

Singapore's competition boss reflects on her first year and the future

Charles McConnell

10 November 2020



Sia Aik Kor

Sia Aik Kor became chief executive of the Competition and Consumer Commission of Singapore in October 2019, replacing Toh Han Li, who stepped down after six years in the role. One year on, she spoke to **Charles McConnell** about the challenges of the covid-19 pandemic and her vision for the future.

How has your first year been as chief executive of the CCCS? How did your past experience at the then-Competition Commission of Singapore prepare you for your role?

I was seconded to the then-Competition Commission of Singapore from 2005 to 2010, where I helmed the Legal & Enforcement Division. During my term, I oversaw the issuance of the first infringement decision against a cartel, put in place guidelines on key provisions that provided clarity to businesses on how the Competition Act would be implemented and worked on the amendments to the act implementing merger provisions. This has given me useful experience in implementing and enforcing competition law, which now benefits me in my role as chief executive. My past stint at the CCS also meant that I have many friends in the CCCS, which has made my transition seamless from the start.

In the past decade, the CCCS has grown from a young, fledgeling, single-function authority to an established and experienced one, handling both competition and consumer protection functions. Both those mandates share a close and complementary relationship and having both functions under the same roof allows us to harness synergies when enforcing both the Competition Act and the Consumer Protection (Fair Trading) Act.

What have been your priorities this first year?

The CCCS's key initiatives for 2020 are to facilitate Singapore's digital economy, empower and protect consumers, and foster a pro-enterprise and pro-innovation regulatory ecosystem. The key sectors of focus are digital platforms; the beauty and wellness sectors; and the building, construction and maintenance services.

In April 2020, we issued a proposed infringement decision against three companies for bid-rigging in tenders called for maintenance services for swimming pools, spas, fountains and other water features. In June 2020, we [issued](#) an infringement decision against three contractors for bid-rigging in relation to tenders put out by Wildlife Reserves Singapore. We have also concluded two investigations: one into the online food delivery and virtual kitchens market and the other into the property valuation sector.

In addition, we reviewed five mergers involving waste collection services; the supply of warehouse space for rental and fund management services for industrial real estate assets; kidney dialysis services; the supply of trains and urban signalling systems; and the [global supply of commercial vessels](#), which [entailed](#) an in-depth Phase II review. We are currently in the process of another in-depth [review](#) involving foreign exchange benchmarks for index licensing and derivatives clearing services.

Our work on digital platforms led to a market study on e-commerce platforms, which was [published](#) in September 2020. The study found that our existing assessment toolkit remains sufficiently robust to address emerging competition and consumer protection issues in the digital economy. However, it identified areas where further guidance and clarity from the CCCS would be useful to assist businesses in the application of the Competition Act. These recommendations, the feedback given by our stakeholders and our experience in applying the act have fed into our recent review of the CCCS guidelines.

We have had to do much of the above while responding to the covid-19 pandemic, which has plunged the global community into unprecedented times and had a significant impact on Singapore's economy. Since April 2020, the CCCS has remained operational with staff telecommuting from home. I am grateful to my colleagues for adapting to a different mode of working without missing a beat and for delivering on what we set out to do.

The sudden disruptions in global supply chains brought about by the pandemic may require competing businesses to quickly work together to sustain or improve the supply of essential goods and services. In response, we

issued a guidance note to provide businesses with more clarity on collaborations between competitors in relation to the supply of essential goods and services in Singapore. The note assures businesses that where such collaborations are put in place for the short term to sustain or improve the supply of essential goods or services in Singapore and do not involve price-fixing, bid-rigging, market sharing or output limitation, the CCCS will assume that they are likely to generate net economic benefit and will generally not investigate them.

With the onset of covid-19 and the closure of non-essential business premises during the “circuit breaker” period, many tenants could not operate out of their premises but were still subject to certain obligations imposed by their landlords. This provided an impetus for us to look into the market for the leasing of private retail space and to better understand the market dynamics and features that may impact competition in the market. The CCCS is also supporting the industry-led effort to facilitate the discussion between landlords and tenants on establishing a fair tenancy framework within the confines of competition law.

