

## **FORM M2**

### **FURTHER INFORMATION REQUIRED FOR APPLICATION FOR DECISION UNDER SECTIONS 57 AND 58 OF THE COMPETITION ACT (CAP 50B)**

#### **PART 1**

#### **INTRODUCTION**

This Form lists the further information and supporting documents which may be required by CCCS after Form M1 has been filed.

In addition to, or instead of some of the information requested in this Form M2, CCCS may request the applicant to provide certain other information before the start of Phase 2 (the Phase 2 information request).

If the applicant(s) considers that the CCCS should treat any item of information submitted under this Form as confidential, the applicant must provide a non-confidential version of this Form with that item of information removed. The non-confidential version should also contain an annex marked "confidential information" identifying each item of information which has been removed from the non-confidential version and providing a written explanation as to why the information should be treated as confidential. The same treatment should also be extended to supporting documents accompanying this Form containing any information that the applicant considers should be treated as confidential.

## FORM M2

### PART 2

#### FURTHER INFORMATION TO BE PROVIDED BY THE UNDERTAKING(S) MAKING THE APPLICATION

#### MARKET CONDITIONS IN RELEVANT MARKETS

##### Structure of supply in relevant markets

1. Identify the five largest independent<sup>52</sup> suppliers to the merger parties and their individual shares of purchases from each of these suppliers (of raw materials or goods used for purposes of producing the relevant goods) in each relevant market. Provide current contact details as follows

Company name	Contact details (physical address, telephone and fax number, website address)	Name and position of contact person	Email address and direct telephone number of the contact person (date of verification)	For customers: indicate proportion and value of Singapore and worldwide (group) revenue for which this customer accounts
--------------	---	--	--	---

2. Explain the distribution channels and service networks that exist in the relevant markets. In so doing, take account of the following where appropriate:
  - a. the distribution systems prevailing in the market and their importance, as well as the extent that distribution is performed by third parties and/or undertakings belonging to the same group as the merger parties (as outlined in response to Form M1); and
  - b. the service networks (such as maintenance and repair) prevailing and their importance in these markets, as well as the extent that such services are performed by third parties and/or undertakings belonging to the same group as the parties (as defined in Form M1).
3. Provide an estimate of the total Singapore-wide capacity for the last three years for each relevant market, including the proportion of this capacity that is accounted for by each of the merger parties, and their respective rates of capacity utilisation. Include the basis for this estimate. If applicable, identify the location and capacity of the manufacturing facilities of each of the merger parties in the relevant markets.
4. Specify whether any of the merger parties or any of the competitors have "pipeline products", i.e. products likely to be brought to market in the near term, or plans to expand (or contract) production or sales capacity. If so, provide an estimate of the projected sales and market shares of the merger parties over the next three to five years, and the basis for this estimate.
5. Specify any other supply-side considerations that the applicant(s) considers to be relevant for the purpose of assessing the notification.

---

<sup>52</sup>That is, suppliers who are not subsidiaries, agents or undertakings forming part of the group of the party in question. In addition to those five independent suppliers the notifying parties can, if they consider it necessary for a proper assessment of the case, identify the intra-group suppliers.

### **Structure of demand in relevant markets**

6. In each relevant market, explain the structure of demand in terms of:
  - a. phases of the markets, for example, take-off, expansion, maturity and decline, and a forecast of the growth rate of demand;
  - b. customer preferences, for example, in terms of brand loyalty, the provision of pre- and after-sales services, the provision of a full range of products, or network effects;
  - c. product differentiation in terms of attributes or quality, and the extent to which the products of the merger parties are close substitutes;
  - d. the degree of concentration or dispersion of customers;
  - e. the different groups of customers with a description of the "typical customer" of each group;
  - f. the importance of exclusive distribution contracts and other types of long-term contracts; and
  - g. the extent to which the public sector is a source of demand.

### **RESEARCH AND DEVELOPMENT**

7. Explain the importance of research and development to a firm's long term competitiveness in the relevant markets.
8. Explain the nature of the research and development in the relevant markets carried out by each of the merger parties. In doing so, take account of the following, where appropriate:
  - a. trends and intensities of research and development<sup>53</sup> in these markets and for the merger parties;
  - b. the course of technological development for these markets over an appropriate time period (including developments in products and/or services, production processes, distribution systems, and so on);
  - c. the major innovations that have been made in these markets and the undertakings responsible for these innovations; and
  - d. the cycle of innovation in these markets and where the merger parties are in this cycle of innovation.

