



MEDIA RELEASE

28 March 2018

SUPPLY OF LIFT SPARE PARTS FOR MAINTENANCE OF LIFTS IN HDB ESTATES: VOLUNTARY COMMITMENTS BY SUPPLIERS FINALISED

1. CCS has been investigating alleged refusals to supply lift spare parts for the maintenance of lifts in HDB estates.¹ There are, typically, multiple brands of lifts installed in each HDB estate. Town councils can choose to either appoint the original lift installers of the respective brands to undertake the maintenance services, or engage third-party lift maintenance contractors to provide lift maintenance services for multiple brands of lifts within the estate. CCS understands that there could potentially be cost savings in engaging a third-party lift maintenance contractor for multiple brands as compared to having to procure lift maintenance services from each original lift installer.
2. Lift contractors that wish to bid for lift maintenance projects that include multiple lift brands would require brand-specific lift spare parts. If a lift company or distributor does not provide proprietary but essential lift spare parts to third-party lift maintenance contractors, other lift maintenance contractors may be prevented from effectively competing for contracts to maintain and service lifts of that particular brand in Singapore.
3. To address CCS's competition concerns, BNF Engineering (S) Pte Ltd ("BNF") and C&W Services Operations Pte Ltd ("CWO") had each separately proposed voluntary commitments to CCS in relation to the supply of lift spare parts to third-party lift maintenance contractors.²
4. Following feedback received during the public consultations, BNF and CWO amended and finalised their commitments. The voluntary commitments provide that BNF and CWO will undertake to sell lift spare parts³ of the relevant brands to a

¹ CCS's [media release dated 15 November 2017](#)

² BNF's commitment is in relation to the supply of spare parts for BNF brand of lifts, and CWO's commitment is in relation to the supply of spare parts for Ulift brand of lifts

³ With programming, if applicable

purchaser on a fair, reasonable and non-discriminatory basis, subject to certain terms and conditions. The full terms and conditions of BNF's and CWO's commitments can be found in **Annex A** and **Annex B** respectively.

5. During the public consultations, queries were raised regarding the ability of third-party maintenance contractors to properly use the lift spare parts, the amount of spare part inventories that BNF and CWO should hold to supply third-party maintenance contractors, and the protection of intellectual property rights. CCS notes that lift owners should continue to exercise due care that the lift maintenance contractors they engage are properly trained and competent, and it would also be prudent for lift owners to ensure that their appointed lift maintenance contractors maintain sufficient inventories of spare parts to service and maintain the lifts. CCS also notes that competition law does not prevent the proper exercise of intellectual property rights. However, competition concerns may arise where a dominant firm attempts to extend its market power into a related market, beyond the scope granted by intellectual property laws.⁴

6. CCS considers that the final voluntary commitments provided by BNF and CWO fully address the competition concerns raised by CCS in relation to the supply of their respective brand of lift spare parts.⁵ CCS will continue its other investigations regarding access to essential lift spare parts for third-party lift maintenance contractors.

7. Businesses that are unsure as to whether their business conduct fully complies with the Competition Act should seek independent legal advice or consider applying for guidance or a decision from CCS.

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⁴ Paragraph 4.4 of the *CCS Guidelines on the Treatment of Intellectual Property Rights*

⁵ CCS may discontinue an investigation upon receiving commitments that address its competition concerns. In general, parties providing commitments may apply to CCS for a release and/or review of their commitments if there is a material change in circumstances

About The Competition Commission of Singapore (CCS)

CCS is a statutory board established under the Competition Act (Chapter 50B) 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.

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

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