on second review of block exemption order for vessel sharing agreements

The Competition Commission (Commission) today announced the commencement of an initial public consultation on its second review of the block exemption order for vessel sharing agreements (VSAs) between liner shipping companies<sup>1</sup> (Order), as varied in 2022, which is due to expire on 8 August 2026.

VSAs are agreements between shipping lines on certain operational arrangements, such as exchanging of slots on each other's vessels or coordinating sailing timetables. The Order was originally issued in August 2017 by the Commission following its assessment of the economic efficiencies generated from this type of liner shipping agreements. It declares that activities usually undertaken pursuant to VSAs are excluded from the application of the First Conduct Rule in the Competition Ordinance (Ordinance), subject to certain conditions.<sup>2</sup> The Order was subsequently extended for four years in 2022 following a detailed review (first review).<sup>3</sup>

As mandated by the Order (as varied), the Commission has initiated a second review to determine whether to further renew the Order (with or without amendments) or allow it to expire. This review will assess whether the basis for the Order remains valid, particularly whether VSAs within the scope of the Order continue to satisfy the efficiency exclusion under section 1 of Schedule 1 to the Ordinance, taking into account the major market developments since the time when the Order (as varied) came into effect in 2022.

As an important part of the review, the Commission launches the consultation today to invite interested parties to submit representations—including views, information and evidence—to inform its proposal on the future of the Order.

The consultation will close at 6:00 p.m. on 7 November 2025. Representations received after this time will not be considered.

Submissions should be made in writing and preferably sent via email to <a href="mailto:applications@compcomm.hk">applications@compcomm.hk</a>, quoting case reference No. BE/0004 in the subject line.

Postal submissions can be addressed to:

Competition Commission 19/F, South Island Place, 8 Wong Chuk Hang Road, Wong Chuk Hang, Hong Kong Attn: Representations on Case BE/0004

A notice of the consultation, which details the consultation questions and procedures, is available in English and Chinese on the Commission's website at www.compcomm.hk.

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<sup>&</sup>lt;sup>1</sup> Competition (Block Exemption for Vessel Sharing Agreements) Order 2017

<sup>&</sup>lt;sup>2</sup> See the Commission's press release dated 8 August 2017.

<sup>&</sup>lt;sup>3</sup> See the Commission's <u>press release</u> dated 7 July 2022.