

Competition law

and CCS in Singapore



Competition spurs businesses to be more efficient, innovative, productive and responsive; thereby, becoming stronger over time. Businesses and consumers both stand to benefit from competitive markets.

However, rivalry is vital for competition to work. From the business perspective, it involves two or more firms putting in efforts and trying their respective best to secure the business of a customer by offering the best product or service at the best price.

Market competition is distorted when competitors collude on their business activities, or when a powerful firm shuts competitors out from competing. These anti-competitive practices can open a company up for investigation and possible financial penalties under Singapore's Competition Act. Infringing companies can also suffer loss in reputation and goodwill in the industry. A general rule of thumb is that competitors should refrain from entering into any collusive agreements or sharing commercially-sensitive information among themselves.

The Competition Commission of Singapore (CCS) is a statutory body that administers and enforces competition law. CCS has the power to investigate and adjudicate anti-competitive activities. The law applies to all commercial entities that are doing business in Singapore, including those owned by or linked to the government.

The Competition Act was enacted to ensure all businesses can compete on equal footing. It helps to create fair and efficient markets where everyone has an equal opportunity to succeed.

Three types of anti-competitive activities are prohibited under the act.

- **Section 34 prohibition (anti-competitive agreements):** prohibits agreements, decisions or concerted practices that prevent, restrict or distort competition in Singapore. Examples include agreements between competitors to fix prices, rig bids, limit outputs or share markets (a.k.a. cartels). More information can be found online at <http://bit.ly/anti-competitiveagreements>.

- **Section 47 prohibition (abuse of dominance):** prohibits dominant firms from abusing their market power in ways that harm competition and work against longer-term economic efficiency, such as exclusionary behaviour towards competitors. More information can be found online at <http://bit.ly/abuseofdominance>.

- **Section 54 prohibition (mergers):** prohibits mergers and acquisitions that substantially lessen competition and have no off-setting economic efficiencies. More information can be found online at <http://bit.ly/mergersandacquisitions>. ★

Case example

In 2010, CCS found that SISTIC.com Pte Ltd ('SISTIC') had abused its dominant market position by requiring key venue operators and event promoters in Singapore to use its ticketing services exclusively. As a result of the infringement (relating to Section 47 prohibition), SISTIC was ordered to cease its exclusive dealing arrangements and pay a financial penalty; the largest amount imposed by CCS on a single entity to date. Of special note, SISTIC is a government-linked company and this case demonstrates CCS's firm stance against anti-competitive conduct in that it will not hesitate to act against companies that infringe the Competition Act, regardless of their ownership. ccs.gov.sg

How CCS can help you

Leniency

If you are currently involved in a cartel or collusive agreement with your competitors, you can apply to CCS for leniency. Under its Leniency Program, the first person or company that comes forward and provides sufficient evidence of such activity before CCS starts investigation can be granted full waiver of financial penalty. To find out more go the 'action centre' on the CCS website at ccs.gov.sg.

Complaints

CCS encourages members of the public as well as companies to lodge complaints against any suspected anti-competitive conduct or practices. CCS will provide the necessary assistance to such complainants. To lodge a complaint with CCS, call the hotline at 1800 325 8282 or email ccs_feedback@ccs.gov.sg.