

PRIORITIES IN FOCUS: 10 YEARS OF COMPETITION LAW IN HONG KONG

2025 marks a significant milestone for Hong Kong's competition law regime - the tenth anniversary of the Competition Ordinance (Cap. 619) (**Ordinance**) coming into full effect. Over the past decade, the Competition Commission (**Commission**) has developed a substantial body of case law, establishing itself as a mature authority with strong ties to local law enforcement agencies, the PRC State Administration for Market Regulation and other competition agencies across the Asia-Pacific region. In parallel, the Communications Authority (**CA**), which has responsibility for competition law (including merger reviews) in the telecommunications and broadcasting sectors in Hong Kong, has in this period reviewed a number of key transactions in the telecommunications sector, including imposing remedies where necessary.

Recent cases continue to target livelihood-related conduct, abuse of public funding and digital platforms - core priorities that the Commission set for itself since 2021. In line with its commitments, Hong Kong competition law has seen numerous investigations into hardcore cartel activities (for example, price fixing, bid-rigging, market sharing) and more complex cases with multifaceted issues involving triad activity and corruption. This has spurred increased cross-agency collaboration with the Hong Kong Police Force and Hong Kong's anti-corruption agency, the Independent Commission Against Corruption (**ICAC**), highlighting the unique competition enforcement landscape in Hong Kong.

In this briefing, we highlight some of the latest developments in 2025 and revisit some of the pivotal milestones in the first decade of Hong Kong's competition law regime.

Key developments in 2025

In its latest Annual Report, the Commission highlighted a strategic shift towards a more proactive enforcement approach, initiating investigations through a wider range of sources, including referrals from other law enforcement agencies. As a result of moving away from its earlier reliance on public complaints, 2025 saw the Commission launch several complex cases with both competition and criminal elements. This year also brought the continuation and conclusion of a number of ongoing matters - further contributing to the body of competition law precedents in Hong Kong.

The key developments during this year included:

1. Dawn raids (including of residential premises) continue to feature prominently in the Commission's investigations of suspected cartel conduct

This year saw the Commission continue its efforts to tackle cartels related to building maintenance works (a sector which has recently come into sharp focus in Hong Kong following the Tai Po Wang Fok Court fire tragedy in November). This included the following publicised investigations:

- (a) On 8 July 2025, the Commission conducted dawn raids at 12 premises, including the residential homes of 7 individuals. The raids related to a suspected cartel (including bid-rigging, price fixing, market sharing and the exchange of competitively sensitive information) for swimming pool maintenance services at private housing estates. It is alleged that contracts totalling over HK\$30 million may have been affected by the cartel conduct.
- (b) On 5 August 2025, the Commission conducted dawn raids at four premises, including the personal residences of the individuals involved, in relation to a building maintenance project for a private housing estate in Kowloon City. The Commission alleged that the building maintenance consultant and the building maintenance contractor rigged the tender exercise for the project, even using violence to ensure other potential bidders did not put forward their bids for the same tender. This is the Commission's third raid with the ICAC, illustrating the multi-faceted and unique nature of cartels in Hong Kong.
- (c) On 10 September 2025, the Commission conducted dawn raids at 19 locations in connection with a bid-rigging matter concerning 25 building maintenance projects across Hong Kong, with an estimated value of over HK\$600 million. In this case, the Commission alleged that two bid rigging syndicates had manipulated the tenders put forward in these projects, through the exchange of competitively sensitive information including on bidding price. Consistent with its previous practice, the Commission executed warrants at the offices of project contractors as well as the homes of individuals suspected to be involved in the cartel conduct.

Particularly in light of the Tai Po fire, we expect the Commission to continue prioritising the construction and infrastructure, and real estate and property management sectors, which currently account for a large number of its active cases.

2. Commitments in relation to China Mobile Hong Kong Company Limited's acquisition of HKBN Ltd

Hong Kong's merger control regime applies only to mergers that involve at least one telecommunications carrier licensee under the Telecommunications Ordinance (Cap. 106). On 1 August 2025, the CA accepted a set of [commitments](#) offered by China Mobile Hong Kong Company Limited (**CMHK**) under section 60 of the Ordinance in relation to its public takeover of HKBN Ltd (**HKBN**).

