

**Notice issued under section 2 of Schedule 2 to the Competition Ordinance  
regarding the Commission’s proposal to accept a proposed commitment from Keeta in  
the Online Food Delivery Platform Case (EC/12LD)**

**28 April 2026**

**I. INTRODUCTION AND EXECUTIVE SUMMARY**

1. The Competition Commission (“**Commission**”) has conducted an investigation into the market for online food delivery and beverage delivery platforms (“**OFP**”) in Hong Kong. As part of its investigation, the Commission is aware that certain conduct engaged in by Kangaroo Limited (trading as “**Keeta**”), specifically, certain terms of its agreements with partnering restaurants in Hong Kong (“**Agreements**”), may lead to competition concerns.
2. To this end, the Commission has considered whether Keeta may have contravened the first conduct rule (“**FCR**”) in section 6(1) of the Competition Ordinance (Cap. 619) (“**Ordinance**”) by including the following contractual provisions in its Agreements (collectively, “**Provisions**”):
  - (a) **Exclusive Terms**, whereby partnering restaurants are required to work exclusively with Keeta, in return for Keeta charging a lower commission rate to the restaurant.<sup>1</sup>
  - (b) **Breach of Exclusivity Provisions**, which restrict partnering restaurants from, or penalise them for, switching from Exclusive Terms to Non-Exclusive Terms.<sup>2</sup>
  - (c) **Price Restriction Provisions**, which prevent partnering restaurants from charging lower prices, or require them to charge the same prices, for menu items:
    - (i) on their own direct channels; and
    - (ii) on competing platforms,compared to their prices on Keeta’s platform.<sup>3</sup>
3. For the avoidance of doubt, the Commission did not find any evidence that Keeta engaged, or will engage, in any tying of Order to Pick Up Services to Order to Deliver Services.<sup>4</sup>
4. The Commission is concerned that the Provisions may have the effect of foreclosing competing platforms, particularly those with low market shares, from the market for Order to Deliver

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<sup>1</sup> Although the Exclusive Terms restrict partnering restaurants from partnering with *any other platform*, for the reasons explained below, the Commission’s concerns arise only with respect to the application of the Exclusive Terms vis-à-vis OFPs with a low market share. See further paragraphs 58 to 62 below.

<sup>2</sup> See further the definition of “Exclusive Terms” and “Non-Exclusive Terms” in Keeta’s proposed commitment.

<sup>3</sup> Such Pricing Restriction Provisions give rise to, respectively, a narrow price parity obligation and an across-platform (or wide) price parity obligation.

<sup>4</sup> See paragraphs 13 below for the definition of Order to Pick Up Services and Order to Deliver Services.

Services in Hong Kong or of softening competition between platforms in that market. This is particularly the case since Keeta appears to have a degree of market power in the market for Order to Deliver Services.

5. As a consequence, the Provisions may have led to Keeta being able to charge higher commission rates to partnering restaurants and, in turn, to end customers paying higher prices for the partnering restaurants' menu items.
6. The Commission takes the view that, by reason of the inclusion of the Provisions in its Agreements, Keeta may have made or given effect to agreements with the effect of preventing, restricting or distorting competition in Hong Kong in contravention of the FCR.

A. Keeta's Interim Amendments

7. On 12 November 2025, the Commission announced that Keeta had agreed to amend the Provisions in its agreements with partnering restaurants on an interim basis. Specifically, Keeta agreed to:
  - (a) permit its partnering restaurants to switch from Exclusive Terms to Non-Exclusive Terms;
  - (b) insofar as partnering restaurant are required to provide notice to switch from Exclusive Terms to Non-Exclusive Terms, provide for a period of notification which does not exceed two months;
  - (c) specify an Exclusive Terms discount if Exclusive Terms has been agreed by both Keeta and the partnering restaurant, while not excluding the right of Keeta to apply different discounts to different partnering restaurants which may be revised from time to time;
  - (d) specify that the Exclusive Terms discount or Exclusive Terms agreed between Keeta and the partnering restaurant does not prevent the partnering restaurant from partnering, having any communications or entering into agreements with any OFP in Hong Kong with a market share of 10% or less ("**Low Market Share Platform**");
  - (e) remove any provisions contained in any of Keeta's agreements with partnering restaurants in relation to switching from Exclusive Terms to Non-Exclusive Terms, insofar as such provisions restrict partnering restaurants from, or penalize them for, switching from Exclusive Terms to Non-Exclusive Terms; and
  - (f) provide that partnering restaurants may:
    - (i) charge prices for their menu items on their direct delivery channels that are lower than the prices that they charge on Keeta's platform, subject to the condition that the latter prices may not exceed the partnering restaurant's direct delivery

channel price marked up by the commission rate charged by Keeta for Order to Deliver Services; and

- (ii) charge prices for their menu items on their direct dine-in channels and on other platforms providing Order to Deliver Services that are lower than the prices that they charge on Keeta's platform for Order to Deliver Services.

8. Notwithstanding the above interim amendments, the Commission is concerned that Keeta may re-implement or re-enforce the Provisions or enter into new Agreements with the Provisions absent a binding commitment under section 60 of the Ordinance.
9. In order to address the Commission's concerns, Keeta has offered a commitment under section 60 of the Ordinance ("**Proposed Commitment**"). Under the Proposed Commitment, Keeta would, among other things:
  - (a) refrain from enforcing the Breach of Exclusivity Provision against partnering restaurants that switch from Exclusive Terms to Non-Exclusive Terms;
  - (b) refrain from imposing the Exclusive Terms against Low Market Share Platforms; and
  - (c) insofar as it has not done so, remove the Price Restriction Provisions and allow partnering restaurants to charge prices for their menu items on their direct delivery channels, direct dine-in channels and other OFPs that are lower than the prices that they charge on Keeta's platform for Order to Deliver Services. For the menu items offered on direct delivery channels, this is subject to the condition that the prices for their menu items on Keeta's platform can only be marked up by the commission rate charged by Keeta.
10. The remainder of the notice sets out further details regarding:
  - (a) the relevant factual background (Part II);
  - (b) the competition concerns identified by the Commission (Part III);
  - (c) the Proposed Commitment (Part IV); and
  - (d) the manner in which interested parties should make representations in response to this notice (Part V).

