

January
2026



A Retrospect of a Decade of Competition Enforcement in Hong Kong

DENNIS BELING
MANAGING DIRECTOR
HONG KONG

DORCAS KWAN
ASSOCIATE DIRECTOR
HONG KONG

Hong Kong marked a major milestone with the full implementation of the [Competition Ordinance \(Cap. 619\)](#) (“Ordinance”) on 14 December 2015. The tenth anniversary of full implementation provides an opportunity to look at how competition enforcement has evolved in Hong Kong over the past decade. We draw insights from enforcement trends and approaches as well as patterns in applications and decisions.

Overview of competition regime and enforcement in Hong Kong

Before delving into the data, we find it helpful to recap important features of Hong Kong’s system of competition law enforcement.

The Ordinance establishes three core rules:

- 1 the First Conduct Rule (FCR) prohibiting anticompetitive agreements
- 2 the Second Conduct Rule (SCR) prohibiting abuse of substantial market power
- 3 the Merger Rule prohibiting mergers that substantially lessen competition, but which applies only to the telecommunications and broadcasting sectors¹

In substance, these provisions largely follow similar rules in other jurisdictions. For example, FCR and SCR correspond closely to European Articles 101 and 102, respectively. The Merger Rule aligns largely with the “substantial lessening of competition” test used in jurisdictions such as the United Kingdom, Australia and Singapore.

Hong Kong has a prosecutorial system of competition law enforcement. The Hong Kong Competition Commission (HKCC or “Commission”) and Communications Authority (CA), the two authorities enforcing the Ordinance in Hong Kong,² investigate suspected cases and have the powers to close investigations in exchange for commitments.

However, only the Competition Tribunal (Tribunal) has the authority to determine breaches of the Ordinance and impose penalties.

HKCC and CA may investigate conduct if they have reasonable cause to suspect a contravention of the FCR, SCR or Merger Rule. They have significant powers to obtain documents, require attendance for answering questions and conduct searches under warrant under the Ordinance.

Before initiating proceedings in the Tribunal, HKCC and CA have at their disposal enforcement tools that fall short of litigation, including:

– **Section 60 commitments:** Under section 60 of the Ordinance, the authorities may accept a voluntary commitment (e.g. to cease conduct, modify agreements, implement compliance measures) from an undertaking if the commitment appropriately addresses the concerns of the authorities about possible contraventions.

> Once a commitment is accepted, the authorities will discontinue the investigation or proceedings before the Tribunal, and the commitment becomes enforceable by the Tribunal.

¹ More precisely, the Merger Rule applies only to mergers which involve an undertaking that directly or indirectly holds a carrier licence, as defined within the meaning of the [Telecommunications Ordinance \(Cap. 106\)](#).

² HKCC is the principal authority enforcing the Ordinance in Hong Kong. CA shares concurrent jurisdiction with HKCC in respect of the conduct of undertakings operating in the telecommunications and broadcasting sectors. HKCC and CA signed a [memorandum of understanding](#) to coordinate the performance of their functions under the Ordinance.

- Warning notices: The authorities must issue a warning notice for suspected contravention of FCR which does not involve serious anticompetitive conduct³ before bringing proceedings to the Tribunal. If the contravening conduct continues or repeats after the expiry of the warning period, the authorities can bring proceedings to the Tribunal.

- Infringement notices and section 67

commitments: The authorities can issue infringement notices for cases involving suspected serious anticompetitive conduct under FCR and/or contravention of SCR.

- > If an infringement notice is issued, the undertaking can avoid proceedings by making a commitment under section 67 of the Ordinance to comply with the requirements specified in the notice (e.g. cease conduct, admit contravention).
- > Once accepted, commitments are enforceable by the Tribunal.

- Leniency agreements: The authorities can make agreements with undertakings or persons, granting immunity from proceedings, including proceedings for pecuniary penalties (hereafter “fines”) in exchange for cooperation.