The second workstream in relation to covid-19 is the review of the CCCS’s toolkit for airline mergers and alliances. The authority has the necessary tools, both substantively and procedurally, within the existing framework to deal with crisis-driven airline mergers and alliances. The Airline Guidance Note issued in 2018 remains valid for normal airline alliances, even under “new normal” post-covid-19. The CCCS has also had experience in dealing with the failing firm defence made by merging airlines, such as in the *Singapore Airlines/Tiger Airways* merger in 2014.

What challenges have you faced, especially in light of the covid-19 pandemic?

On 17 March, the CCCS began operating on a split-team arrangement where 50% of staff were in the office at any one time. We subsequently moved to working from home for all staff and conducted all meetings virtually from 7 April 2020, when “circuit breaker” measures were imposed by Singapore’s government.

While we suspended walk-in services, we continued to receive feedback and notifications via our hotline or electronic means and continued with our casework as best as we could. We could not conduct field surveillance work, inspections at workplace premises or face-to-face interviews, but case files are available remotely and we can access documents while we work from home. We continued to review documents and assess evidence to determine whether or not the conduct of parties under investigation constituted anticompetitive conduct and we also kept drafting decisions. Internal meetings were conducted through Skype, while meetings with external parties - including law firms involved in merger notifications - took place virtually via Zoom and Webex. The case teams reached out to third parties over the phone to ensure responses to our requests for information. Through the hard work of our case teams, we managed to keep to our administrative timeline for the assessment of merger notifications.

When the circuit breaker ended on 2 June and workplace activities were gradually allowed to resume, we continued to work from home by default and were only allowed to return to the office on a split team basis. Work that involved face-to-face interaction resumed.

The CCCS recently released the findings of its e-commerce sector market study and updated several guidelines to account for digitisation and its impact on competition metrics and issues. What are the next steps for the CCCS in the digital economy, now it is a priority area for agencies around the world?

The CCCS is currently conducting a public consultation on its proposed amendments to the CCCS guidelines. The authority will carefully consider the feedback received before finalising the changes made. It will then publish the finalised guidelines, a summary of the key feedback received and the date on which the revised guidelines take effect.

In terms of next steps in relation to the digital economy, the CCCS will continue to monitor relevant developments in Singapore and overseas, in order to ensure its framework and toolkit remains future-ready and appropriately contextualised to address any potential issues.

Some developments that are of interest to the CCCS include the introduction of a data portability requirement in Singapore. In this regard, the authority has worked with the Personal Data Protection Commission (PDPC) on a data portability joint initiative, and the PDPC has conducted a public consultation on the proposed data portability provisions. The CCCS will be working closely with the PDPC when it implements the data portability requirements. We continue to closely monitor the ongoing discussion overseas about the regulation of large platforms.

The CCCS is also interested in the potential for algorithmic collusion that comes with the increased use of artificial intelligence and algorithms. In this regard, the CCCS made clear in its e-commerce platforms market study report that businesses should be alert to competition risks when designing or deploying AI and algorithms and ensure competition law compliance. As a start, businesses can take reference from and comply with existing frameworks in Singapore that address key ethical and governance issues when developing and deploying AI solutions, including the Model AI Governance Framework published by the data protection agency.

How has the CCCS worked with other agencies, especially within the ASEAN region, on these digital issues? Many “super apps” and other digital services are regional or global and don’t just impact Singaporean markets.

The CCCS led the development of the Handbook on Competition & E-commerce in ASEAN in 2018, which highlights how e-commerce impacts traditional competition dynamics. It also outlines policy considerations as well as enforcement and advocacy strategies to address the challenges of enforcing competition law with the rise of e-commerce activities in the region. The CCCS also held a high-level roundtable discussion involving senior officials of ASEAN competition authorities and distinguished speakers to

promote a better understanding of the application of the handbook. Moving forward, the CCCS plans to share the findings from its e-commerce platforms market study with competition authorities in the ASEAN region.

Aside from the e-commerce study and merger work in the past year, it seems as if the CCCS has focused on bid-rigging. You mentioned in September that continued outreach is necessary in this area. How does the CCCS plan to enhance its enforcement and ensure that businesses are not breaking these rules?

