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For Immediate Release

Competition Commission conducts search in case relating to government subsidy scheme

The Competition Commission (Commission) executed search warrants this morning at six premises – the registered address of an IT service provider and the residences of five individuals, as part of its probe into suspected anti-competitive conduct involving a government subsidy scheme. The firm and individuals, when providing quotations for logistics technology in applications for government subsidy under the “Pilot Subsidy Scheme for Third-party Logistics Service Providers” (Pilot Scheme)¹, were suspected of having engaged in bid-rigging, price fixing, customer allocation, and exchange of competitively sensitive information, in contravention of the First Conduct Rule under the Competition Ordinance (Ordinance).

The Commission received a referral from the Hong Kong Productivity Council earlier, which pointed to some suspicious features in certain applications made in relation to the Pilot Scheme. Upon being satisfied that there was reasonable cause to suspect a contravention of the competition rules, the Commission escalated the case to the investigation phase.

During today’s operation, in addition to executing the search warrants, the Commission also exercised its compulsory powers under the Ordinance to request relevant parties to produce documents and information, and to attend before the Commission to provide information relating to the case.

No further comment will be made at this stage as the investigation is ongoing.

The Commission would like to reiterate that combating anti-competitive conduct that aims to exploit public funding remains one of its top enforcement priorities. In March 2023, the Commission took the first cartel case relating to a government subsidy scheme to the Competition Tribunal, which subsequently ruled in the Commission’s favour². The parties involved were ordered to pay pecuniary penalties totalling around HK\$1.7million as well as the Commission’s legal and investigation costs. An individual was also disqualified from acting as a director in any company for a period of two years.

The Commission would like to remind business operators that they should never agree with their competitors to rig bids, fix prices, share markets or exchange competitively sensitive information, while those who may have engaged or been involved in such conduct should approach the Commission for leniency or cooperation (Leniency Hotline: 3996 8010; e-mail: leniency@compcomm.hk).

¹ The Pilot Scheme is a funding scheme launched by the Government to encourage the adoption of technology by the logistics sector for enhancing efficiency and productivity. The Hong Kong Productivity Council serves as the Secretariat for the Pilot Scheme.

² See the Commission’s [press release](#) dated 31 July 2024.