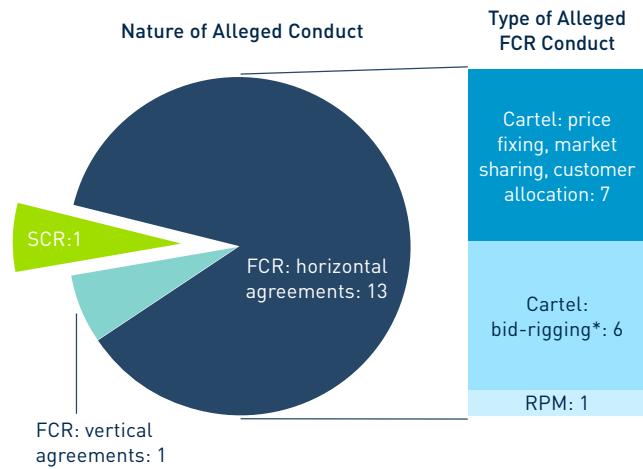
If concerns are not resolved through the above measures or if the authorities decide to commence proceedings directly for suspected serious anticompetitive conduct under FCR or contravention of SCR, the authorities can apply to the Tribunal for orders for fines (up to 10 percent of Hong Kong turnover for each year of contravention; maximum three years), structural or behavioural remedies, interim orders and director disqualification for up to five years.

Finally, the current expectation is that the Tribunal will apply the criminal standard of proof, i.e. beyond reasonable doubt, in proceedings seeking fines, which essentially involve the “determination of a criminal charge within the meaning of Arts. 10 and 11 of the Bill of Rights” in Hong Kong.⁴

Most enforcement in the Tribunal has targeted cartel conduct

The HKCC has brought fifteen cases before the Tribunal in the last ten years. Figure 1 illustrates the nature of the alleged conduct in these cases.

FIGURE 1: CASES BEFORE COMPETITION TRIBUNAL



Note: * Bid-rigging cases also might involve other cartel conduct allegations (i.e. price fixing, market allocation and customer allocation).

Source: Infringement notices.

Fourteen of the fifteen cases involved alleged contraventions of the FCR, and only one concerned the SCR.

Thirteen of the FCR cases related to horizontal agreements, with just one involving a vertical agreement concerning resale price maintenance (RPM). Allegations of bid-rigging and other cartel conduct (i.e. price fixing, market sharing and customer allocation) each account for roughly half of the cases involving horizontal agreements.

These cases span a range of sectors, notably:

- renovation services (three cases)
- information technology (IT) services and related public funding (three cases)
- air conditioning maintenance, installation, repair and/or replacement works (two cases)

HKCC has maintained a strong record before the Tribunal, with eight cases resulting in favourable judgments and/or settlements. Four cases are pending judgment, and three remained ongoing as of the end of 2025.

³ Including (a) fixing, maintaining, increasing or controlling the price for the supply of goods or services; (b) allocating sales, territories, customers or markets for the production or supply of goods or services; (c) fixing, maintaining, controlling, preventing, limiting or eliminating the production or supply of goods or services; and (d) bid-rigging.

⁴ Competition Commission v Nutanix Hong Kong Limited & Others [2019] HKCT 2 (CETA 1/2017), paras. 50–75.

Settlements have played a significant role in enforcement

Some matters were fully contested in the Tribunal, leading to detailed judgments that clarify legal principles, including *Nutanix Hong Kong Limited & Others* (CTEA 1/2017), *W. Hing Construction Company Limited* (CTEA 2/2017). A few cases pending judgment were also contested, such as *T.H. Lee Book Company Limited & Others* (CTEA 2/2020), *Linde HKO Limited & Others* (CTEA 3/2020) and *The Tien Chu (Hong Kong) Company Limited* (CTEA 2/3033).

Seven out of twelve cases with judgment issued or pending were resolved fully or partially for some of the respondents by way of settlements between HKCC and the respondents (using the Tribunal's "Kam Kwong procedure", through which HKCC and the settling parties apply to the Tribunal jointly to end the case without a full trial based on agreed facts and often agreed penalties⁵), including, for example, *Kam Kwong Engineering & Others* (CTEA 1/2018), *Quantr Limited* (CTEA 1/2020) and *Multisoft Limited & Others* (CTEA 1/2023).

To further encourage early resolution, HKCC introduced its *Cooperation and Settlement Policy* for Undertakings Engaged in Cartel Conduct in 2019, which provides incentives for businesses to cooperate and resolve cases more quickly rather than going through a full trial. Notably, the mail inserter cartel case (*Quadient Technologies Hong Kong Limited & Others*, CTEA 1/2021) was the first case fully resolved under this policy.