Given CMHK and HKBN's respective position in Hong Kong's telecommunications market, the commitments aimed at addressing potential competition concerns arising from CMHK's acquisition including (i) a risk of foreclosure (specifically that CMHK could restrict competitors' access to HKBN's fixed network), (ii) discrimination (in particular, preferential treatment of CMHK's own mobile and enterprise services), and (iii) market concentration (increased dominance in fixed broadband and mobile services).

To mitigate these concerns, CMHK committed to facilitate access by other operators to in-building telecommunications systems on fair and reasonable terms, and to continue the provision of mobile backhaul services to mobile operator customers for a period of three years on existing terms. The commitments also require CMHK to submit a compliance report to the CA every six months. The commitments largely mirror those accepted by the CA in the 2019 *HKBN/WTT* transaction, but interestingly the scope of the latest commitments is potentially broader as they apply to any building where HKBN owns the telecommunications systems, rather than buildings where both parties own the systems (i.e. buildings affected by the merger), as in the *HKBN/WTT* deal.

This is only the second time the CA has accepted merger-related commitments in Hong Kong - the first being in 2019, in relation to HKBN's acquisition of WTT Holding Corp. The recent *CMHK/HKBN* acquisition signals the CA's readiness to continue to rely on behavioural commitments as a tool to address competition concerns, particularly involving potential vertical foreclosure concerns.

3. Commitments by food delivery platform KeeTa

As covered in our most recent newsletter (see [here](#)), the Commission announced that KeeTa - a subsidiary of Chinese food delivery platform Meituan - has agreed to amend certain terms in its agreements with partnering restaurants that potentially undermined the Ordinance.

Similar to the Commission's approach with Foodpanda and Deliveroo in 2023 (see our previous newsletters [here](#) and [here](#)), it identified three contractual provisions that may contravene the First Conduct Rule:

- (a) offering partnering restaurants lower commission rates if they worked exclusively with KeeTa;
- (b) imposing restrictions on partnering restaurants from, or imposing penalties on restaurants for, moving away from exclusive arrangements with KeeTa; and
- (c) preventing restaurants from offering lower prices on their own channels or competing food delivery platforms.

By way of background, KeeTa entered the Hong Kong market in May 2023 with limited services. By December 2023, the Commission determined that KeeTa's market share exceeded 10%. Less than two years later, the Commission stated that KeeTa likely had a certain degree of market power in the online food delivery market in Hong Kong. As such, the Commission expressed concern that these provisions could hinder entry and expansion by new or smaller platforms, reduce consumer choice and soften competition in the market.

To address these concerns, KeeTa agreed to a novel two-step process:

- Step one: KeeTa will voluntarily amend the relevant terms in its agreements with partnering restaurants, in a bid to bring immediate benefits to restaurants and consumers.
- Step two: KeeTa will, in parallel, offer a formal commitment to the Commission under section 60 of the Ordinance. This commitment will mirror the voluntary arrangements offered by KeeTa and be subject to a public consultation by the Commission ahead of acceptance. Once accepted, the amendments become legally binding and specifically enforceable, and the Commission may not commence or continue an investigation in relation to the contractual provisions covered by the commitment.

The Commission gave particular recognition to KeeTa's willingness to voluntarily amend the contractual provisions ahead of the formal commitment (which will inevitably take longer given the procedural formalities required). This is the first

time the Commission has adopted this approach, and it demonstrates the Commission's pragmatic approach in ensuring that customers get the benefit of any enforcement outcome as quickly as possible.

The Commission's extension of the existing commitments to KeeTa's agreements underlines the Commission's responsiveness and focus on maintaining competitive dynamics in the fast-evolving digital markets. With food delivery now an essential part of daily life for many consumers in Hong Kong, the Commission has signalled that it is closely monitoring developments in this sector and will take further action where necessary.

4. Criminal conviction for non-compliance with Commission's investigation powers

The Ordinance creates specific criminal offences for non-compliance with the Commission's investigative powers. This year, the Commission secured its first criminal conviction.