## II. RELEVANT FACTUAL BACKGROUND

### A. Keeta

11. Keeta is one of the two largest OFPs with substantial business in Hong Kong.
12. Keeta is a subsidiary of Meituan, a leading OFP in the Chinese Mainland. Keeta launched its OFP business in Hong Kong in May 2023.

### B. Services Provided by Keeta

#### *i. Relevant Services*

13. Keeta provides end customers with the ability to order and obtain delivery of food and beverages (“**F&B**”) through its online platform, which is available on its mobile phone application. Using the platform, end customers can order from partnering restaurants and arrange for either:
  - (a) delivery, which is usually carried out by the OFP but in some cases is carried out by the restaurant (“**Order to Deliver Services**”); or
  - (b) pick up by the end customer from the partnering restaurant (“**Order to Pick Up Services**”).
14. Order to Deliver Services and Order to Pick Up Services are referred to herein collectively as “**Relevant Services**”.
15. Restaurants are providers of F&B to paying end customers. Restaurants may partner with OFPs such as Keeta to display their menu and prices to end customers on the OFP’s platform. To help end customers to compare different restaurant options in their locality, the platforms also offer information to end customers such as restaurant ratings, pictures and delivery times. The OFP then intermediates food ordering, transactions and delivery logistics and act as a conduit between restaurants partnering with the OFP, delivery drivers and end customers who wish to order F&B online.
16. Typically, end customers will have their orders delivered to a designated location (i.e., Order to Deliver Services), although OFPs in Hong Kong also enable end customers to order online and pick up their orders at the partnering restaurant at a designated time and location (i.e., Order to Pick Up Services). Order to Deliver Services will incur a delivery fee and a service fee for the end customer, while Order to Pick Up Services do not involve a delivery charge for the end customer and may come with a discount on the listed price.
17. Ordinarily, an OFP and its partnering restaurant will enter into an agreement for the purpose of the former providing the Relevant Services to the latter. Generally, partnering restaurants will pay a commission to the OFPs (in terms of a percentage of the total value of F&B spent by an end customer) from each sale the partnering restaurants make through the OFP. In addition, and as

mentioned, end customers ordinarily pay a delivery fee and a service fee to the OFP in cases of Order to Deliver Services.

18. OFPs constitute multi-sided platforms that connect both partnering restaurants and end customers. This means that OFPs compete both for end customers' order bookings as well as for providing ordering services to partnering restaurants. There are positive indirect network effects between partnering restaurants and end customers (that is, the more restaurants an OFP has on offer, the more end customers the OFP will attract and vice versa).

C. Market Players

i. *Current players*

19. Apart from Keeta, other OFPs which provide Order to Deliver Services and/or Order to Pick Up Services in Hong Kong as of April 2026 include Foodpanda, OpenRice, Oddle, DimOrder (點單) and Grab Food HK.

Competitor	Order to Deliver Services	Order to Pick Up Services
Keeta	✓	✓
Foodpanda	✓	✓
OpenRice	X	✓
Oddle	✓	✓
DimOrder	✓	✓
Grab Food HK	✓	✓

20. Certain restaurants and restaurant groups also provide Order to Deliver Services for their own restaurants or restaurant groups. These include Blacksheep GO, JIA Everywhere, KFC and Pizza Hut.

ii. *Previous players*

21. Honestbee previously provided Order to Deliver Services in Hong Kong, but suspended its services and exited the market in May 2019.
22. In addition, UberEats, the OFP launched by the Uber ridesharing service, previously provided the Relevant Services in Hong Kong. UberEats commenced operations in October 2016, but exited the market on 31 December 2021.

23. Similarly, Lingduck previously provided the Relevant Services in Hong Kong, but exited the market after 31 August 2022.
  24. The online retailer HKTVMall previously provided the Relevant Services in Hong Kong under the name HKTVexpress, commencing operations in June 2021, but suspended the provision of these services on 15 October 2022.
  25. 51wm previously provided the Relevant Services in Hong Kong, but has altered its business model to provide IT solutions to restaurants to manage their own food delivery and self-pick up services in 2023.
  26. Deliveroo Hong Kong Limited (“**Deliveroo**”) was a member of the Deliveroo Group, a global OFP company. In September 2015, Deliveroo launched its OFP business in Hong Kong and had offered the Relevant Services. However, Deliveroo exited the Hong Kong market in April 2025.
- iii. Prior investigation into Foodpanda and Deliveroo (Case EC/03JJ)*
27. The Commission previously investigated Foodpanda and Deliveroo for having terms similar to the Provisions in their respective agreements with partnering restaurants.<sup>5</sup>
  28. On 29 December 2023, the Commission accepted commitments from Foodpanda and Deliveroo under section 60 of the Ordinance to address its concerns relating to the concerned provisions in Foodpanda’s and Deliveroo’s agreements.<sup>6</sup>
  29. Based on the evidence collected in the present investigation, the Commission considers its provisional findings in Case EC/03JJ to continue to be applicable and relies on its assessment conducted in Case EC/03JJ for its provisional findings contained herein.

