

**Commitments offered by Booking.com B.V. to the Competition Commission
pursuant to section 60 of the Competition Ordinance (Cap. 619)**

Pursuant to section 60 of the Competition Ordinance (Cap. 619), regarding the rate parity, conditions parity and availability parity clauses in the contracts between Booking.com (as defined below) and Accommodation Providers, Booking.com hereby offers the following commitments to the Competition Commission with a view to addressing concerns identified by the Competition Commission about a possible contravention of the first conduct rule under section 6 of the Competition Ordinance.

1. Definitions

“Accommodation Providers” means hotels, guest houses, bed and breakfasts and any other type of accommodation service provider that enters into a service contract with Booking.com.

“Booking.com” means Booking.com B.V., and Booking.com (Hong Kong) Ltd., including entities over which Booking.com holds or acquires a controlling interest or operational control, and in respect of all websites that Booking.com operates now, or in the future, relating to the distribution of online accommodation search and booking services. For the avoidance of doubt, in the event that Booking.com transfers its contracts with existing Accommodation Providers to another subsidiary of Booking.com, these commitments will apply equally to such subsidiary.

“Competition Commission” means the Competition Commission established by the Competition Ordinance (Cap. 619).

“Offline Channel” means a channel that does not involve the use of the internet, such as bookings made in person at an Accommodation Provider’s reception, by telephoning an Accommodation Provider, or at a bricks and mortar travel agency.

“Online Travel Agent” means any online reservation service that is not controlled, directly or indirectly, by the Accommodation Provider or the chain (whether integrated or not) to which such Accommodation Provider belongs. A rate published by an Online Travel Agent on a meta search site means a rate offered by an Online Travel Agent.

“Unpublished” means not made available online to the general public by any means, including on mobile applications. In the case of Unpublished rates, publication includes the display of the actual rates or sufficient detail for the consumer to calculate rates.

“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.

2. Commitments

- 2.1 Booking.com offers these commitments in return for the Competition Commission terminating its investigation and not bringing proceedings in the Competition Tribunal in relation to such rate parity, conditions parity and availability parity clauses.

2.2 Nothing in these commitments should be construed as implying that Booking.com has contravened any competition rule under the Competition Ordinance. These commitments are without prejudice to Booking.com's position in any other judicial or administrative proceedings in any jurisdiction.

3. Rate parity

3.1 Booking.com will not enter into or enforce obligations that:

- (i) require Accommodation Providers to propose room rates on Booking.com that are equal to or lower than those offered on any other Online Travel Agent;
- (ii) prohibit Accommodation Providers from offering room rates on Offline Channels that are equal to or lower than those offered on Booking.com, provided that these room rates are not published or marketed online to the general public; and/or
- (iii) restrict the Unpublished room rates that Accommodation Providers are able to offer, provided that these are not marketed online to the general public.

4. Conditions parity

4.1 Booking.com will not enter into or enforce obligations that:

- (i) require Accommodation Providers to propose the same or more favourable terms and conditions to consumers on Booking.com as those offered on any other Online Travel Agent;
- (ii) prohibit Accommodation Providers from offering on Offline Channels the same or more favourable terms and conditions to consumers as those offered on Booking.com, provided that these terms and conditions are not published or marketed online to the general public; and/or
- (iii) restrict the Unpublished terms and conditions that Accommodation Providers are able to offer to consumers, provided that these are not marketed online to the general public.

5. Availability parity

5.1 Booking.com will not enter into or enforce obligations that require Accommodation Providers to offer the same or a greater number of rooms, of any type, on Booking.com as those offered on any other Online Travel Agent, or as is reserved for the Accommodation Provider itself.

6. Amendment of (existing) contracts

6.1 Booking.com will amend the contracts for existing Accommodation Providers and update its template for future Accommodation Providers, and will notify Booking.com's existing Accommodation Providers of the amendments in writing within 90 calendar days after the Competition Commission accepts these commitments.

- 6.2 Within 120 calendar days after acceptance of the commitments, Booking.com will provide a written report to the Competition Commission confirming its compliance with paragraph 6.1 above.
- 6.3 Within 13 months after the initial report is provided by Booking.com in compliance with clause 6.2, and annually on a date twelve months thereafter, Booking.com shall provide an annual compliance statement to the Competition Commission, signed by an authorized officer of Booking.com confirming to the best of his/her knowledge, that Booking.com continues to abide by its obligations set out in clauses 3, 4 and 5 of these commitments in its contracts with Accommodation Providers in Hong Kong.

7. Scope

- 7.1 Subject to paragraph 7.2 below, these commitments apply to all bookings made by consumers worldwide in respect of accommodation provided in Hong Kong.
- 7.2 These commitments do not apply to any of the following types of bookings:
- (i) **Managed bookings:** any booking made as part of a managed travel services umbrella agreement (i.e. these are agreements offered by corporate managed travel agencies that offer comprehensive travel services to corporate customers).
 - (ii) **Opaque bookings:** any booking where the identity of the Accommodation Provider and the precise location of the accommodation remains hidden to the customer until after the purchase is completed.
 - (iii) **Packaged bookings:** any booking for accommodation that is combined with one or more other types of travel product (e.g. a combination of hotel accommodation and flight tickets).

- 7.3 These commitments apply to the Online Travel Agent brand Booking.com only.

8. Duration

- 8.1 Booking.com will give effect to these commitments for a period of five years commencing from the date on which Booking.com amends its existing contracts and updates its contract templates in respect of Accommodation Providers, in compliance with paragraph 6.1 above.

For and on behalf of
Booking.com B.V.

[Signed]

Name: [Name of signatory]

Title: [Title of signatory]

Date: 11 May 2020