On 28 February 2025, an employee of Hong Kong Commercial Cleaning Services Limited (**HKS**) was convicted of disposing of and concealing documents in contravention of section 53(1)(a) of the Ordinance. During an on-site operation in relation to the Cleansing Cartel Case, the employee attempted to delete five documents and a number of links that were potentially relevant to the investigation. The employee was sentenced to two-months' imprisonment with bail granted pending appeal. Destroying or falsifying documents is an offence under the Ordinance punishable by a fine of up to HK\$1,000,000 and imprisonment for up to two years.

The Commission's referral of these cases to the Police underlines its willingness to enforce its investigative powers against individuals through criminal proceedings. Notably, the Police's decision to prosecute and the Magistrate's imposition of custodial sentence (rather than a less severe sanction, such as a fine) highlight how seriously obstruction of investigations is taken. Businesses should ensure that staff receive clear guidance and training on how to respond to any exercise of the Commission's powers, including the preservation of documents and strict compliance with any compulsory notices.

5. Conclusion of the *Cleansing Services* cartel case

On 20 January 2025, the Competition Tribunal (**Tribunal**) ordered Man Shun Hong Kong & Kln Cleaning Company Limited (**MS**) and its director, Mr Cheng Hok Keun to pay HK\$11.31 million in pecuniary penalties, concluding the legal proceedings that began in December 2021. Prior to this, in December 2024, the Tribunal had separately ordered Hong Kong Commercial Cleaning Services Limited (**HKC**) and its directors to pay a pecuniary penalty of HK\$10.98 million. Both HKC and MS have been ordered to cover the Commission's investigation and legal costs. All parties to the proceedings admitted liability for breaching the First Conduct Rule by engaging in cartel conduct related to the Hong Kong Housing Authority's tenders for cleaning services between 2016 and 2018.

The resolution of the case has resulted in a total of HK\$22.29 million in fines and director disqualification orders against three individuals for a period of 24 months. In determining the fines, the Tribunal took into account aggravating factors such as the contravention of the "Non-collusion Tendering Certifications" submitted to the Hong Kong Housing Authority (resulting in a 25% uplift) and the obstruction of the Commission's investigation by HKC's employee (mentioned above, resulting in a 50% uplift). MS received a 15% cooperation discount for admitting liability at a relatively early stage (i.e. before filing any witness statements) and HKC received a lesser discount of 9% as its admission only occurred after the trial dates had been fixed. Notably, the three directors-cum-shareholders were required to guarantee their companies' payment of fines, which led the Tribunal to impose a nominal penalty of HK\$10,000 against each individual.

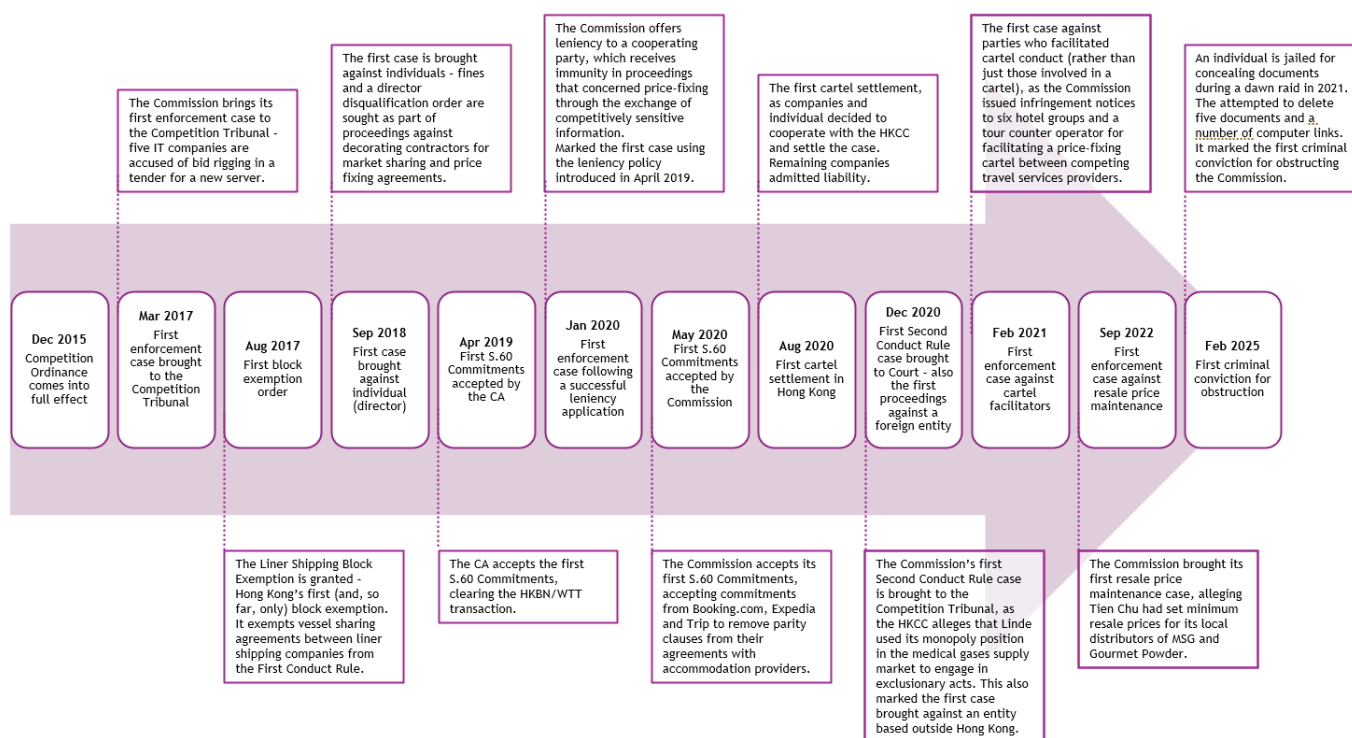
6. Tribunal imposes fine against Prudential Hotel (BVI) Limited in *Tourist Attraction Tickets Cartel Case*

