



MEDIA RELEASE

16 October 2023

CCCS Raises Competition Concerns on the Proposed Acquisition by Grab Rentals Pte. Ltd. of Trans-cab Holdings Ltd.

1. The Competition and Consumer Commission of Singapore (“**CCCS**”) has completed its Phase 1 review¹ of the proposed acquisition by Grab Holdings Limited (“**Grab**”) through its wholly-owned subsidiary, Grab Rentals Pte. Ltd. (“**GrabRentals**”) of 100 per cent of the shares of Trans-cab Holdings Ltd. (“**Trans-cab**”) (collectively, the “**Parties**”) (the “**Proposed Acquisition**”).

Background

2. On 7 August 2023, CCCS embarked on its Phase 1 review following the acceptance of an application² from the Parties for a decision on whether the Proposed Acquisition, if carried into effect, would infringe section 54 of the Competition Act 2004, which prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition within any market in Singapore.
3. GrabRentals owns a fleet of private-hire cars for rental to drivers for the provision of ride-hail services to passengers.³ In Singapore, Grab operates primarily over a mobile application across the digital financial services, delivery and mobility sectors, which also include ride-hail platform services. Trans-cab is a licensed street-hail service operator in Singapore and also owns a fleet of private-hire cars for rental to drivers for the provision of ride-hail services. Trans-cab offers phone taxi booking services to passengers but only for the taxi fleet operated by Trans-cab. The Parties overlap in the provision of: (a) private-

¹ A Phase 1 review entails a quick review and allows merger situations that do not raise competition concerns under the section 54 prohibition to proceed. For more information on what a Phase 1 review entails, please refer to **Annex 1**.

² For more information on the Proposed Acquisition, please refer to [CCCS’s media release dated 14 August 2023](#).

³ A ride-hail service is a point-to-point transport service obtained through a phone or application booking.

hire car rentals for ride-hail services in Singapore and (b) ride-hail platform services⁴ in Singapore.

Competition Concerns

4. CCCS is unable to conclude at the end of its Phase 1 review that the Proposed Acquisition does not give rise to any competition concerns. CCCS has raised competition concerns with the Parties on the Proposed Acquisition, based on information received from the Parties and third-party feedback from industry players and members of the public during the Phase 1 review.
5. In particular, notwithstanding that licensed ride-hail operators are prohibited from imposing exclusive arrangements that prevent their driver-partners from driving for rival ride-hail operators under the Point-to-Point Transport regulatory framework, third-party feedback received by CCCS suggests concerns on the effect of Grab's ownership of the Trans-cab fleet on Trans-cab drivers' usage of rival ride-hail platforms, which may raise barriers to expansion and entry for Grab's rival ride-hail platforms, given the importance of scale in the ride-hail platform industry. Accordingly, CCCS needs to review the competition effects of the Proposed Acquisition in greater detail.
6. At this stage, the Parties may offer commitments to address the potential competition concerns of the Proposed Acquisition raised by CCCS. Otherwise, CCCS will proceed to a more in-depth Phase 2 review of the Proposed Acquisition upon CCCS's receipt of the relevant documents from the Parties. Commitments may also be offered at any time during a Phase 2 review. For more information on the merger review process in Singapore, please refer to **Annex 1**.

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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 2004 which empowers CCCS to investigate and adjudicate anti-competitive activities, issue directions to stop and/or prevent anti-competitive activities

⁴ "Ride-hail platform services" refers to platform services to match drivers and passengers for ride-hail services, which may be obtained through the use of a mobile application or phone.

and impose financial penalties. CCCS is also the administering agency of the Consumer Protection (Fair Trading) Act 2003 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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ANNEX 1

About the Section 54 Prohibition under the Competition Act & Merger Procedures

Section 54 of the Competition Act 2004 (“**the Act**”) prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition in Singapore. CCCS is generally of the view that competition concerns are unlikely to arise in a merger situation unless:

- The merged entity has/will have a market share of 40% or more; or
- The merged entity has/will have a market share of between 20% to 40% and the post-merger combined market share of the three largest firms is 70% or more.

Merging entities are not required to notify CCCS of their merger but they should conduct a self-assessment to ascertain if a notification to CCCS is necessary. If they are concerned that the merger has infringed, or is likely to infringe, the Act, they should notify their merger to CCCS. In such cases, CCCS will assess the effect of the merger on competition and decide if the merger has resulted, or is likely to result, in a substantial lessening of competition (“**SLC**”) in Singapore.

Separately, CCCS has the ability to conduct an investigation into an un-notified merger if there are reasonable grounds for suspecting that the merger infringes section 54 of the Act. In the event CCCS finds that a merger situation has resulted or is expected to result in an SLC, CCCS has powers to give directions to remedy the SLC. For example, CCCS can require the merger to be unwound or modified to address or prevent the SLC, as the case may be. CCCS may also consider issuing interim measures prior to the final determination of the investigation.

Phase 1 and Phase 2 Merger Review

A Phase 1 review entails a quick review and allows merger situations that do not raise competition concerns under the section 54 prohibition to proceed. CCCS expects to complete a Phase 1 review within 30 business days. By the end of this period, CCCS will determine whether to issue a favourable decision and allow the merger situation to proceed. If CCCS is unable, at the end of the 30-day period, to conclude that the merger situation will not result in a substantial lessening of competition, CCCS will inform the merger parties and the merger parties may file further information and supporting documents as listed in Form M2. Upon receipt of Form M2, CCCS will proceed to a Phase 2 review.

A Phase 2 review entails a more detailed and extensive examination of the merger situation. While the principles of substantive assessment are the same, CCCS will require access to more extensive and detailed information regarding the merger parties and the markets in question.

As the Phase 2 review is more complex, CCCS will endeavour to complete a Phase 2 review within 120 business days.

Commitments

Section 60A of the Act states that CCCS may, at any time before making a decision as to whether the section 54 prohibition has been or will be infringed, accept commitments that remedy, mitigate or prevent the substantial lessening of competition or any adverse effect arising from the merger situation. Where CCCS has accepted a commitment, CCCS will make a favourable decision.

Further details can be found in the [CCCS Guidelines on Merger Procedures](#).

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