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For Immediate Release

Competition Commission encourages trade associations to comply with the Competition Ordinance

The Competition Commission (Commission) today (16 June) published a brochure called “The Competition Ordinance and Trade Associations” as one of its initiatives to help trade associations understand the Competition Ordinance (Ordinance).

Trade associations have a vital role in promoting a pro-competitive compliance culture among their members. The brochure provides practical guidance on what trade associations should and should not do to minimise the risk of contravening competition law using an easy-to-understand approach with hypothetical examples and illustrations.

Dr. Stanley Wong, Chief Executive Officer of the Commission, said, “The Commission recognises that trade associations have a positive impact on the Hong Kong economy by encouraging best industry practices, providing training to members, as well as promoting their industry’s interests. However, as trade associations facilitate interaction between members, they must themselves be careful not to be a source of, or provide support for, anti-competitive arrangements.”

“In particular trade associations should avoid recommending or requiring that members set particular prices or fees for their products or services.”

“It is also important that trade associations avoid enabling members to share competitively sensitive information with each other, to divide up sales territories or customers, or to engage in other anti-competitive conduct such as collusive tendering or joint boycotts.”

“We encourage trade associations to establish, as a good practice, a compliance policy to minimise the risk of contravening the Ordinance,” he added.

Since mid-2014, the Commission has been actively reaching out to the public and businesses to help them to understand and to comply with the Ordinance. The public engagement programme has included extensive contacts with trade associations.

“An effective competition regime can only be achieved when enforcement of the competition rules is coupled with active engagement with and education of various stakeholders. The Commission is finalizing the Guidelines on its interpretation of key provisions of the Ordinance. This brochure is part of the Commission’s plan to issue easy to read publications which are tailored to the interests and needs of particular classes or sectors of business. In December 2014, the Commission published a brochure to help SMEs understand the Ordinance. More publications are being developed. We hope that businesses in Hong Kong will be ready, willing and able to comply with the new law upon its full implementation,” Dr. Wong remarked.

The brochure, in both Chinese and English, will be sent to all trade associations in Hong Kong. The brochure is also available on the Commission website www.compcomm.hk. A limited number of printed copies of the brochure are available upon request at the Commission office. Trade associations are invited to contact the Commission if they have questions about the brochure or generally about compliance with the Ordinance.

About the Commission

The Commission is an independent statutory body established to enforce the Competition Ordinance (Cap. 619), which was enacted in June 2012. The objective of the Ordinance is to prohibit conduct that prevents, restricts or distorts competition and mergers that substantially lessen competition in Hong Kong. At the present time, the Merger Rule applies only to a merger involving an undertaking that directly or indirectly holds a carrier licence issued under the Telecommunications Ordinance (Cap. 106).