The CCCS encourages reporting suspicious tenders through its complaint channels, whistleblower scheme and leniency programme. The authority also regularly engages public procurement officers to raise awareness of suspicious signs of bid-rigging. These efforts have generated leads, such as in the recent case relating to quotations for Wildlife Reserves Singapore, and we will continue to engage the public and private sector in this regard. The CCCS also provides advice to government agencies on the competitive impact of its policies and initiatives, including how to design the tender process to minimise the risk of bid-rigging.

The CCCS has also recently developed an in-house bid-rigging detection tool to flag tenders that may have fallen victim to this conduct. The tool can scan tender data and shortlist tenders with a higher probability of bid-rigging, which are then subject to further analysis. The tool enables the CCCS to more effectively detect bid-rigging conduct for tenders. The authority is looking to enhance this screening tool and promote its use by government agencies, while also seeking to strengthen its enforcement capabilities through the use of data analytics and other technological tools. One example is the collaboration between the CCCS and the Government Technology Agency to develop a text analytics tool to identify suspicious tender documents indicative of bid-rigging conduct.

We will also be leveraging our enforcement work to step up on our outreach efforts. For example, following enforcement decisions by the CCCS, we will be targeting our outreach efforts on the industry involved. We hope that through a combination of enforcement, outreach and education, we will increase the level of awareness and compliance among businesses.

What will be your priorities next year, both at home and internationally? Your predecessor Toh Han Li is credited with helping raise the agency's profile in the international arena – does that remain a priority for you?

Domestically, we want to ensure that markets continue to work well to create opportunities and choices for businesses and consumers in Singapore. In the months ahead, we will finalise the amendments to our CCCS guidelines to ensure that they remain fit-for-purpose in the digital economy. We will reach out to more businesses to raise awareness of the guidelines and review our legislative and regulatory regimes to ensure that they remain relevant and robust. We will also proactively engage our stakeholders to address competition issues and safeguard consumers' interests. When the moratorium on short-term business collaborations expires on 31 July 2021, we will look into providing more permanent guidance on the factors that we take into consideration in assessing long-term collaborations between competitors.

Maintaining strong ties and close cooperation with our key overseas counterparts and established competition and consumer protection communities will always remain an enduring priority for the CCCS, through various platforms such as the International Competition Network and Organisation for Economic Co-operation and Development. At the ICN, the CCCS is a steering committee member and has just been appointed a co-chair of the Agency Effectiveness Working Group (AEWG). One of our first tasks as an AEWG member will be to lead a project to examine how early case prioritisation and management can contribute to effective and efficient competition enforcement.

Regionally, we will continue to participate and contribute actively at platforms such as the ASEAN Experts Group on Competition (AEGC) and the ASEAN Committee on Consumer Protection (ACCP). The CCCS will be hosting the East Asia Top Level Officials' Meeting in 2021, which will bring together representatives from East Asia to discuss and exchange insights on competition law enforcement. Such discussions will benefit competition agencies in the region, particularly in view of how the covid-19 pandemic has impacted competition law enforcement. As different competition agencies adopt varied responses to the pandemic, greater coordination is critical in minimising uncertainty for businesses. In this regard, we have also proposed for the AEGC to organise regular meetings and engagements among the heads of competition agencies in ASEAN to better coordinate regional policies relating to competition law in the region and discuss issues of mutual interest.

The effective implementation of competition law and consumer law is synergistic and will benefit both ASEAN consumers and businesses. Currently, the AEGC and ACCP are working together on the consumer protection provisions to be included in the upgrade of the ASEAN, Australia and New Zealand Free Trade Agreement's competition chapter. The upgraded chapter is expected to include a series of capacity building activities and technical cooperation that will help ASEAN respond to and support economic and social recovery post-covid-19 through consumer law implementation. We will also continue to work closely with our ASEAN counterparts on enforcement cooperation in tackling cross-border cases and in capacity-building activities.

Related Topics

Singapore

Charles McConnell

Author | Senior reporter, Global Competition Review

charles.mcconnell@lbresearch.com

[View full biography](#)