

SWITZERLAND WILL PROTECT HOTELS FROM PRICE-FIXING CLAUSES



After four years of twisting and turning the dossier, the Swiss Federal Council finally wants to put a stop to the OTAs' price-fixing clauses. Nevertheless, Hotelleriesuisse, the Swiss Hotel Association, is not quite euphoric.

While all of Switzerland's neighboring countries Germany, Austria, Italy, and France have long prohibited price-parity clauses by online booking platforms (OTAs), Switzerland has yet to create a legally binding framework. **Last week, after four years of twisting and turning the motion, the Swiss Federal Council has now come out in favor of a ban.**

The Federal Council wants to protect hotels and other businesses from gagging contracts with booking platforms on the Internet. It has approved the dispatch to parliament on an amendment to the Federal Act on Unfair Competition. According to the draft law, platforms would be prohibited from dictating pricing to their partners in contracts. For example, booking platforms would no longer be allowed to prohibit hotels from offering rooms cheaper on their own websites.

Good news for the Swiss hotel industry - or not? As Hotelleriesuisse writes, the Federal Council's message is insufficient. The association demands a ban on all parity clauses. These include not only price-fixing clauses but also conditions and availabilities.

The lodging establishments can be free in their pricing and strengthen direct sales and increase their competitiveness through the new regulation. However, Hotelleriesuisse complains that all competition parameters must be treated equally. **The introduction of the legal article on pricing would achieve nothing other than to direct the efforts of the OTAs to the other parameters.**

"It must be prevented that OTAs can enforce parity clauses through inappropriate clauses in the GTCs via indirect disciplinary measures despite the ban," demands Hotelleriesuisse, "furthermore, it must be ensured in the law that OTAs cannot undercut the prices and conditions set by the hotel industry in order to keep direct booking channels unattractive". Now the ball is back in Parliament's court.

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