

MEDIA RELEASE

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CCCS ISSUES GUIDANCE NOTE ON BUSINESS COLLABORATIONS

The Competition and Consumer Commission of Singapore (“**CCCS**”) has issued a Business Collaboration Guidance Note (“**Guidance Note**”) that aims to clarify CCCS’s position on seven common types of business collaborations, and to provide supplementary guidance¹ on how CCCS will generally assess whether such collaborations comply with section 34 of the Competition Act (Cap. 50B) (the “**Competition Act**”).² In particular, the Guidance Note sets out factors and conditions, such as the nature and extent of the collaborations, and indicative market shares, under which competition concerns are less likely to arise from the collaborations.

2. The seven common types of business collaborations covered in the Guidance Note are:

- (i) **Information sharing** – Exchange of both price and non-price information among businesses;
- (ii) **Joint production** – Collaboration to jointly produce a product, share production capacity or subcontract production;
- (iii) **Joint commercialisation** – Collaboration in the selling, tendering, distribution or promotion of a product;
- (iv) **Joint purchasing** – Collaboration to jointly purchase from one or more suppliers;
- (v) **Joint research & development (“R&D”)** – Collaboration on R&D activities, such as joint investment;
- (vi) **Standards development** – Setting of industry or technical standards; and
- (vii) **Standard terms and conditions in contracts** – Usage of terms shared amongst competitors establishing conditions of sale and purchase of goods and services between them and their customers.

3. CCCS noted that in response to rapidly changing operating conditions, businesses are transforming the way they operate to adapt and seize new opportunities. They may desire to collaborate with one another but may be unfamiliar with how competition law applies to such collaborations. The Guidance Note therefore provides businesses, including trade associations, with guidance for such

¹ The guidance note is intended to supplement (not modify) the CCCS Guidelines on the Section 34 Prohibition 2016 and should be read in conjunction with it.

² Section 34 of the Competition Act prohibits agreements between businesses or concerted practices which prevent, restrict or distort competition in Singapore unless it is excluded or exempted under the Competition Act.

collaborations so that businesses can work together with greater confidence and certainty.

4. In recognition of the important roles that trade associations play in advancing the interests of their members, the industry and the economy, CCCS has included additional information in the Guidance Note on how trade associations can support collaborations amongst their members.

5. The Guidance Note takes into consideration the feedback received from a public consultation exercise that was held from 30 July to 27 August 2021. A total of 10 submissions from stakeholders from the business community, bar and business associations, law firms and government agencies were received. The stakeholders expressed support for CCCS's initiative to issue the Guidance Note, with many offering suggestions on how the Guidance Note could be improved. CCCS's responses to the feedback received from the public consultation are set out in the summary of the feedback, which is available [here](#).

6. CCCS's Chief Executive, Ms. Sia Aik Kor said, "Many collaborations between businesses can have pro-competitive effects. The Guidance Note specifies conditions under which competition concerns are unlikely for common types of collaboration so that businesses can collaborate more confidently for better and more efficient outcomes without harming competition."

7. The full Guidance Note, together with an accompanying brochure for businesses, are available on CCCS's website at www.cccs.gov.sg. CCCS is keen to continue its engagement with business and trade associations to facilitate their use of the Guidance Note. Business and trade associations which are interested to conduct such engagement sessions for their members can contact CCCS at cccs_feedback@cccs.gov.sg.

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About the Competition and Consumer Commission of Singapore

The Competition and Consumer Commission of Singapore (“**CCCS**”) is a statutory board of the Ministry of Trade and Industry. CCCS administers and enforces the Competition Act (Cap. 50B) which empowers CCCS to investigate and adjudicate anti-competitive activities, issue directions to stop and/or prevent anti-competitive activities and impose financial penalties. CCCS is also the administering agency of the Consumer Protection (Fair Trading) Act (Cap. 52A) or CPFTA which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for business and consumers in Singapore.

For more information, please visit www.cccs.gov.sg.

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