



MEDIA RELEASE

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CCCS ISSUES GUIDANCE NOTE FOR ENVIRONMENTAL SUSTAINABILITY COLLABORATIONS

The Competition and Consumer Commission of Singapore (“CCCS”) has issued a Guidance Note on Business Collaborations Pursuing Environmental Sustainability Objectives (“**Environmental Sustainability Collaboration Guidance Note**” or “**ESCGN**”), to provide greater clarity to businesses on how to pursue such business collaborations without harming competition.

2. Amidst the existential threat of climate change, Singapore has embarked on a whole-of-nation sustainability movement to achieve net zero emissions by 2050 under the Singapore Green Plan 2030.¹ CCCS recognises that in a bid to achieve this aim, businesses, including competitors, may wish to engage in collaborations in existing, emerging or even new markets. Such collaborations may be efficient and even necessary under some circumstances, for example, where none of the parties can independently carry out the activity, or where collaboration may be required to overcome a “first mover disadvantage” in creating a new product or a new market.

3. The ESCGN aims to clarify how CCCS will assess such business collaborations in the context of section 34 of the Competition Act 2004 (the “**Competition Act**”),² to address any concerns of compliance with competition law. The ESCGN covers:

- a. Examples of collaborations pursuing environmental sustainability objectives³ that would typically not be harmful to competition, such as collaborations that do not affect how businesses compete with each other (i.e., does not involve price, quantity, quality, choice or innovation relating to the goods/services supplied) or where businesses are unable to carry out the activities independently;
- b. Conditions under which competition concerns are less likely to arise from such collaborations, and how businesses can therefore potentially minimise such concerns in their collaborations; and

¹ <https://www.greenplan.gov.sg>

² Section 34 of the Competition Act prohibits agreements between businesses, decisions by associations, or concerted practices that are anti-competitive, unless they are excluded or exempted.

³ Environmental sustainability objectives refer to objectives related to reducing negative environmental externalities such as climate change mitigation measures, improving air and water quality, efficient use of natural resources, and biodiversity preservation.

- c. How CCCS would assess whether potentially anti-competitive collaborations may still qualify for the Net Economic Benefit (“NEB”) exclusion such that they do not contravene the Competition Act.⁴ Given that agreements pursuing environmental sustainability objectives may benefit society at large (e.g., reducing adverse environmental impact arising from the production process), where appropriate, CCCS will consider relevant economic benefits accruing to Singapore as a whole in its economic assessment, as compared to CCCS’s usual NEB assessment framework, which generally considers only the economic benefits accruing within the markets affected by the agreement.

4. Businesses are encouraged to self-assess their collaborations, using the ESCGN.⁵ Businesses that wish to seek more legal certainty may choose to notify their collaborations to CCCS for guidance or decision. In this regard, CCCS has introduced a streamlined notification process to provide quicker assessment, in support of Singapore’s whole-of-nation efforts to realise its environmental sustainability goals.

5. The ESCGN has considered the feedback received from a public consultation exercise held from 20 July 2023 to 4 September 2023. The respondents expressed support for CCCS’s initiative to issue the ESCGN, and provided suggestions for improvement. CCCS’s responses to the feedback received from the public consultation are set out in the summary of the feedback, which is available here (<https://go.gov.sg/env-sustainability-guidance>).

6. CCCS’s Chief Executive, Ms. Sia Aik Kor said, “Business collaborations that seek to prevent, reduce or mitigate negative environmental effects or promote environmental sustainability can have economic benefits and are important for Singapore to tackle the existential threat of climate change. The Environmental Sustainability Collaboration Guidance Note clarifies the collaborations that typically would not harm competition and sets out the streamlined notification process for quicker assessment by CCCS so that businesses can collaborate more confidently. However, businesses should not use environmental sustainability goals as a guise for anti-competitive conduct. CCCS will continue to monitor market developments and update the Guidance Note when appropriate.”

7. The full ESCGN, together with an accompanying summary brochure for businesses, are available on CCCS’s website at www.cccs.gov.sg.

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⁴ The Net Economic Benefit exclusion provides that, where the efficiency gains from an agreement (e.g. lower costs, improvements in the quality or services, or the production of new innovative products) outweigh the harm done to competition, such agreements would not contravene Section 34 of the Competition Act.

⁵ The ESCGN should be read in conjunction with CCCS’s Guidelines on the Section 34 Prohibition (<https://go.gov.sg/cccs12guidelines>) and Business Collaboration Guidance Note (<https://go.gov.sg/bizcollabguidancenote>).

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 2004 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 2003 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 businesses and consumers in Singapore.

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

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