#### D. The Provisions

##### *i. Use of Exclusive Terms*

30. Under the Exclusive Terms, partnering restaurants are required to work exclusively with Keeta, in return for Keeta charging a lower commission rate to the restaurant. The Non-Exclusive Terms allow partnering restaurants to partner with third-party OFPs for Order to Deliver Services but require payment of a higher commission rate.
31. The level of commission rates charged by Keeta varies between partnering restaurants and depending on whether the partnering restaurants enter into Exclusive Terms with Keeta. The

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<sup>5</sup> The Commission also had concerns regarding Foodpanda’s tying provisions while Deliveroo did not employ across-platform price parity provisions.

<sup>6</sup> See Commission Notice of Acceptance in Case EC/03JJ *Online Food Delivery Platforms*, 29 December 2023.

information gathered by the Commission indicates that commission rates can range between approximately one-quarter ( $\approx 25\%$ ) of order values to greater than one-third ( $>33\%$ ) of order values, with non-exclusive rates being higher than exclusive rates and in general being towards the upper end of this range.<sup>7</sup>

32. Partnering restaurants that agree to the Exclusive Terms may also receive certain incentives from Keeta, such as order trend reports and real-time big data analytics.

*ii. Breach of Exclusivity Provisions*

33. Through the Breach of Exclusivity Provisions, Keeta has restricted partnering restaurants from, or penalised them for, switching from Exclusive Terms to Non-Exclusive Terms. This includes by allowing Keeta to:

- (a) prevent the partnering restaurant from approaching competing OFPs for talks or negotiations;
- (b) require a relatively long notice period of 90 days for partnering restaurants to switch; and
- (c) cease all marketing activities on behalf of the partnering restaurant, remove the partnering restaurant from its platform, restrict the partnering restaurant from procuring the Relevant Services or suspend or terminate the relevant Agreement.

*iii. Price Restriction Provisions: narrow price parity*

34. Keeta's Agreements have prevented partnering restaurants from charging lower prices for menu items on their direct channels<sup>8</sup> compared to those offered on Keeta's platform.
35. A material breach by a partnering restaurant of any of its obligations under the Agreement would have constituted a grounds for Keeta to suspend the restaurant from the platform.

*iv. Price Restriction Provisions: across-platform (wide) price parity*

36. Keeta had the right to increase or reduce the partnering restaurant's prices on Keeta's platform to match those displayed on other OFPs without notice to the partnering restaurant. As such, Keeta effectively could have ensured that partnering restaurants did not offer prices for their menu items on other OFPs that were lower than those offered on Keeta's platform.

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<sup>7</sup> The commission rate may vary in particular cases, e.g., restaurants newly joining the platform may be charged a lower commission rate.

<sup>8</sup> The relevant restriction applies to the partnering restaurant's in-restaurant menu. Keeta's Proposed Commitment targets specifically restrictions on the partnering restaurant's direct delivery and dine-in channels (see paragraph 81(d) below).

37. Keeta could have temporarily suspended the partnering restaurant from the platform if the latter was in breach of any terms of the Agreement (which included the across-platform price parity obligation).

### III. COMPETITION CONCERNS IDENTIFIED BY THE COMMISSION

38. This section explains the situation that Keeta’s Proposed Commitment is seeking to deal with for the purposes of section 2(2)(d) of Schedule 2 of the Ordinance.

#### A. Framework for Assessment

39. The Agreements entered into between Keeta and its partnering restaurants fall within the meaning of “agreements” under section 2(1) of the Ordinance. These agreements constitute vertical agreements, i.e., agreements between undertakings that operate at different levels of the stream of commerce and are not competitors.

40. The Commission’s Guideline on the First Conduct Rule (“**FCR Guideline**”) recognizes that whilst vertical agreements frequently improve economic efficiency within a chain of production or distribution, some vertical agreements may, nonetheless, cause harm to competition. This may be the case where vertical agreements include restrictions that foreclose existing competition or limit the scope for market entry or expansion.<sup>9</sup>

41. The Commission has assessed whether the Provisions have the actual or likely effect of preventing, restricting or distorting competition in Hong Kong within the meaning of the FCR. In doing so, the Commission has had regard to its guidance and decisional practice on exclusive dealing<sup>10</sup> and price parity.<sup>11</sup>

42. Section 60 of the Ordinance does not require the Commission to reach a firm conclusion on whether there has been a contravention of the FCR to resolve a matter by a commitment. The assessment that follows therefore comprises only the preliminary views that the Commission has formed as a result of the investigation it has conducted to date.

#### B. Defining the Relevant Market

43. When assessing anti-competitive effects, the exercise of defining the relevant market assists in identifying in a systematic way the competitive constraints that undertakings face when operating in a market.<sup>12</sup>

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<sup>9</sup> FCR Guideline, paragraphs 6.6 to 6.9.

<sup>10</sup> See Commission’s Guideline on the Second Conduct Rule (“**SCR Guideline**”), paragraphs 5.23 to 5.32. Footnote 24 of the SCR Guideline confirms the application of such guidance to vertical agreements under the FCR. See also Commission Notice of Acceptance in Case EC/03JJ *Online Food Delivery Platforms*, 29 December 2023.

<sup>11</sup> See Commission Notice of Acceptance in Case EC/02NJ *Online Travel Agents*, 13 May 2020; Commission Notice of Acceptance in Case EC/03JJ *Online Food Delivery Platforms*, 29 December 2023.

<sup>12</sup> FCR Guideline, paragraph 3.21. The SCR Guideline sets out the Commission’s approach to market definition in further detail.

