

MEDIA RELEASE

15 December 2009

CCS Issues Proposed Infringement Decision Against SISTIC

1. The Competition Commission of Singapore (CCS) has today issued a Proposed Infringement Decision (PID) against SISTIC.com Pte Ltd (SISTIC) for contravening section 47 of the Competition Act by abusing its dominant position in the ticketing service market via various exclusive agreements.
2. Essentially, section 47 of the Competition Act prohibits a dominant firm from engaging in anti-competitive business practices that exclude competitors from competing in any market, resulting in harmful effects in Singapore.
3. SISTIC is the largest ticketing service and solution provider in Singapore. It sells tickets ranging from pop concerts, musicals, theatre, family entertainment to sports. It currently handles more than 90% of all events staged in Singapore¹.
4. SISTIC has separate agreements with The Esplanade Co. Ltd and the Singapore Sports Council which contain explicit restrictions requiring all events held at the Esplanade and the Singapore Indoor Stadium respectively to use SISTIC as the sole ticketing service provider. Furthermore, it had 17 other agreements with event organisers that contained explicit restrictions requiring the event organisers concerned to use SISTIC as the sole ticketing service provider for all their events.
5. Ticketing service providers such as SISTIC act as middlemen between two groups of customers – the event organisers and the ticket buyers – by providing them a platform to buy and sell tickets. When key venues such as the Esplanade and SIS are required to use SISTIC, event organisers who wish to hold their events at these venues have no choice but to sell tickets through SISTIC. CCS also noted that SISTIC raised its booking fees against ticket buyers by 50% to \$3 per ticket² in January 2008.
6. The PID is a written notice setting out the basis on which CCS arrives at the proposed decision. Following the legal procedures, SISTIC is given eight weeks from today to put forth its responses, counterarguments and relevant facts for CCS' consideration. CCS will consider the merits of the party's representations before

¹ See SISTIC's website at www.sistic.com.sg

² For tickets with face value more than \$20.

finalizing its decision on whether there has been an infringement of the Act. The media will be updated when the final decision has been made by CCS.

Appendix

Examples of abusive business practices

- Exclusive dealing – a dominant firm prohibits its customers from buying the same product from its competitors;
- Predatory pricing – a dominant firm deliberately sets its price at a loss-making level to eliminate competitors, and then raises its price to reap profits;
- Tying – a dominant firm sells its product on condition that its customers must also buy another product from the dominant firm; and
- Refusal to deal – a dominant firm refuses to sell an essential input product to any downstream firm other than its own affiliated company.

About CCS

CCS is a statutory body established under the Act on 1 January 2005 to administer and enforce the Competition Act. The Act empowers CCS to investigate alleged anti-competitive activities, determine if such activities infringe the Act and impose suitable remedies, directions and financial penalties. For more information, visit www.ccs.gov.sg.

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