



MEDIA RELEASE

30 March 2018

Uber/Grab merger: CCS Proposes Interim Measures Directions in Order to Preserve and/or Restore Competition and Market Conditions

The Competition Commission of Singapore (“**CCS**”) has commenced an investigation on 27 March 2018 into the un-notified¹ transaction between Grab Inc. (“**Grab**”) and Uber Technologies, Inc. (“**Uber**”) (collectively, the “Parties”) for the sale of Uber’s Southeast Asia ride-hailing business to Grab in exchange for shares in Grab (the “Transaction”²). CCS has reasonable grounds for suspecting that section 54 of the Competition Act (Cap. 50B) (the “Act”) has been infringed by the Transaction due to substantial lessening of competition in relation to the chauffeured personal point-to-point transport passenger and booking services (“CPPT Services”) market in Singapore.³

2. CCS has not completed its investigation, but to preserve and/or restore competition and market conditions in relation to the CPPT Services market to the pre-Transaction state, CCS has issued proposed Interim Measures Directions (“IMD”) to the Parties.

3. The proposed IMD will require the Parties to maintain their pre-Transaction independent pricing, pricing policies and product options in relation to the CPPT Services, and not take any action which may lead to the following in the CPPT Services market:

- a. the integration of the Parties’ businesses in Singapore;
- b. the reduction of the viability and saleability of the Parties’ businesses (including but not limited to the ability or incentive of either Party to compete independently of the other Party) and prejudice to CCS’s ability, power and options to direct the divestment of any business operations in the affected markets subsequently; and

¹ Singapore has a voluntary merger notification regime where parties can make a formal notification to CCS if they are concerned that the merger has infringed or is likely to infringe, the Competition Act. In this case, while Grab has indicated the parties’ intention to file a formal merger notification with CCS, CCS has yet to receive the notification from the Parties as of 30 March 2018.

² Grab/Uber publicly announced their Transaction on 26 March 2018.

³ Section 54 of the Act prohibits mergers and acquisitions that substantially lessen competition.

c. prejudice to the giving of any direction by CCS in any manner.

4. In addition, the proposed IMD will require either Party not to obtain from the other Party any confidential information, including but not limited to information pertaining to pricing, formulas, customers and drivers. Lastly, Grab shall ensure that Uber drivers joining Grab's ride-hailing platform of their own accord are not subject to any exclusivity clauses, lock-in periods and/or termination fees.

5. Under the Act, CCS has the power to issue interim directions⁴ in relation to mergers which have not been notified to it but are under investigation⁵. This is the first time CCS has proposed an IMD on any business in Singapore. The Parties will be given an opportunity to make written representations to CCS upon receipt of the proposed IMD. CCS will consider the written representations before making a decision on whether or not to issue the IMD.

6. If issued, the IMD takes effect immediately from the date it is issued and shall have effect until the completion of CCS's investigation or unless otherwise varied by CCS.

7. If any of the actions prohibited by the proposed IMD has occurred prior to the issuance of the IMD, the Parties shall address the adverse effects of the Transaction immediately, by procuring the reversal of these actions and/or taking such other actions as agreed with CCS.

8. The Parties have to comply with the IMD unless it is withdrawn by CCS or successfully challenged on an appeal to the Competition Appeal Board.

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⁴ Under the Act, CCS has the power to issue interim directions as it considers appropriate if the Commission considers that it is necessary for it to act for the purpose of preventing any action that may prejudice (i) the investigations, or (ii) the giving of any direction to stop any infringement or remedy the effects of such an infringement; or as a matter of urgency for the purpose (i) of preventing serious, irreparable damage to a particular person or category of persons, or (ii) of protecting the public interest.

⁵ The IMD was issued pursuant to section 67(1A) of the Act.

About The Competition Commission of Singapore (CCS)

CCS is a statutory board established under the Competition Act (Chapter 50B) (the “**Act**”) on 1 January 2005 to administer and enforce the Act. It comes under the purview of the Ministry of Trade and Industry. The Act empowers CCS to investigate alleged anti-competitive activities, determine if such activities infringe the Act and impose suitable remedies, directions and financial penalties.

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

Section 54 of the Act prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition in Singapore.

CCS 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 CCS of their merger but they should conduct a self-assessment to ascertain if a notification to CCS is necessary. If they are concerned that the merger has infringed, or is likely to infringe, the Act, they should notify their merger to CCS. In such cases, CCS 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.

In the event CCS finds that a merger situation is expected to result in a SLC, CCS has powers to give directions to remedy the SLC. For example, CCS can require the merger to be unwound or modified to prevent the SLC. CCS may also consider issuing interim measures prior to the final determination of the merger.

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

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