

**Commitments given by Trip International Travel (Hong Kong) Limited and Ctrip.com (Hong Kong) Limited 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 an investigation by the Competition Commission which covered certain pricing terms in contracts between Trip International Travel (Hong Kong) Limited (formerly known as Ctrip International Travel (Hong Kong) Limited, hereinafter "**Ctrip Travel HK**") and various Hong Kong accommodations (the "**Investigation**") and in consideration of the Competition Commission terminating the Investigation and not commencing proceedings in the Competition Tribunal further to section 60(3) of the Competition Ordinance (Cap. 619), Ctrip Travel HK and its affiliated company, Ctrip.com (Hong Kong) Limited ("**Ctrip HK**") which operates the Trip.com OTA website, without any admission of liability, hereby provide the following commitments with a view to addressing concerns about a possible contravention of section 6(1) of the Competition Ordinance (Cap. 619).

**1. Definitions**

For the purpose of these commitments, the following terms shall have the following meanings:

<b>Accommodation</b>	means any hotel, guest house, hostel, bed and breakfast or similar establishment located in Hong Kong offering Rooms and related services to the general public;
<b>Commission</b>	means the Competition Commission established under the Competition Ordinance (Cap. 619) or its successor;
<b>Ctrip</b>	means Ctrip Travel HK and all other entities within the same Group as Ctrip Travel HK;
<b>Ctrip Travel HK</b>	means Trip International Travel (Hong Kong) Limited, formerly known as Ctrip International Travel (Hong Kong) Limited;
<b>Effective Date</b>	has the meaning given in section 2;

<b>Group</b>	means, in relation to an entity, that entity, together with any other entity which controls, is controlled by or is under common control with that entity;
<b>Hong Kong</b>	means Hong Kong Special Administrative Region of the People's Republic of China;
<b>Implementation Date</b>	means the first working day that falls ninety days after the Effective Date;
<b>Managed Booking</b>	means a booking made as part of a managed travel services umbrella agreement (these are agreements offered by corporate managed travel agencies that offer comprehensive travel services to corporate customers).
<b>Opaque Booking</b>	means a booking where the property name and its precise location are withheld from the customer making the booking until the customer has paid for the booking.
<b>Offline Direct Sales Channel</b>	means the provision by an Accommodation provider of Rooms to the general public through in-person bookings at the property or bookings received by such provider by telephone or written correspondence;
<b>OTA</b>	means online travel agent or similar business allowing the general public to view or book Rooms in Hong Kong via the internet or similar remotely accessible electronic platform;
<b>Packaged Booking</b>	means a booking made by a customer which includes another travel product such as an airfare, car hire, or rail ticket.
<b>Wide Price Parity Clause</b>	means a term or provision of any contract or other arrangement between Ctrip and a provider of Accommodation in Hong Kong that seeks to restrict that provider from offering a lower Room Rate than the rate offered to Ctrip (or Ctrip's customers) for the same or equivalent Room to either:

(a) other OTAs; or

(b) the general public through that Accommodation provider's Offline Direct Sales Channel;

**Room** means a bedroom, suite or similar accommodation available for short term let or occupation as part of the ordinary course of business activities of a provider of Accommodation in Hong Kong;

**Room Rate** means the rate available to the general public for a given Room or type of Room

## **2. Effective date of the commitments**

These commitments, signed by Ctrip Travel HK and Ctrip HK, shall take effect from the date on which the Commission accepts them ("**Effective Date**").

## **3. Wide Price Parity Commitment**

3.1 No later than the Implementation Date, Ctrip Travel HK shall terminate, revoke, waive or otherwise cease to apply any Wide Price Parity Clause that applies or might apply, in connection with any contract or arrangement between Ctrip Travel HK (or any member of Ctrip Travel HK's Group) and any provider of Accommodation in Hong Kong regarding the provision or offer of Rooms to the general public.

3.2 From the Implementation Date until the date these Commitments terminate in accordance with clause 7.1, neither Ctrip Travel HK nor any member of Ctrip Travel HK's Group shall enter into or apply any obligations that would constitute a Wide Price Parity Clause with any provider of Accommodation in Hong Kong.

## **4. Amendment of contracts**

4.1 By the Implementation Date, Ctrip will amend the contracts it has with providers of Accommodation and update its template for use with providers of Accommodation in the future so as to comply with clause 3 above.

4.2 Ctrip will notify existing providers of Accommodation of the amendments in writing by the Implementation Date.

## **5. Scope**

5.1 These commitments shall apply to all bookings (excluding Managed Bookings, Opaque Bookings and Packaged Bookings) made by consumers worldwide, on websites owned or operated by Ctrip, in respect of Accommodation provided in Hong Kong.

5.2 These commitments apply to the OTA brands of Trip.com and Ctrip.com only.

## **6. Reporting Commitment**

6.1 No later than 120 calendar days after the Effective Date, Ctrip Travel HK shall submit a report to the Commission, setting out the steps it has taken in order to comply with the commitments in clauses 3 and 4. The content of such report shall constitute confidential information for the purposes of section 123 of the Competition Ordinance.

6.2 Within 13 months after the initial report is provided by Ctrip Travel HK in compliance with clause 6.1, and annually on a date twelve months thereafter, Ctrip Travel HK shall provide an annual compliance statement to the Commission, signed by an authorized officer of Ctrip Travel HK confirming to the best of his/her knowledge, that Ctrip continues to abide by its obligations set out in clauses 3.1 and 3.2 of these commitments in its contracts with Accommodations.

## **7. Termination**

7.1 These commitments shall expire in their entirety upon the earlier of the following dates:

- (i) The fifth anniversary of the Implementation Date; and
- (ii) Any earlier date agreed in writing between the Commission, Ctrip Travel HK and Ctrip HK.

## 8. General provisions

- 8.1 Any notice delivered pursuant to these commitments shall be delivered by hand, or sent by email, facsimile, registered post or pre-paid post. Any notice shall be deemed to have been received: (i) if delivered by hand, when delivered; (ii) if sent by email or facsimile, on receipt of confirmation of transmission or delivery; or (iii) if sent by pre-paid post, (in the absence of evidence of earlier receipt) three business days after posting from within Hong Kong. Any notice received on a day which is not a business day shall be deemed to be received on the next following business day.
- 8.2 In the event that Ctrip Travel HK transfers its existing contracts with Accommodations to another company within Ctrip these commitments will apply equally to such company.
- 8.3 These commitments are governed by the laws of Hong Kong and subject to the jurisdiction of the Hong Kong courts.

For and on behalf of  
Trip International Travel (Hong Kong) Limited

                    
*[Signed]*

[Name of Signatory]

[Title of Signatory]

Date: 08/05/2020

For and on behalf of  
Ctrip.com (Hong Kong) Limited

                    
*[Signed]*

[Name of Signatory]

[Title of Signatory]

Date: 08/05/2020