*i. Product market definition*

44. In accordance with paragraph 42 above, the Commission has not reached a firm conclusion on market definition in this case.<sup>13</sup> Nonetheless, the Commission believes there is a reasonable basis to consider that the relevant product markets for the purpose of assessing the Provisions comprise:
- (a) **Order to Deliver Services**, which include intermediation services by an online platform enabling F&B to be ordered from restaurants on the platform and delivered to end customers within a short timeframe;<sup>14</sup> and
  - (b) **Order to Pick Up Services**, which include both intermediation services by an online platform enabling F&B to be ordered from restaurants on the platform and the ordering service provided by the restaurant itself,<sup>15</sup> for subsequent pick-up of the F&B by the end customer.
45. The Commission has reached the provisional view that these are likely to be distinct relevant markets for the provision of F&B to end customers, based on the following considerations (which are related to the demand-side or end customers' perspective on substitutability):
- (a) **Order to Deliver Services and Order to Pick Up Services address different needs of the end customers.** The evidence available to the Commission suggests that the primary motivations for end customers to opt for Order to Pick Up Services are to save time and get their food quicker, followed by an absence of minimum order value which may allow them to save money, and the ability to plan their time better by being able to schedule their orders. In contrast, the primary motivation for end customers to opt for Order to Deliver Services is that they do not want to leave their premises to obtain their F&B. Accordingly, for these end customers, Order to Pick Up Services would be unlikely to be a viable substitute. In addition, the evidence also suggests that if Order to Deliver Services are not available on a particular OFP, the end customers who prefer Order to Deliver Services are more likely to turn to other similar platforms, instead of using Order to Pick Up Services or dining in at the restaurant.
  - (b) **Location and distance of the restaurants are relevant considerations for end customers.** End customers are likely to only consider Order to Pick Up Services for restaurants located within short distance from their location. On the other hand, Order to Deliver Services can allow end customers to order from restaurants further away. Further, end customers

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<sup>13</sup> See Commission Notice of Acceptance in Case EC/02UB *Car Warranties*, 10 October 2022, paragraphs 35 and 71.

<sup>14</sup> The delivery services in this market may ultimately be provided by the platform or, in a more limited number of cases, by the restaurant itself.

<sup>15</sup> Such ordering services may be offered by phone, on the restaurant's website or mobile application or in person.

opting for Order to Deliver Services do not need to travel to the restaurant to get the takeaway F&B, minimising the time and potential travel costs incurred.

- (c) **Total price paid by end customers when opting for Order to Deliver Services compared to Order to Pick Up Services.** End customers who opt for Order to Deliver Services will have the F&B delivered to their addresses by paying a delivery fee, which may range from around HK\$0 to HK\$40. In addition, for orders below a minimum order value set by Keeta, end customers will be required to pay the difference between the menu item(s) and the minimum order value. In contrast, when using Order to Pick Up Services, an end customer can avoid such fees and will not be subject to any minimum order value, while the OFP may offer additional special offers.
- (d) **Occasion on which F&B is ordered by the end customers.** Whilst the evidence available to the Commission suggests that some end customers may use both Order to Deliver Services and Order to Pick Up Services interchangeably, this does not necessarily mean that the two are substitutable. Whether or not the two are substitutable depends on the occasion on which F&B is ordered by the end customers. For instance, for a dinner party or a family gathering, end customers may consider delivery to be the better option as the order size is larger and hence the delivery fee would represent a small share of the total costs. Picking up a large order may also not be practical for such occasions. In contrast, for a workplace lunch, end customers may consider Order to Pick Up Services to be a more appropriate option due to the convenience and lower prices for pick-up orders.

*ii. Geographic market definition*

46. The Commission believes there is a reasonable basis to consider that the relevant geographic market for the provision of the Relevant Services comprises the **Hong Kong Special Administrative Region**.
47. This is based on the following considerations:
- (a) Keeta and Foodpanda each provide the Relevant Services in the same manner throughout Hong Kong, including with respect to the terms of their respective agreements with partnering restaurants, their offer to end customers and the various fees that they charge to such customers. These terms are applied irrespective of the locations of the partnering restaurants and end customers within Hong Kong.
- (b) Once they have established a presence in one area, OFPs can expand quickly into other areas in Hong Kong using their existing infrastructure (in terms of the platform, logistics, rider fleet, etc.), potentially without having to incur very high costs.

- (c) Several other jurisdictions have reached a similar view, finding the relevant geographic markets to be city-wide, or even national, in their cases concerning online food ordering and delivery platforms.

C. Assessment of Effects

48. The Commission sets out below its preliminary views on Keeta's degree of market power, as well as the potential anti-competitive effects of each of the Provisions. It notes that the Provisions should not be assessed in isolation to each other, as the potential anti-competitive effects of one Provision may be significantly reinforced when applied in combination with another.

*i. Keeta's market power*

49. When assessing the actual or likely effects of an agreement, the Commission will generally consider the extent to which the undertakings concerned have market power in a relevant market.<sup>16</sup> The degree of market power for concerns to arise under the First Conduct Rule is not the same as the degree of market power required for concerns to arise under the Second Conduct Rule and is typically less.<sup>17</sup>

50. The Commission believes there is a reasonable basis to consider that Keeta has market power in the market for Order to Deliver Services, based on the factors set out below.

*ii. Market shares*

51. From at least April 2025 and up to the most recent data available in 2026, Keeta has had a persistently high individual market share exceeding 60% of the market for Order to Deliver Services in terms of order value. Overall, the Order to Deliver Services market is highly concentrated, with Keeta and Foodpanda constituting the only remaining significant OFPs.

*iii. Competitive constraints*

52. In the Commission's preliminary view, Keeta is unlikely to be sufficiently constrained by other competitors in the market for Order to Deliver Services, save for any competitive constraint imposed by Foodpanda.

53. Other competitors in the market (e.g., Oddle and DimOrder) generally each has a very low market share, with individual market shares likely considerably below 1% in 2026. Such competitors do not appear capable of providing a sufficient competitive constraint on Keeta.

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<sup>16</sup> FCR Guideline, paragraph 3.21.

<sup>17</sup> FCR Guideline, paragraph 3.23.

54. Moreover, neither the partnering restaurants (with very few exceptions) nor end customers individually are likely to have bargaining power to negotiate individual contractual terms with Keeta and constrain it sufficiently.