These approaches reflect the HKCC's flexibility in enforcement with a particular focus on procedural efficiency.



Key Tribunal cases are pending judgment

One pending case involves the *first allegation of abuse of substantial market power under the SCR* (*Linde HKO Limited & Others*, CTEA 3/2020). The Tribunal's judgment will likely have a significant impact on the HKCC's approach to enforce the SCR.

The second case is the *first to address vertical agreements (resale price maintenance) under the FCR* (*The Tien Chu (Hong Kong) Company Limited*, CTEA 3/2022). The legal approach towards this business practice varies significantly across jurisdictions, and the Tribunal's judgment could clarify the approach in Hong Kong.

The HKCC also has enforced effectively outside the Tribunal

Since the Ordinance's full implementation, HKCC has used a range of enforcement tools to address competition concerns, including section 60 commitments and voluntary rectifications. These mechanisms allow the Commission to resolve matters efficiently and effectively without resorting to litigation.

To date, HKCC has accepted six commitments—across industries such as *online food delivery platforms*, *car warranties*, *port terminal services* (in relation to the contractual joint venture between members of the Hong Kong Seaport Alliance) and *online travel agency services*—addressing conduct including parity clauses, exclusivity arrangements, distribution restrictions and horizontal cooperation agreements.

Alongside formal commitments, the Commission has secured voluntary changes such as *amendments to warranty terms* by a car manufacturer, *cessation of taxi rental fee recommendations* by the Hong Kong Taxi and Public Light Bus Association and *withdrawal of retail price recommendation* of certain branded cigarettes by the Hong Kong Newspaper Hawker Association, demonstrating a practical approach that encourages businesses to rectify concerns promptly.

⁵ The "Kam Kwong procedure" refers to the procedure established in *Kam Kwong Engineering & Others* [2020] HKCT 3 (CTEA 1/2018), in which the respondents agreed to admit their liabilities and jointly applied with HKCC for the Tribunal's approval to dispose of the proceedings against them by consent without a full trial, on the basis of the statements of agreed facts. Often, joint applications to the Tribunal also include the agreed level of fines and/or other remedies (e.g. director disqualification).

HKCC has issued one block exemption order and responded to applications for decision

Block exemption order (BEO)

HKCC issued its [first BEO in August 2017 for vessel-sharing agreements \(VSAs\) in the liner shipping industry](#), following an application by the Hong Kong Liner Shipping Association. HKCC found that VSAs—covering operational arrangements such as slot exchanges and joint service agreements—generate economic efficiencies and therefore satisfy the efficiency exclusion under the Ordinance. The BEO excluded these activities from the FCR, subject to certain conditions,⁶ for an initial five-year term ending in [August 2022](#).

After review, [HKCC renewed the BEO with original conditions in 2022 until August 2026](#), citing continued efficiency benefits but shortening the term due to post-COVID market uncertainty. [A second review began in 2025](#), considering, among others, developments since 2022 and regulatory changes abroad, notably the expiry of similar exemptions in the European Union and United Kingdom.⁷ HKCC [consulted stakeholders](#) on whether these developments should influence Hong Kong's approach in the second half of 2025.

Applications for decisions

HKCC has issued only two decisions under section 11 of the Ordinance since its full implementation:

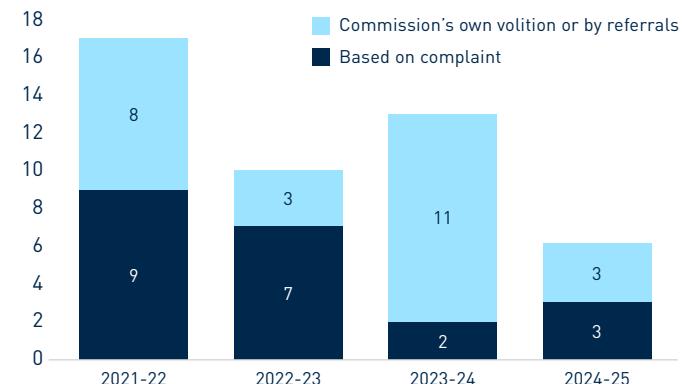
- In 2018, HKCC concluded that [compliance with the Code of Banking Practice was not excluded](#) from FCR by the legal requirements exclusion, as the code was not imposed “by” or “under” the [Banking Ordinance \(Cap. 155\)](#).
- In 2019, HKCC found that the applicant [failed to demonstrate that the proposed pharmaceutical sales data survey satisfied the required conditions for the efficiency exclusion](#) and thus decided that the proposal was not excluded from FCR.

