



MEDIA RELEASE

20 November 2023

CCCS Consults on the Proposed Joint Implementation of a Supplementary Retirement Scheme Framework for the Onboarding and Management of SRS Product Providers

The Competition and Consumer Commission of Singapore (“**CCCS**”) is inviting public feedback on the proposed joint implementation of a Supplementary Retirement Scheme (“**SRS**”) Framework by DBS Bank Ltd. (“**DBS**”), Oversea-Chinese Banking Corporation Limited (“**OCBC**”) and United Overseas Bank Limited (“**UOB**”) for the onboarding and management of SRS product providers (“**PPs**”)¹ and their products (“**Proposed SRS Framework**”).

2. On 10 October 2023, CCCS accepted a joint application for a decision from DBS², OCBC³ and UOB⁴ (collectively, the “**Applicants**”), on whether the proposed joint implementation of the Proposed SRS Framework would infringe section 34 of the Competition Act 2004 (the “**Act**”), which prohibits agreements or concerted practices by undertakings which prevent, restrict or distort competition within any market in Singapore.

The SRS

3. The SRS is a voluntary savings scheme to help individuals save more for retirement. It began in 2001 and is operated by the private sector.⁵ Participants may choose to open an account with any one of the Applicants and use their contributions to the SRS to purchase various investment instruments.⁶

¹ SRS Product Providers refer to financial institutions offering products to SRS members (https://www.mof.gov.sg/docs/default-source/mof-for/individuals/SRS/srs_booklet---dec-2016.docx?sfvrsn=2 & <https://ask.gov.sg/mof/questions/clgotv5yh00e0i908fb9bgwyd>)

² For more information on DBS, please refer to <https://www.dbs.com/about-us/default.page>.

³ For more information on OCBC, please refer to <https://www.ocbc.com/group/about-us/group-business.page>

⁴ For more information on UOB, please refer to <https://www.uobgroup.com/uobgroup/about/index.page>

⁵ Each of the Applicants have full bank (locally incorporated) licences issued by the Monetary Authority of Singapore for the provision of financial services in Singapore. In 2001, they were appointed by the Minister for Finance (“MOF”) to operate the SRS based on their respective bilateral agreements with the Ministry of Finance, which were subsequently superseded by the Income Tax (Supplementary Retirement Scheme) Regulations 2003.

⁶ <https://www.mof.gov.sg/schemes/individuals/supplementary-retirement-scheme>

The Applicants

4. An SRS Operator's role involves, among others:
 - i. Onboarding SRS PPs to SRS Operator platforms for supply of SRS products to SRS members;
 - ii. Opening and managing SRS member accounts which hold SRS funds; and
 - iii. Facilitating SRS product transactions acquired by SRS members using SRS funds.

The Proposed SRS Framework

5. The Proposed SRS Framework concerns the Applicants' provision of SRS Operator services under the SRS and the downstream supply of SRS products. As the responsibility of onboarding SRS PPs rests with the SRS Operators, the Applicants (in their capacity as the SRS Operators) propose to jointly implement a framework to onboard and manage SRS PPs and their products and to govern the relationship between each SRS Operator and SRS PP.

6. The Applicants submitted that the key provisions of the Proposed SRS Framework include:

- i. Eligibility criteria for onboarding of SRS PPs and products which are based on the criteria set out in the Income Tax (Supplementary Retirement Scheme) Regulations 2003 and on the principles of risk, complexity, and transparency;
- ii. Initial and annual third-party audit reports to be provided by all (new and existing) SRS PPs to determine eligibility and to verify ongoing compliance with the Proposed SRS Framework respectively;
- iii. Mechanisms to enforce the Proposed SRS Framework (including to manage situations where SRS PPs or products do not comply with the SRS Framework); and
- iv. An application fee payable by SRS PPs (on initial application only) limited to covering the costs of administering the Proposed SRS Framework.

7. The Applicants also submitted that the relevant markets impacted by the Proposed SRS Framework are in the supply of:

- i. SRS accounts and related account management and transaction facilitation services for SRS members in Singapore (“Upstream Market for SRS Members”);
- ii. SRS account management and transaction facilitation services for onboarded SRS PPs (“Upstream Market for SRS PPs”); and
- iii. SRS products to SRS members in Singapore (“Downstream Market”).

8. The Applicants submitted that the Proposed SRS Framework could raise competition concerns as they will be horizontal competitors of one another in both the Upstream Markets and the Downstream Market and will also become “gatekeepers” to SRS PPs that wish to supply products in the Downstream Market.

9. According to the Applicants, the Proposed SRS Framework is necessary for the ongoing preservation of the SRS and is expected to give rise to efficiencies by:

- i. Establishing certain baseline standards and providing a clear, common and transparent basis for the onboarding of SRS PPs and consistent criteria against which product provider activities will be monitored on SRS Operator platforms;
- ii. Providing SRS members a broader choice of investment products by onboarding new SRS PPs and products; and
- iii. Ensuring an even-playing field amongst Downstream Market participants for both existing and prospective SRS PPs.⁷

Public Consultation

10. CCCS is inviting public feedback in relation to the Proposed SRS Framework. The closing date for submissions is on 11 December 2023, 5.00 p.m.

11. More information on the public consultation can be accessed and downloaded from the CCCS website at www.cccs.gov.sg under the section “[Public Consultation](#)”. If the submission/correspondence contains confidential information, please also provide CCCS with a non-confidential version of the submission or correspondence.

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⁷ The Proposed SRS Framework includes an appeals mechanism for SRS PPs who disagree with any decision by the Applicants in their capacity as operators of the SRS.

About The Competition and Consumer Commission of Singapore

The 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 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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