*iv. Barriers to entry and expansion*

55. The market for Order to Deliver Services appears to be characterised by the existence of a number of barriers to entry and expansion, which may impede the emergence of another credible competitor to Keeta. In particular, the market for Order to Deliver Services appears to entail indirect network effects in the sense that it is necessary for a new OFP to gain a sufficient number of users on one side of the platform before users on the other side may find the OFP attractive to join. In addition, the market involves important economies of scale, with large investments and a significant amount of time being required to develop and optimise an OFP's technology and substantial resources needed to set up a logistics network for the OFP with sufficient coverage and delivery speed. Substantial marketing and advertisement expenses are also needed to create and establish the brands.

56. In addition, and as further described below, the use by Keeta of Exclusive Terms, Breach of Exclusivity Provisions and Price Restriction Provisions appear likely to themselves increase barriers to entry and expansion for competing platforms.

57. While Keeta was able to enter and expand in the Order to Deliver Services market, the Commission continues to have concerns that the Exclusive Terms, Breach of Exclusivity Provision and Price Restriction Provisions may prevent future entry and expansion. Keeta's relationship with Meituan provided it with significant capital, resources and experience in online food delivery. The Commission considers that there is currently no indication that another potential entrant would replicate Keeta's position in a timely and effective manner.

*v. Use of Exclusive Terms and Breach of Exclusivity Provisions*

58. Exclusivity arrangements are commonly used commercial arrangements and in most cases will not harm competition.<sup>18</sup> In this case, however, Keeta appears to have some degree of market power, while all other OFPs have significantly lower market shares, with the exception of Foodpanda. The Commission believes there is a reasonable basis to consider that the use of Exclusive Terms and Breach of Exclusivity Provisions may have anti-competitive effects when applied against OFPs with low market shares (i.e., "**Low Market Share Platforms**"<sup>19</sup>).

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<sup>18</sup> SCR Guideline, paragraph 5.23.

<sup>19</sup> For the meaning of this term as used in Keeta's Proposed Commitment, see paragraph 82 below.

59. In particular:
- (a) By offering a lower commission rate under the Exclusive Terms, Keeta appears to entice partnering restaurants to agree to partner exclusively with it for Order to Deliver Services. In addition, the potential effect of the Exclusive Terms in locking in partnering restaurants to Keeta appears amplified by the concurrent use of the Breach of Exclusivity Provisions, which make it more difficult for partnering restaurants to switch away from Exclusive Terms and start partnering with other OFPs.
  - (b) Together, the use of the Exclusive Terms and Breach of Exclusivity Provisions may deter partnering restaurants from using Low Market Share Platforms and thus create a significant barrier to entry and expansion for those platforms. Conversely, they may help Keeta to maintain and strengthen its position in the market for Order to Deliver Services.
  - (c) The Exclusive Terms and Breach of Exclusivity Provisions may thus deprive Low Market Share Platforms of the possibility to attract a larger order and revenue base and prevent them from gaining a sufficient size to compete effectively against Keeta.
  - (d) In this respect, the Commission notes the market shares of the other OFPs in the market, with the exception of Foodpanda, have remained limited over several years.
  - (e) Keeta's significant market share, combined with the application of Exclusive Terms through its standard Agreements, likely indicates material market coverage and potential to foreclose Low Market Share Platforms.
  - (f) The standard Agreements in which the Exclusive Terms are laid down have a relatively long duration. The Exclusive Terms would apply for the same duration unless the partnering restaurant has elected to switch to Non-Exclusive Terms.
60. At the same time, the Commission recognises that the use of Exclusive Terms by Keeta appears unlikely to have the above foreclosure effect on Foodpanda. Given its strong market position, Foodpanda appears able to entice partnering restaurants to sign up under Exclusive Terms and may compete with Keeta to obtain Exclusive Terms from such restaurants.
61. The same would be the case if a third-party OFP gained significant size in the market, in which case the use of Exclusive Terms by Keeta would be less likely to have a foreclosure effect on that OFP. At present, it remains to be seen whether another third-party OFP would indeed be able to achieve sufficient size, given the foreclosing effect of the Exclusive Terms as discussed above.
62. Nonetheless, to cater for the fact that the Exclusive Terms would be unlikely to have a foreclosing effect on Foodpanda or a larger OFP (if one emerges), Keeta's Proposed Commitment provides

for the cessation of the Exclusive Terms only as against Low Market Share Platforms (see paragraphs 82 to 85 below).

*vi. Price Restriction Provisions: narrow price parity*

63. The Commission believes there is a reasonable basis to consider that the narrow price parity arrangements, whereby Keeta prevented partnering restaurants from charging lower prices, or requires them to charge the same prices, for menu items on their direct channels,<sup>20</sup> may have given rise to anti-competitive effects.
64. In particular:
- (a) Keeta's narrow price parity arrangement limited the ability of partnering restaurants' direct channels to compete with Keeta menu prices. As a result, the competitive pressure placed by direct channels on Keeta was lessened.
  - (b) Importantly, for partnering restaurants subject to the Exclusive Terms with Keeta, any price competition for their menu items may in practice have been excluded due to the operation of the narrow price parity arrangement.
65. In the Commission's provisional view, these harmful effects appear more likely given that the narrow price parity arrangements covered a significant part of the relevant market. It was provided for in Keeta's standard Agreement, to which almost all of its partnering restaurants are subject, while Keeta itself has a high market share in the Order to Deliver Services market.
66. The Commission nonetheless acknowledges that narrow price parity arrangements could be necessary to avoid partnering restaurants free-riding on OFPs' services. Absent such arrangements, a partnering restaurant could use the OFP merely to advertise its menu items and entice end customers to purchase the items on the restaurant's own direct channels instead by offering significantly lower prices on those channels.
67. The Commission considers that there may be some basis to this concern in the case of sales on the partnering restaurant's own direct delivery channel (where the partnering restaurant's services appear largely similar to those of the OFP). On the other hand, it considers the concern less likely to be well-founded for dine-in sales (which appear to relate to a different dining occasion from those on the OFP). Keeta's Proposed Commitment accordingly permits it to limit the mark-up applied by the partnering restaurant on its platform as compared to sales on its direct delivery channel, though not as compared to dine-in sales (see paragraph 81(d) below).