On 25 March 2025, the Tribunal issued its judgment against Prudential Hotel (BVI) Limited (**Prudential**) for facilitating a price fixing cartel between travel service operators, Gray Line and Tink Labs, in breach of the First Conduct Rule. The cartel involved fixing prices for tourist attraction tickets sold at various hotels in Hong Kong. For context, seven hotel operators had cooperated very early in the process and received Infringement Notices in 2021, and two other defendants in the case (Gray Line and Tak How Investment, trading as Intercontinental Grand Stanford Hong Kong) settled with the Commission in 2022, agreeing to fines of HK\$4,177,000 and HK\$1,600,000 respectively. The Commission had sought to impose a HK\$1,250,000 on Prudential, but Prudential challenged this amount, submitting that it should be substantially lower, at HK\$104,000. The Tribunal found in Prudential's favour, noting that Prudential had only received a monthly licence fee of HK\$171,290 from Gray Line's counters during the contravention (which lasted less than a year) and it did not receive any direct income from ticket sales. This decision offers valuable clarity on the Tribunal's approach to calculating fines, in particular the distinction between primary cartel participants and facilitators, which may influence future enforcement and settlement strategies.

In February 2025, the Tribunal also heard the Commission's case against the remaining respondent, Harbour Plaza 8 Degrees Limited and Harbour Plaza Hotel Management Limited, with judgment still pending.

Building the foundations - a decade of 'firsts'

In its first decade, the Commission has marked a series of milestones that have shaped Hong Kong's competition law landscape, with a number of "firsts", including the first block exemption order, the first bid-rigging case, the first director disqualification, the first cartel settlement, and the first Second Conduct Rule case, among others.



Forging ahead to 2026

A key 2026 milestone to watch for is the upcoming review of the block exemption order for vessel sharing agreements (VSAs) between liner shipping companies which is set to expire in August 2026. To kick off this process, the Commission has already launched a public consultation to aid in its assessment of whether the block exemption remains appropriate in light of market developments since 2022, particularly whether VSAs continue to satisfy the efficiency exclusion under section 1 of Schedule 1 to the Ordinance.

Looking ahead, the Commission's enforcement approach is expected to remain consistent, anchored in its 2021 priorities and strengthened by its inter-agency and regional ties. In 2026, we anticipate an uptick in cases being filed with the Tribunal as the Commission concludes investigations initiated this year, and more Tribunal decisions, including in the Commission's first Second Conduct Rule case (*Linde* medical gases) and Midland Realty International Limited's application for a judicial review of the Commission's decision to decline its request for a leniency marker.

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