

CCS & Competition Law in Singapore

Often, companies do not realise that they are involved in illegal anti-competitive activities such as price-fixing, bid-rigging, market sharing and output limitations. This can open a company up to investigation and possible financial penalties under Singapore's Competition Act (the Act), resulting in a loss in reputation and goodwill in the industry. As a general guideline, it is wrong to share confidential and sensitive price information with your competitors, as well as enter into any collusive agreements with them. Any such activity means that violations to the Competition Act may have taken place and should be reported to CCS immediately.



A possible scenario at a meeting

You were at a meeting when one of your fellow counterparts suddenly proposed the following:

"Psst! Shall we agree on the price for this travel package? Also, let's offer the same discounts for visitors who want to sign up for the 10-day Japan travel package."

How would you have responded?

- (A) Show your support for the proposal
- (B) Remain silent and listen to what others have to say
- (C) Discuss the proposal further or suggest other alternatives
- (D) Inform the meeting that you find such discussion unlawful, immediately distance yourself from the discussion and report the matter to CCS.

Communication with your competitors on any confidential and sensitive price information is illegal, regardless of the setting and the form it takes. In the scenario above, you may be found guilty of infringing the Competition Act if you choose not to distance yourself from such discussions.

The Competition Commission of Singapore (CCS) was established as a statutory body to administer and enforce the Act. CCS has the power to investigate and adjudicate anti-competitive activities.

What is the Competition Act?

The Act was enacted to ensure all businesses can compete on equal footing, so everyone has a fair chance to succeed.

The Act has three key prohibitions:

- **The Section 34 prohibition (Anti-Competitive Agreements)**
This section prohibits agreements, decisions and practices that prevent, restrict or distort competition in Singapore. These include, in particular, agreements between competitors to fix prices, rig bids, limit outputs, or share markets (a.k.a. cartels). More information can be found at <http://bit.ly/anti-competitiveagreements>
- **The Section 47 prohibition (Abuse of dominance)**
This section prohibits dominant firms from abusing their market power in ways that are anti-competitive and work against longer-term economic efficiency, such as predatory behaviour towards competitors. More information can be found at <http://bit.ly/abuseofdominance>
- **The Section 54 prohibition (Mergers)**
This section prohibits mergers and acquisitions that substantially lessen competition and have no offsetting efficiencies. More information can be found at <http://bit.ly/mergersandacquisitions>

The right thing to do

If you should ever find yourself in a discussion that involves price-fixing activities, you must state clearly that you disagree with the unlawful activity and distance yourself from the discussion. You should then report the matter immediately to CCS for investigation.

Let's work together for a fairer, more conducive business environment!

For more information on the Competition Act or to inform CCS of any anti-competitive behaviours, you can visit the CCS website at www.ccs.gov.sg or contact CCS at 1800-325 8282.