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<sup>20</sup> See footnote 9 above for further details on the relevant direct channels.

vii. *Price Restriction Provisions: across-platform (wide) price parity*

68. The across-platform price parity arrangement in Keeta's Agreements prevented restaurants from setting lower prices on Foodpanda or other platforms.
69. The Commission believes there is a reasonable basis to consider that this arrangement may have harmed competition as follows:
- (a) Keeta's wide price parity arrangement may have softened the competitive pressure exerted on Keeta by other OFPs. Given restaurants on Keeta were subject to an across-platform price parity clause, other OFPs were unable to incentivise restaurants to undercut Keeta on menu price (e.g., through lowering commission rate). Thus, other OFPs had reduced incentives to offer restaurants lower commission rates because it would not have translated to lower menu prices and additional orders. As a result of this, the competitive pressure on Keeta was lessened.
  - (b) The arrangement may further have deprived smaller OFPs from attracting a larger order and revenue base and prevented them from gaining a sufficient size to compete efficiently with Keeta.
70. In the Commission's provisional view, the above potential effects appear more likely given that the across-platform price parity arrangement covered a significant part of the relevant market. It was provided for in Keeta's standard Agreement, to which almost all of its partnering restaurants are subject, while Keeta itself has a high market share in the Order to Deliver Services market.

#### IV. KEETA'S PROPOSED COMMITMENT

71. In this section, the Commission: (i) outlines the relevant legal framework for acceptance of commitments; (ii) explains the Commission's views on the appropriateness of Keeta's Proposed Commitment; and (iii) provides a high-level summary of the Proposed Commitment.

72. In doing so, it explains the intended object and effect of the Proposed Commitment for the purpose of section 2(2)(b) of Schedule 2 of the Ordinance.

##### A. Relevant Legal Framework

73. Under section 60 of the Ordinance, the Commission may accept a commitment from a person to: (a) take any action; or (b) refrain from taking any action, where it considers this appropriate to address its concerns about a possible contravention of a competition rule. The Ordinance does not require parties offering commitments to make any admission of a contravention.

74. If the Commission accepts a commitment, it will terminate its investigation and not bring proceedings in the Competition Tribunal regarding the matters covered by the commitment. This is subject, however, to the ability of the Commission to withdraw its acceptance of a commitment under the circumstances provided for in section 61 of the Ordinance, including where there has been a material change of circumstances or the person giving the commitment has failed to comply with them.<sup>21</sup>

75. In terms of procedure, Schedule 2 of the Ordinance requires the Commission to consult on the proposed commitment before acceptance and consider any representations received on the proposed commitment. If the Commission accepts the commitment following this consultation, under section 64 of the Ordinance, it is required to register the commitment on its Register of Commitments.

##### B. Appropriateness of the Proposed Commitment

76. The Commission considers that Keeta's Proposed Commitment would be an appropriate enforcement outcome having regard to the factors set out in paragraph 2.2 of its *Policy on Section 60 Commitments*:

- (a) **Seriousness of the conduct.** The Provisions do not constitute cartel conduct involving competitors. The Commission considers that the Proposed Commitment provides a resolution to its concerns that is proportionate to the context of the conduct and the harm caused or likely to occur.

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<sup>21</sup> Where the Commission has the requisite basis to consider that a party making the commitment has failed to comply with the commitment, it may either (a) withdraw acceptance of the commitment under section 61 of the Ordinance; or (b) apply to the Competition Tribunal for one or more of the orders in section 63 of the Ordinance.

- (b) **Ability to address competition concerns.** As described below, the Proposed Commitment will address the Commission’s concerns in a targeted and effective manner by ensuring that the Provisions will not be enforced or included in Keeta’s Agreements and its partnering restaurants will be duly informed.
- (c) **Effective implementation and monitoring.** As described below, the Proposed Commitment includes specific provisions to ensure its timely and effective implementation (including for its operation to vary in specific pre-defined circumstances) as well as ongoing monitoring by the Commission.
- (d) **Other factors mentioned in paragraph 2.2.** Keeta has engaged with the Commission in good faith throughout the investigation and the Commission has not identified any severity factors mentioned in the Commission’s *Enforcement Policy*, timing considerations or other elements that would militate against the appropriateness of the Proposed Commitment.

C. Summary of the Proposed Commitment

77. Keeta’s Proposed Commitment applies to clauses in its Agreements, other than those with restaurants that have bespoke arrangements and where the Commission’s competition concerns are less applicable.<sup>22</sup>
- i. Non-enforcement and removal of Relevant Provisions*
78. For the purposes of Keeta’s Proposed Commitment, the “**Relevant Provisions**” are defined to comprise Breach of Exclusivity Provisions and Price Restriction Provisions (as described in paragraphs 33 to 37 above).
79. Keeta’s Proposed Commitment is designed to cease any application of the Relevant Provisions, and thus remedy the Commission’s concerns about such provisions. Specifically, Keeta commits:
- (a) not to enforce any Relevant Provisions in existing agreements with partnering restaurants (clause 2.1);
  - (b) not to enter into any new agreement with a partnering restaurant that contains the Relevant Provisions (clause 2.2); and
  - (c) to remove any Relevant Provisions from contractual documentation for existing partnering restaurants or template agreements for future partnering restaurants (clause 2.4(a)).