The HKCC has shifted to a more proactive approach to case initiation

HKCC acknowledged that, in its early years, it was reactive in initiating investigations, as enforcement efforts were entirely complaint-driven—a common approach for many newly established law enforcement agencies.⁸ In recent years, however, HKCC has begun to initiate ex officio investigations and pursue cases referred by other agencies.

Figure 2 illustrates the number of cases HKCC escalated to Initial Assessment stage by case origination over time, confirming that a considerable proportion now stems from HKCC's own volition or through referrals.

FIGURE 2: NUMBER OF NEW CASES ESCALATED TO INITIAL ASSESSMENT STAGE



Source: HKCC Annual Reports.

We also observe Tribunal cases driven by HKCC's own initiatives and through referral more recently. Complaints and leniency applications triggered all cases filed between 2017 and 2022⁹. However, of the three cases filed in 2023, HKCC initiated one against property agencies [based on media reports](#). Another, concerning cover-bidding under the “Distance Business Programme” (a government subsidy scheme for IT solutions during COVID), arose from a [referral by the Hong Kong Productivity Council \(HKPC\)](#) and HKCC's detection of unusual bidding patterns in its screening of subsidy applications provided by HKPC.¹⁰

6 The conditions include a 40 percent market share cap, prohibition of cartel conduct and freedom to withdraw without penalty.

7 The [European Commission and UK Competition and Markets Authority](#) allowed their respective Consortia Block Exemption Regulations (CBERs), which also covered VSAs, to expire in 2023 and 2024. The European Commission cited limited benefits for smaller carriers and reduced relevance of the CBER in promoting competition.

8 HKCC Annual Report 2022/23, p.9.

9 Two cases have no information on case initiation.

10 The remaining case filed in 2023 involved a [second set of proceedings in relation to suspected cartel conduct in the supply of air-conditioning works](#), presumably discovered during HKCC's investigation of the [first case in the same sector involving the same first respondent](#).

HKCC focused on high-impact sectors and conduct types in its investigation

Industry focus

Table 1 below shows the industry breakdown of ongoing Initial Assessment and Investigation cases.

- Construction & Infrastructure has been a major focus in recent years, and Real Estate & Property Management continues to be a key sector for enforcement. The discovery of [bid-rigging syndicates in more recent investigations](#) by HKCC somewhat validated residents' concerns about widespread bid-rigging in these sectors.
- Government Services sector has seen more cases, highlighting HKCC's efforts to safeguard competition in areas that directly affect public resources. This trend is likely supported by HKCC's closer collaboration with government departments and quasi-governmental agencies.

– Information Technology sector remains a key area for enforcement, consistent with global enforcement trends and the sector's growing influence amid rapid digitalisation across businesses.

In addition, recent investigations by HKCC (based on searches and operations announced publicly) are concentrated in sectors closely tied to people's daily lives, including the [fish wholesale sector](#), [funeral services](#), [private swimming pool services](#), [logistics technology under a government subsidy scheme](#) and [building maintenance projects](#).

