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## For Immediate Release

## Competition Commission launches "Small and Medium Enterprises Competition Compliance Hub" Grasping competition law with ease to minimise risk of contraventions

The Competition Commission (Commission) today launched the "Small and Medium Enterprises Competition Compliance Hub" (SME Hub), a brand new one-stop platform providing key information on the Competition Ordinance (Ordinance) 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.

The Commission has appointed an independent research agency earlier to conduct a "Competition Law Awareness and Opinion Survey", during which 1,000 individuals and 600 companies were interviewed about their awareness of the Ordinance and the compliance efforts among businesses. Over 70% of the respondents were of the view that the Ordinance is relevant to them or their businesses<sup>1</sup>, and that the Commission's work helps curtail anti-competitive activities in Hong Kong<sup>2</sup>.

Notwithstanding the findings that most of the companies surveyed had some basic knowledge about the Ordinance and the cases handled by the Commission (81%), there remains room for deepening understanding of the law and the compliance efforts undertaken by businesses. In fact, only less than a quarter (24%) of the SMEs surveyed had put specific measures in place to ensure compliance and/or provided related training to their staff in that regard.

Prompted by the above findings, the Commission has designed a one-stop SME Hub to provide SMEs with comprehensive information on competition law and useful tools to enhance compliance, which will help them identify and minimise the risk of contravening the Ordinance. The Hub has four main sections:

- 1. **Know the Rules**: Covering nine topics, this section highlights important aspects of the Ordinance, explained with hypothetical examples created based on real life scenarios to dispel common myths about competition law. Real competition cases are also included as reference, with a read aloud function in Cantonese, Mandarin and English to help users grasp the concepts more easily.
- 2. **Risk Assessment**: Pinpointing common risks faced by SMEs, the risk assessment tool aids companies in identifying potential risks that might arise in their business interactions with competitors, suppliers and customers as well as in their participation in trade associations' activities. The tool also evaluates the risks by level and provides recommendations on handling different situations.

<sup>1</sup> 73% of the interviewed individuals expressed their belief that the implementation of the Ordinance to combat anticompetitive conduct is relevant to them as consumers. Meanwhile, 75% of the businesses surveyed recognised the importance of the Ordinance in creating fair competition in their respective industries and agreed that its implementation was directly related to their businesses.

<sup>&</sup>lt;sup>2</sup> According to the survey results, 73% of the individual respondents and 72% of the business respondents agreed that the Commission played an instrumental role in fighting anti-competitive activities in Hong Kong.



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- 3. **Am I a victim?**: SMEs can also fall victim to anti-competitive practices. This section provides useful information for SMEs to identify and handle anti-competitive practices they may encounter, and take necessary precautions.
- 4. **Competition Compliance**: All businesses, including SMEs, are encouraged to formulate a competition compliance programme to ensure that throughout the organisation there is both a commitment to complying with the law and an understanding of what that means in practice. The Commission has designed a Template Competition Compliance Programme for all SMEs in Hong Kong. SMEs are encouraged to adapt the template according to their needs and adopt it as an internal policy.

Dr Gary Shiu, Executive Director (Policy & Advocacy) of the Commission, said at the launching ceremony of the SME Hub, "To enhance understanding of the Ordinance and encourage compliance among businesses, including SMEs, has been a focus of the Commission's advocacy work. According to the latest government data, there are currently about 360,000 SMEs in Hong Kong, accounting for over 98% of all businesses and providing over 1.2 million jobs<sup>3</sup> in the city. There is no denying that SMEs contribute significantly to our city's economy."

"While large corporations can generally afford to hire professionals to design compliance measures that suit their needs, SMEs have comparatively less resource to spare. As a result, many of them have yet to take active steps to comply with the Ordinance, which puts them at greater risk of contraventions. Drawing on its engagement with SMEs over the past years and gleaning their concerns and doubts, the Commission has created the SME Hub to provide them with the necessary resources and tools to develop effective compliance strategies in a quick and easy manner. This is an important initiative for deterring anti-competitive conduct at the outset."

The Commission would like to thank different SME associations for their support and the invaluable input provided during the development of the SME Hub, which have enabled the Commission to understand the needs of SMEs and how best to address them.

SMEs and the public can now visit <u>sme.compcomm.hk</u> to access the information and tools available on the SME Hub. Riding on the launch of the website, the Commission will be organising various activities such as talks and training to support businesses in implementing internal competition compliance programmes. Details will be announced on the Commission's <u>website</u> in due course.

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(Photos attached)

<sup>&</sup>lt;sup>3</sup> Data were obtained from the <u>website</u> of the Support and Consultation Centre for SMEs, Trade and Industry Department.



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## Photo Captions:



(From left to right)

Mr. Andrew KWOK, President of the Hong Kong Small and Medium Enterprises Association, Dr. Paul YEUNG, President of the Hong Kong Commerce and Industry Associations, Mr. Roy NG, Member of the Competition Commission, Deputy Chairman of the Business Facilitation Advisory Committee and Chairman of GS1 Hong Kong,

Dr. Gary SHIU, Executive Director (Policy & Advocacy) of the Competition Commission, Mr. Calvin CHAU, Life Honourable President and Executive Consultant of the Hong Kong General Chamber of Small and Medium Business and

Mr. Michael HUI, Ex-Chairman of the Small and Medium Enterprises Committee, Hong Kong Trade and Industry Department, officiated at the SME Hub launching ceremony today



Dr. Gary SHIU, Executive Director (Policy & Advocacy) of the Competition Commission, introduced the content and features of the SME Hub at the launching ceremony today