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<sup>22</sup> Such restaurants comprise those that have concluded “Outlet Expansion Terms” or “Profit Guarantee Terms” with Keeta.

ii. *Consequential contractual amendments*

80. Since Keeta would cease application of the Relevant Provisions under the Proposed Commitment, it is necessary to specify the contractual conditions that would apply in place of those provisions.

81. In particular:

- (a) **Measures to provide clarity on ability to switch.** The relevant contractual documentation would specify that partnering restaurants may switch from Exclusive Terms to Non-Exclusive Terms (clause 2.4(b)) and specify the applicable commission rates under each set of terms (clause 2.4(e)). The Proposed Commitment contains an additional clarification that Keeta only has to specify the exclusive commission rate if exclusivity has been agreed between both Keeta and the partnering restaurant.
- (b) **Notice period for switching.** Insofar as Keeta may require notice for the partnering restaurant to switch from Exclusive Terms to Non-Exclusive Terms, this should be limited to a reasonable period so as not to impede such switching and be no more than two months (clause 2.4(c)).
- (c) **Permissible clawback.** Insofar as a partnering restaurant switches from Exclusive Terms to Non-Exclusive Terms without notification and Keeta cannot ascertain the date of its switch, Keeta may only clawback the difference in the applicable commission rate for a maximum of two months (clause 2.4(d)).
- (d) **Non-restriction of partnering restaurant's pricing.** To provide clarity that the pricing restrictions no longer apply, the relevant contractual documentation would specify that the partnering restaurant may charge lower prices:
  - (i) on their direct delivery channels;<sup>23</sup>
  - (ii) on their direct dine-in channels; and
  - (iii) on competing platforms,than those they charge on Keeta's platform (clause 2.4(g)).

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<sup>23</sup> Further to the free-riding concern outlined in paragraph 66 above, the Proposed Commitment specifies that Keeta is entitled to limit the mark-ups applied by partnering restaurants on its platform (as compared to the prices on the restaurants' direct delivery channel) to the value of the commission rate charged by Keeta.

iii. *Carve-out of “Low Market Share Platforms” from Exclusive Terms*

82. Under clause 2.4(f) of Keeta’s Proposed Commitment, Keeta would be required to carve out Low Market Share Platforms from the scope of its Exclusive Terms. For the purpose of the Proposed Commitment, “**Low Market Share Platforms**” are defined to comprise platforms that provide Order to Deliver Services and have a monthly market share of 10% or less measured by order value.<sup>24</sup> The 10% threshold is appropriate because the Commission’s investigation found evidence that platforms with market shares below 10% have not been able to maintain a significant competitive presence in Hong Kong.
83. Under the carve-out, where a partnering restaurant agrees to the Exclusive Terms with Keeta in return for an exclusive commission rate, that partnering restaurant would:
- (a) only be prevented from partnering with Foodpanda and any other platform that is not a Low Market Share Platform; and
  - (b) still be able to partner with a Low Market Share Platform.
84. The carve-out aims to limit the ability of the Exclusive Terms to foreclose Low Market Share Platforms by ensuring partnering restaurants may still use those OFPs. At the same time, the Proposed Commitment does not remove the Exclusive Terms entirely since they are unlikely to produce foreclosure effects as between non-Low Market Share Platforms and may promote competition between Keeta, Foodpanda and any other significant OFP, as outlined above.<sup>25</sup>
85. Keeta’s Proposed Commitment contains a mechanism to determine when a platform is no longer a Low Market Share Platform and may become the subject of the Exclusive Terms (clauses 3.6 and 3.7). Keeta may provide written evidence to the Commission that another platform has exceeded the 10% market share threshold for its verification. Such evidence must give a fair and accurate representation of the market positions of the relevant market participants. For the purpose of verification, the Commission may conduct its own assessment and gather information from third parties.

iv. *Carve-outs for Outlet Expansion Terms and Profit Guarantee Terms*

86. Keeta’s Proposed Commitment contains carve-outs for Outlet Expansion Terms (“**OETs**”) and Profit Guarantee Terms (“**PGTs**”) (clauses 1.1(w) and 1.1(aa), respectively). The carve-outs would

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<sup>24</sup> As at the date of this notice, all platforms other than Keeta and Foodpanda would be Low Market Share Platforms.

<sup>25</sup> For the avoidance of doubt, insofar as the Breach of Exclusivity Provisions are concerned, Keeta may not apply these to any partnering restaurant, regardless of whether the restaurant wishes to partner with a Low Market Share Platform or another OFP. This aims to ensure that partnering restaurants may switch freely between Exclusive Terms and Non-Exclusive Terms.

mean that Keeta would be permitted to impose the Relevant Provisions<sup>26</sup> and Exclusive Terms against restaurants that are subject to the OETs or the PGTs.

87. The OETs are contractual terms whereby Keeta would pay a certain amount to a restaurant for the purposes of meeting such restaurant's capital expenditure needs, for example, to open up a new location. The PGTs are contractual terms whereby Keeta would guarantee that a restaurant will receive a target amount of gross food value on its platform for the purpose of facilitating investment in joint commercial initiatives, such as joint marketing.
88. The Commission does not have significant concerns regarding the carve-outs since:
- (a) the OETs and PGTs may be procompetitive in that they facilitate activities such as the expansion of new outlets and joint marketing;
  - (b) the OETs and PGTs require some investment by Keeta and, therefore, unlikely to be broadly applied; and
  - (c) the same carve-outs are included in Foodpanda's commitment.
89. Keeta's Proposed Commitment contains monitoring provisions to allow the Commission to closely monitor the use of the OETs and PGTs (clauses 3.2(d) and 3.5).
- v. *Non-circumvention*
90. Under clause 2.7 of Keeta's Proposed Commitment, Keeta commits not to circumvent or otherwise frustrate the operation of the substantive commitment described above.
- vi. *Timeframes*
91. Keeta's Proposed Commitment would enter into force on the date Keeta receives a Notice of Acceptance from the Commission ("**Effective Date**").
92. As of the Effective Date, Keeta would be obliged not to enforce any Relevant Provisions or to enter into any new agreements containing such provisions.
93. Within 90 calendar days of the Effective Date, and insofar as Keeta has not done so prior to the Effective Date, Keeta would be required to:
- (a) amend its contractual documentation for existing partnering restaurants and update its template agreements for future partnering restaurants in the manner described above; and

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<sup>26</sup> Namely, the Breach of Exclusivity Provisions and the Price Restriction Provisions.