TABLE 1: INDUSTRY BREAKDOWN OF ONGOING INITIAL ASSESSMENT AND INVESTIGATION CASES

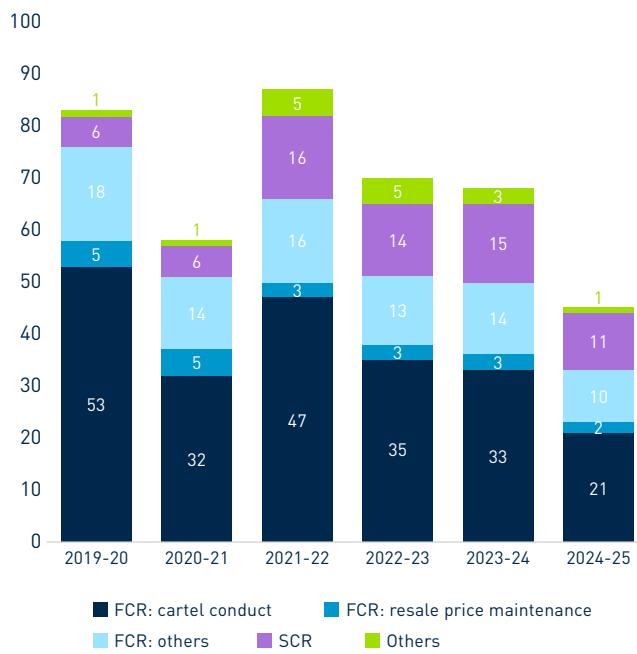
Industry Sectors	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Construction & Infrastructure	4 %	14 %	17 %	11 %	13 %	21 %
Information Technology	12 %	14 %	17 %	16 %	17 %	14 %
Real Estate & Property Management	27 %	19 %	15 %	14 %	13 %	11 %
Government Services	2 %	2 %	3 %	5 %	11 %	11 %
Banking, Financial & Insurance Products & Services	0 %	0 %	2 %	4 %	4 %	7 %
Transport, Logistics & Storage	14 %	11 %	7 %	11 %	13 %	4 %
Food & Groceries	4 %	4 %	5 %	11 %	11 %	4 %
Agriculture, Forestry & Fishing	0 %	0 %	0 %	4 %	4 %	4 %
Automotive	4 %	2 %	2 %	2 %	4 %	4 %
Education	0 %	4 %	3 %	4 %	2 %	4 %
Fuel & Energy Resources	0 %	2 %	3 %	4 %	2 %	4 %
Health & Fitness	4 %	5 %	3 %	2 %	0 %	4 %
Household Goods & Electrical Appliances	0 %	4 %	2 %	0 %	0 %	4 %
Machinery & Equipment	12 %	9 %	5 %	5 %	2 %	0 %
Professional & Technical Services	2 %	2 %	7 %	7 %	0 %	0 %
Telecommunication	0 %	0 %	2 %	2 %	0 %	0 %
Travel & Hospitality	0 %	4 %	2 %	0 %	0 %	0 %
Pet Health, Grooming & Other Products & Services	2 %	2 %	2 %	0 %	0 %	0 %
Pharmaceutical, Therapeutic & Other Sciences	0 %	2 %	2 %	0 %	0 %	0 %
Beauty & Personal Care Products & Services	6 %	0 %	0 %	0 %	0 %	0 %
Community & Social Services	2 %	0 %	0 %	0 %	0 %	0 %

Note: Each case may involve multiple industry sectors. Percentages are calculated based on the total count of sectors across all cases, which may result in double-counting.
Source: HKCC Annual Reports.

Nature of alleged conduct

Figure 3 shows the nature of alleged conduct for ongoing cases in the Initial Assessment and Investigation stages.

FIGURE 3: NATURE OF ALLEGED CONDUCT – ONGOING INITIAL ASSESSMENT AND INVESTIGATION CASES



Note: Each case may involve allegations of multiple types of anticompetitive conduct.
Source: HKCC Annual Reports.

- Cartel cases remain the largest category, reflecting HKCC’s priority to combat the most harmful anticompetitive practices such as bid-rigging, price fixing, market sharing and customer allocation.
- Recent years have seen a rise in SCR cases involving abuse of substantial market power. Although only [one SCR case](#) has reached the Tribunal so far, this upward trend suggests that more SCR cases may reach the Tribunal in the future as HKCC strengthens its capabilities in handling these cases.

HKCC expanded its staff and localised leadership

HKCC has steadily strengthened its institutional capacity to support its work. Figure 4 shows the staff count over time.

FIGURE 4: TOTAL STAFF COUNT AT HKCC



Source: HKCC Annual Reports.

Total staff count grew steadily from nineteen in 2014 to seventy-three by March 2025, reflecting a consistent investment in resources to meet the demands of a maturing competition regime.

HKCC also has fully localised its leadership. While at the outset all executives were from abroad, the leadership team today is entirely local.

