



MEDIA RELEASE

31 January 2024

CCCS Commences In-Depth Review of the Proposed Acquisition by Grab Rentals Pte. Ltd. of Trans-cab Holdings Ltd.

1. The Competition and Consumer Commission of Singapore (“**CCCS**”) has commenced an in-depth review (known in industry parlance as “**Phase 2**”) 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**”), following further filing of the relevant documents by the Parties to CCCS on 25 January 2024.

Competition concerns raised at the end of Phase 1 review

2. On 7 August 2023, CCCS embarked on its Phase 1 review following the acceptance of an application¹ from the Parties for a decision on whether the Proposed Acquisition, if carried into effect, would infringe section 54 of the Competition Act 2004 (the “**Act**”). Section 54 of the Act prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition within any market in Singapore.
3. On 16 October 2023, CCCS raised competition concerns with the Parties on the Proposed Acquisition after completing its preliminary Phase 1 review.² Based on the information furnished by the Parties and third-party feedback from industry players and members of the public, CCCS was unable to conclude at the end of the Phase 1 review that the Proposed Acquisition would not raise any competition concerns.

Proposed commitments at end of Phase 1 review not accepted

¹ For more information on the Proposed Acquisition, please refer to [CCCS’s media release dated 14 August 2023](#).

² <https://www.cccs.gov.sg/media-and-consultation/newsroom/media-releases/grab-transcab-proposed-acquisition-raises-competition-concerns-16-oct-23>

4. On 31 October 2023, Grab proposed certain commitments to address the competition concerns identified by CCCS at the end of the Phase 1 review (the “**Commitments Proposal**”). CCCS reviewed the Commitments Proposal and found that, without the benefit of an in-depth review, it was unable to conclude that the Commitments Proposal adequately addressed the competition concerns CCCS identified. For example, it did not adequately address the concern that the Proposed Acquisition may give Grab the ability and incentive to leverage its ownership of the Trans-cab fleet to induce Trans-cab drivers to use Grab’s ride-hail platform, whilst discouraging them from using rival ride-hail platforms.
5. In addition, CCCS found that the proposed duration of two years for the commitments was insufficient to address the concerns which would arise from a permanent change in market structure. CCCS also found Grab’s monitoring mechanism, which was to be self-policing in nature, to be insufficient. Considering the above, CCCS informed Grab on 24 November 2023 that it was unable to accept the Commitments Proposal.

Initiation of in-depth Phase 2 review

6. Following further filing of the relevant documents by Grab on 25 January 2024, CCCS has commenced an in-depth Phase 2 review of the effect of the Proposed Acquisition. During this phase, Grab may propose revised commitments to address any competition concerns identified. Upon completion of the review, CCCS will decide whether to issue a favourable or unfavourable decision on the Proposed Acquisition. 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 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 businesses 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.

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.