### **COOPERATIVE AGREEMENTS**

9. Describe the prevalence of cooperative agreements (horizontal, vertical, or other) in the relevant markets.
10. Provide details of the important cooperative agreements engaged in by the merger parties in the relevant markets, such as research and development, licensing, joint production, specialisation, distribution, long term supply and exchange of information agreements. Where deemed useful, provide a copy of these agreements.

### **EFFECTS OF THE MERGER**

11. Explain, in the applicant's view, the changes that would likely occur in each of the relevant markets as a result of the merger, in particular with respect to the details submitted above.

---

<sup>53</sup> Research and development intensity is defined as research development expenditure as a proportion of turnover.

### EFFICIENCIES

12. State how efficiency gains<sup>54</sup> generated by the merger, if any, are likely to enhance the ability and incentive of the merged entity to act pro-competitively and how they will be sufficient to outweigh any anti-competitive detriments caused by the merger. Please provide a description of, and supporting documents relating to, each efficiency (including cost savings, new product introductions, and service or product improvements) that the merger parties anticipate will result from the merger relating to any relevant product. For each claimed efficiency, provide:
  - a. a detailed explanation of how the merger will allow the merged entity to achieve the efficiency. Specify these steps that the merger parties anticipate taking to achieve the efficiency, and the risks, time and costs involved;
  - b. where reasonably possible, a quantification of the efficiency and the basis for the quantification. Where relevant, provide an estimate of the significance of efficiencies related to new product introductions or quality improvements. For efficiencies that involve cost savings, state also the one-time fixed cost savings, recurring fixed cost savings, and variable cost savings; and
  - c. why the efficiency cannot be achieved to a similar extent by means other than through the merger, and in a manner that is not likely to raise competition concerns.

### FAILING FIRM

13. If relevant, state whether one or more merger parties is a failing firm and if so, provide reasons why the merger should be allowed to proceed on this basis<sup>55</sup>.

### SUPPORTING DOCUMENTS

14. Please ensure that the following documents (where relevant) have been included in the Form:
  - a. All relevant documents to support the claims made in the Form; and
  - b. For question 13 above, all relevant documents to support the claims, including documents demonstrating that:
    - i. the firm/division concerned is indeed about to fail imminently under current ownership (this should include evidence that trading conditions and performance are unlikely to improve);
    - ii. all re-financing options have been explored and exhausted; and
    - iii. there are no other credible bidders in the market, and that all possible options have been explored.

---

<sup>54</sup> For more information on the assessment of efficiencies, please refer to *CCCS Guidelines on the Substantive Assessment of Mergers 2016*.

<sup>55</sup> For more information on the assessment of the failing firm defence, please refer to *CCCS Guidelines on the Substantive Assessment of Mergers 2016*.

**FORM M2**

**PART 3**

**DECLARATION**

Under section 77 read with section 83 of the Act, it is an offence, punishable by a fine or imprisonment or both to provide information which is false or misleading in a material particular if the undertaking or person providing it knows that it is false or misleading, or is reckless as to whether it is. If the undertaking or person is a body corporate, its officers may be guilty of an offence under section 81 of the Act.

**Declaration**

The undersigned declare and confirm that all information given in this Form and all pages annexed hereto are correct to the best of their knowledge and belief, and that all estimates are identified as such and are their best estimates based on the underlying facts.

Signature(s)

---

Name(s) (in block capitals):

Designation(s):

Date:

**FORM M2**

**PART 4**

**ACKNOWLEDGEMENT OF RECEIPT**

This acknowledgement of receipt will be returned to the address inserted below if the applicant(s) provides the information requested below.

*To be completed by the applicant(s)*

To: (name and address of applicant(s))

Re: The application dated (date of application) concerning (brief description of subject matter) involving the following undertakings: (names of undertakings) [and others]

*To be completed by CCCS*

Received on:

Registered under reference number:

**Please quote this reference number in all correspondence with the CCCS.**