Enforcement by the Communications Authority

CA shares concurrent jurisdiction with HKCC over competition issues in the telecommunications and broadcasting sectors and typically acts as the lead authority in these cases. From the Ordinance’s full implementation to March 2024, CA handled over 320 complaints/enquiries and at least fifteen mergers.¹¹

Most mergers were cleared without investigation as CA concluded that they were unlikely to substantially lessen competition, such as [Hong Kong Broadband Network’s \(HKBN\) acquisition of New World Telecommunications](#) (2016), [MBK Partners/TPG’s acquisition of Wharf T&T](#) (2016) and [I Squared Capital’s acquisition of Hutchison Global Communications](#) (2017).

¹¹ Figures are tabulated from CA Annual Reports. Figures for April 2024 onwards are not available yet. According to public information, CA handled at least one merger ([CMHK-HKBN merger](#)) in 2025.

Two mergers—[HKBN-WTT](#) (2019) and [China Mobile Hong Kong \(CMHK\)-HKBN](#) (2025)—involved more detailed assessments and were resolved with section 60 commitments. In the first, CA identified [competition concerns](#) in the form of unilateral effects¹² and potential transitional input foreclosure for wholesale customers in the local fixed-network access services market; and accepted [commitments](#) requiring access to in-building telecommunications systems and maintain service terms for existing wholesale customers for three years.

In the second, CA identified [competition concerns](#) relating to unilateral effects and a potential increased risk of coordinated effect in the fixed-network access services market. CMHK offered [commitments](#) to provide access to in-building telecommunications systems to address CA's concerns. While CA identified no competitive concerns in other relevant markets, including no vertical competition concern in the wholesale fixed services (such as leased lines and mobile backhaul) market, it acknowledged concerns raised by stakeholders in consultation regarding potential short-term disruptions in the supply of mobile backhaul services post-merger. In the interest of preserving confidence and ensuring continuity, CMHK voluntarily offered, in addition to its commitment, to preserve existing mobile backhaul agreements for three years. CA accepted CMHK's commitments and cleared the transaction.

Reflections and outlook

The HKCC's [Enforcement Policy](#) ("Policy") emphasises six core principles: Professional, Confidential, Engaged, Timely, Proportionate and Transparent. The Policy also states that the HKCC will prioritise cartel conduct and exclusionary abuses in its enforcement.

In December 2021, the HKCC announced that its [enforcement would focus on three priority areas](#) (while maintaining its general enforcement focus): anticompetitive conduct affecting people's livelihood, cartels aiming to exploit public funding and competition issues impacting digital markets.

Over the past decade, HKCC has demonstrated progress on these principles and priorities:

- Cartel cases continue to dominate enforcement, consistent with the Policy. Several cases focus on building maintenance and renovation—sectors that directly impact people's livelihood.
- There was somewhat less enforcement against exclusionary abuses. This is unsurprising because it is common for young competition authorities to initially focus on cartel cases, which are usually easier to prove.
 - > Two cases involving exclusionary conduct ([online travel agents](#) and [online food delivery platforms](#) cases) have been resolved via commitments.
 - > Only one SCR case has reached the Tribunal, falling somewhat short of the stated focus.
 - > The growing number of SCR cases at the Initial Assessment and Investigation stages in recent years may suggest that the HKCC is becoming more active in this area.
- The Policy emphasises proportionate and effective remedies, including commitments and settlements. HKCC's reliance on section 60 and 67 commitments and the Cooperation and Settlement Policy, alongside the Tribunal's "Kam Kwong procedure", is consistent with this.
- HKCC has committed to transparency through publishing detailed decisions, notices and statements of reasons and by issuing policy documents and guidance. However, while the Policy only applies to HKCC, CA has provided little information on complaints/enquiries and mergers that it has handled over the years.¹³

Looking ahead, pending judgments on SCR and resale price maintenance cases will likely shape jurisprudence, providing directions for the HKCC's enforcement efforts and more clarity for businesses. Meanwhile, whether and when the government will introduce a cross-sector merger control regime, bringing Hong Kong's competition enforcement more in line with jurisdictions across APAC and globally, remains an open question.

¹² In particular, CA was concerned that there would be difficulties for competing fixed-network operators to access those buildings which are not exclusively for residential use (i.e. where merging parties' businesses overlap) and where both HKBN and WTT have installed their own in-building telecommunications systems therein.

¹³ For example, in its annual reports, CA only provides the number of complaints/enquiries and mergers it handled each year but no further information or breakdown of the nature of these complaints/enquiries or mergers, save two mergers for which CA accepted commitments.

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