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For Immediate Release

Competition Commission Publishes Cooperation and Settlement Policy

The Competition Commission (Commission) today (29 April) published a *Cooperation and Settlement Policy for Undertakings Engaged in Cartel Conduct*¹ (Cooperation Policy) as a supplement to its existing *Leniency Policy for Undertakings Engaged in Cartel Conduct* (Leniency Policy)² and *Enforcement Policy*.

Under the Cooperation Policy, undertakings engaged in cartels which do not benefit from the Leniency Policy may choose to admit their wrongdoings and cooperate with the Commission in its investigations. In return the Commission will offer a discount of up to 50% off the pecuniary penalty it would otherwise recommend to the Competition Tribunal. In determining the discount rate, the Commission will consider the order in which the undertakings come forward as well as the timing, nature, value and extent of the cooperation provided. The Commission may also agree not to bring proceedings against individuals involved, such as employees or directors of the cooperating undertakings, if they fully cooperate with the Commission.

In addition, the Cooperation Policy provides for a Leniency Plus programme, under which companies that cooperate with the Commission in a cartel investigation and come first to disclose the existence of another cartel can receive an additional discount of up to 10% off the recommended pecuniary penalty for the first cartel. The level of discount will depend on a number of factors including the significance of the second cartel and the strength of relevant evidence provided.

Mr. Brent Snyder, CEO of the Commission, said, “In the past three years since the Competition Ordinance came into full force, the Commission has had considerable success investigating cartels and other contraventions of the Ordinance. The Cooperation Policy published today will further enhance the Commission’s effectiveness and efficiency in investigations, which will in turn discourage the formation and continuation of cartels in Hong Kong.”

“Combating cartels is an enforcement priority for the Commission. We encourage all companies to steer clear of such practices while those already involved should report the cartel to the Commission. The Cooperation Policy, together with the existing Leniency Policy, provide a framework with clear incentives for companies to cooperate with the Commission and to resolve liability short of having to litigate and go through a trial.”

¹ Cartel conduct refers to agreements and / or concerted practices between competitors to fix prices, share markets, restrict output or rig bids. These are Serious Anti-Competitive Conduct under the Competition Ordinance.

² Under the Leniency Policy, the Commission will agree not to bring proceedings in the Competition Tribunal for a pecuniary penalty against the *first* cartel member who reports the cartel conduct to the Commission and meets all the requirements for receiving leniency under the policy.

The Cooperation Policy and the Leniency Policy in English and Chinese are available on the Commission's website at www.compcomm.hk. To ensure the local business community and law firms understand the benefits of cooperating with the Commission and how the process works, the Commission will be organising workshops to illustrate how the policies can be applied.
