

# March 2017 Legal and Regulatory Update

## Top stories

### First case of Competition Commission: bid-rigging

The Competition Commission commenced proceedings in the Competition Tribunal against five IT companies for “bid-rigging” (i.e. contravention of **First Conduct Rule**). (Click: [press release](#))

It related to a YWCA tender regarding the supply and installation of a new IT server system. Certain parties were alleged to have submitted “dummy” bids.

#### *What you should know/watch out for:*

- As addressed in our previous updates, bid-rigging is a priority area of the Commission
- All companies must steer clear of bid manipulation practices, including where their counterparties are themselves exempted under the ordinance
- Those already involved in rigging bids should consider approaching the Commission for leniency
- The Commission also encourages the public to report suspected bid-rigging to the Commission

## Regulators

**HKEX** launched its first director training webcasts entitled “Duties of directors and the role and functions of board committees”. (Click: [press release](#) ; [videos](#))

#### *What you should know/do:*

- The webcast covers 7 topics, each in a 5 -10 minute video. It takes the form of sharing by independent directors, and company management:
  - (i) Considerations before joining a board
  - (ii) Dealing with suspected conflict of interest situation
  - (iii) The right approach when faced with complex transactions
  - (iv) Information/ resources available to directors and the importance of training
  - (v) The role and functions of board committees; board diversity

(vi) Appropriate delegation

(vii) Practical tips

## Legislation

**The Securities and Futures (Amendment) Ordinance 2014 (Commencement) Notice 2017** was gazetted. As from July 3, 2017, **disclosure of interests notifications and reports** by corporate insiders and substantial shareholders of listed corporations to HKEX (under the Securities and Futures Ordinance) **will be filed electronically**. Currently, such disclosure may be filed by hand, by post, by fax or by email. (Click: [government press release](#))

This will improve the timeliness of publication of such information on HKEX's website.

Also, corporate insiders and substantial shareholders of listed corporations will no longer be required to submit notifications of interests to the relevant listed corporation. HKEX will provide the notifications it receives to the relevant listed corporation.

### *What you should know/do:*

- SFC is refining the filing forms, and plans to publish them in April
- No change in the scope of information required to be filed under the existing law