



MEDIA RELEASE

13 January 2021

Competition Appeal Board upholds CCCS's Infringement Decision Against Uber for Anti-competitive Merger with Grab

1. The Competition Appeal Board ("**CAB**")¹ has, on 29 December 2020, dismissed the appeal by Uber² against the decision of the Competition and Consumer Commission of Singapore ("**CCCS**") that Uber's sale of its Southeast Asian business to Grab³ for a 27.5% stake in Grab (the "**Transaction**") resulted in a substantial lessening of competition ("**SLC**") in the ride-hailing platform market in Singapore and infringed section 54 of the Competition Act.
2. The CAB upheld (a) the directions issued by CCCS to Uber and Grab at the material time to lessen the impact of the Transaction on drivers and riders and ensure the ride-hailing platform market remained open to new players ("**Directions**")⁴; and (b) the financial penalty of S\$6,582,055 imposed on Uber. Uber was also ordered to pay CCCS's costs in relation to the appeal.
3. In its decision, the CAB noted that while Singapore has a voluntary notification merger regime, this does not mean that there are no risks to parties proceeding with a merger before first notifying CCCS. Particularly in situations where the merger is irreversible, as was the case for Uber, the merger parties run not just the risk of infringing section 54 of the Competition Act, but also the further risk that any commitments they may subsequently offer (to remedy, mitigate or prevent any SLC or any adverse effects that result or may result from the completed merger) may be rejected by CCCS as inadequate or inappropriate.

¹ Under the Competition Act (Cap. 50B), the CAB will hear appeals against the decisions of the Competition and Consumer Commission of Singapore. The CAB is an independent body comprising members appointed by the Minister for Trade and Industry.

² All references to "Uber" in this media release refer collectively to Uber Singapore Technology Pte. Ltd., Lion City Holdings Pte. Ltd., Lion City Rentals Pte. Ltd., Lion City Automobiles Pte. Ltd., and LCRF Pte. Ltd..

³ All references to "Grab" in this media release refer to Grab Inc., and its subsidiaries and any other related entities including but not limited to GrabCar Pte. Ltd., GrabTaxi Holdings Pte. Ltd., GrabTaxi Pte. Ltd., Grab Rentals Pte. Ltd. and Grab Rentals 2 Pte. Ltd.

⁴ On 20 November 2020, CCCS released the Directions on Grab following the commencement of the point-to-point ("P2P") regulatory framework (please refer to the media release [here](#)). The P2P regulatory framework, which took effect on 30 October 2020, is administered by the Land Transport Authority ("LTA") and the Public Transport Council ("PTC") and ensures that all licensed operators cannot prevent their drivers from driving for other operators. The regulatory framework also ensures that P2P fares are transparent and clearly communicated to commuters.

4. Significantly, the CAB held that CCCS could, when exercising its discretion whether to accept commitments, consider the need to deter businesses from engaging in anti-competitive practices and decide, instead, to issue directions to the merger parties, including imposing financial penalties. The CAB made clear that this was open to CCCS even if the commitments offered by the merger parties are in fact sufficient to remedy or prevent any SLC arising from the merger.

5. The CAB's decision⁵ can be found [here](#).

6. "The CAB's decision affirms the key findings made by CCCS in the Infringement Decision and reinforces the message that mergers that substantially lessen competition in Singapore are prohibited", CCCS Chief Executive Sia Aik Kor said. "Singapore's voluntary notification merger regime aims to strike a balance between safeguarding competition and being pro-business. While merger parties may perform a self-assessment to determine if their merger would lead to a SLC, they should apply to CCCS for guidance or a decision if they have concerns or are unsure as to whether their merger may result in a SLC. Where merger parties choose to implement their merger without first notifying and obtaining the necessary clearances from CCCS despite potential competition concerns, they bear the risk of infringing section 54 of the Competition Act. Should CCCS have reasonable grounds to suspect that an anti-competitive merger has been completed or is anticipated, it is empowered to investigate and take appropriate enforcement action."

Background on Uber's appeal

7. On 24 September 2018, CCCS issued an Infringement Decision⁶ against Uber and Grab. The Infringement Decision found that the Transaction led to competition in the ride-hailing platform market⁷ in Singapore being substantially lessened and therefore infringed section 54 of the Competition Act. Consequently, the Infringement Decision (a) set out the Directions⁸; and (b) imposed financial penalties on Uber and Grab respectively. Grab did not contest CCCS's Infringement Decision, paid the financial penalty of S\$6,419,647 imposed on it and complied with CCCS's Directions.

8. Uber brought an appeal against the Infringement Decision to the CAB, seeking to either set aside the Infringement Decision or reduce the financial penalty imposed.

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⁵ Uber has a right of appeal to the High Court within 28 calendar days of the date of the CAB's decision (i.e. by 26 January 2021) on a point of law or the amount of financial penalty.

⁶ Please refer to CCCS's media release on the Infringement Decision issued on 24 September 2018 [here](#).

⁷ The ride-hailing platform market refers to the market for two-sided platforms matching drivers and riders for the provision of booked chauffeured point-to-point transport services.

⁸ On 20 November 2020, CCCS released the directions on Grab following the commencement of the point-to-point ("P2P") regulatory framework (please refer to the media release [here](#)). The P2P regulatory framework, which took effect on 30 October 2020, is administered by the Land Transport Authority ("LTA") and the Public Transport Council ("PTC") and ensures that all licensed operators cannot prevent their drivers from driving for other operators. The regulatory framework also ensures that P2P fares are transparent and clearly communicated to commuters.

About The Competition & Consumer Commission of Singapore (CCCS)

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 (Cap. 50B) 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 (Cap. 52A) or CPFTA 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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