- (b) issue a communication to all of its respective partnering restaurants which confirms in clear and unambiguous language the amendments made.

vii. *Duration and termination*

94. Keeta's Proposed Commitment would remain in place until 28 December 2026 (clause 4.2) in order to align with the duration of Foodpanda's commitment. This is subject to the Proposed Commitment being terminated at an earlier date, should:
- (a) the Proposed Commitment be withdrawn, released, varied or substituted in accordance with the processes in sections 61, 62(1) and 62(2) of the Ordinance (clauses 4.2(a) to (c));
  - (b) the Commission withdraws, varies or releases Foodpanda's commitment for reasons that would apply to Keeta and if Keeta makes a request pursuant to section 62(2)(a) of the Ordinance and the Commission releases Keeta accordingly (clause 4.2(d)); or
  - (c) Keeta falls below a 30% market share in Order to Deliver Services measured by order value, in which case Keeta would be permitted to enter into and enforce Agreements with the Breach of Exclusivity Provisions and Price Restriction Provisions, but only insofar as the Price Restriction Provisions relate to narrow price parity and not across-platform parity (clause 4.3).
95. In relation to this latter termination event, the Commission considers that the imposition of the Relevant Provisions by Keeta is less likely to give rise to the foreclosure effects and other competition concerns identified above where it has a market share of below 30%.<sup>27</sup> Such a decrease in Keeta's market share would necessarily entail that other platforms had significantly increased in size and the Commission's concerns that the use of the Relevant Provisions by Keeta would foreclose other platforms would appear to have diminished substantially.
96. The Commission is prepared to accept a commitment that provides for the Relevant Provisions to be dis-applied on the occurrence of this event because such a criterion is transparent, objective and proportionate in the circumstances. There was some consideration as to whether a broader range of circumstances might also be captured but the Commission does not consider, at this time, it would have the same degree of confidence that it would no longer have competition concerns. Accordingly, the Commission, taking into account the factors referred to in its guidelines (see paragraph 76 above), did not consider it appropriate for a wider range of factors to be

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<sup>27</sup> The Commission notes that the block exemption regimes for vertical agreements in the European Union and the United Kingdom would provide for block exemption of much of the Relevant Provisions where the supplier's market share does not exceed 30% in the relevant market. See *Commission Regulation (EU) 2022/720 of 10 May 2022 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices* and *The Competition Act 1998 (Vertical Agreements Block Exemption) Order 2022*.

included. To the extent other circumstances arise, it remains open for a review and possible release or variation in accordance with the statutory process to be undertaken.

97. The Proposed Commitment contains a mechanism to determine whether Keeta has fallen below the 30% market share threshold (clause 4.4), similar to the equivalent mechanism for Low Market Share Platforms.

*viii. Reporting, compliance and monitoring*

98. In clauses 3.1 to 3.5, Keeta would be subject to the following reporting and monitoring mechanism to ensure compliance with the Proposed Commitment:

(a) **Written report.** Within 120 calendar days from the Effective Date, Keeta will provide a written report to the Commission confirming its compliance with the Proposed Commitment and providing the Commission with supporting documents.

(b) **Compliance statement.** Keeta will also provide a compliance statement to the Commission one month before the Proposed Commitment is due to expire on 28 December 2026, signed by an authorised officer confirming that to the best of his or her knowledge, Keeta continues to abide by the Proposed Commitment.

*ix. Other matters*

99. Keeta's Proposed Commitment does not constitute an admission by Keeta of a contravention of a competition rule (recital (5)).

100. In accordance with section 60(4) of the Ordinance, should the Proposed Commitment be accepted by the Commission, the Commission will not continue its investigation, or bring proceedings in the Competition Tribunal, with regard to the matters (i.e., the Relevant Provisions) that are addressed in the Proposed Commitment.

**V. MAKING REPRESENTATIONS IN RESPONSE TO THIS NOTICE**

101. The Commission invites representations from interested parties on the matters in this notice, including the Commission's proposed acceptance of Keeta's Proposed Commitment. The Commission will consider all representations received within the deadline below before making its decision on whether to accept the Proposed Commitment.
102. Any party wishing to provide representations should do so in writing **no later than by 6:00 pm on 12 May 2026**. **Representations received after this time will not be considered.**
103. Representations should be sent to the Commission as follows:
- (a) by email (preferred) to [Consultation@compcomm.hk](mailto:Consultation@compcomm.hk), with the case reference number EC/12LD quoted in the subject line of the email;
  - (b) by fax to +852 2522 4997; or
  - (c) by post to:  
  
Representations on Case EC/12LD  
Competition Commission  
19/F South Island Place  
8 Wong Chuk Hang Road  
Wong Chuk Hang.
104. The Commission will publish the representations received on its website.
105. If a party would like to claim confidentiality over some or all of its representation, it should identify the relevant material and set out reasons why the identified material is, in its opinion, confidential pursuant to section 123(2) of the Ordinance. The party should also provide a non-confidential version for publication purposes, from which all confidential information has been redacted.

**ANNEX 1**

**KANGAROO LIMITED'S PROPOSED COMMITMENT (ATTACHED SEPARATELY)**