



## **MEDIA RELEASE**

**11 December 2006**

### **Competition Commission of Singapore Responds to Public Submissions on Proposed Merger Regime**

1. The Competition Commission of Singapore (CCS) has today published its response to the public submissions on the proposed merger regime under the Competition Act<sup>1</sup> ('Act') which it received, following a three-week public consultation which commenced on 20 October 2006.

2. As part of the public consultation exercise, the CCS wrote to business chambers and trade associations to invite comments and conducted two briefing cum feedback sessions for the business community. The CCS also posted the consultation documents<sup>2</sup> on the CCS website and the Government online consultation portal (*REACH*).

3. At the close of the consultation on 10 November 2006, eight submissions were received. These are available on the CCS website at [www.ccs.gov.sg](http://www.ccs.gov.sg). The CCS thanks all the contributors for their submissions.

4. The CCS' proposals to allow merger parties to notify an anticipated merger for its decision and to empower CCS to accept commitments proffered by merger parties to address competition concerns, thus enabling an otherwise anti-competitive merger to proceed, were well-received.

5. The accompanying paper outlines the CCS' response to the public submissions. It spells out the changes to the merger regime arising from the submissions, clarifies some of the issues raised, and explains why some suggestions have not been adopted. These are some of the key responses:

- i) Mergers effected before 1 July 2007, when the merger regime under the Act comes into force, will not be subject to the merger regime;
- ii) The CCS will consider accepting requests for pre-notification discussions one month before the merger regime comes into force, i.e. from 1 June

2007. These discussions will help merger parties identify the information needs for a complete notification, and how the information can be provided to expedite the CCS' review of a merger situation with effect from 1 July 2007;

- iii) To balance the interests of all parties concerned, the CCS will request third parties to submit their views on a merger situation which has been notified to the CCS within a stipulated time. The CCS is mindful of the need to give third parties sufficient time to develop full submissions, whilst obviating a situation where views are deliberately submitted late, for example, by competitors, to frustrate a merger transaction. The CCS will scrutinize third-party submissions carefully to ensure that frivolous ones do not frustrate or delay merger proceedings; and
- iv) The CCS and the Securities Industry Council ('SIC') are working together to align our processes so as to ensure the smooth functioning of both regulatory regimes, and to provide greater certainty to the market. Parties involved in takeover offers that are subject to both the Singapore Takeover Code, which is under the purview of the SIC, and the merger provisions of the Act, will need to take into account the requirements under both regimes. Details will be provided in due course.

6. The CCS will finalise the Competition (Amendment) Bill, taking into consideration the feedback and comments received. The finalised merger guidelines will be published once Parliament has passed the Bill.

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### **About the Competition Commission of Singapore**

The CCS is a statutory body established under the Competition Act (Cap 50B) on 1 January 2005 to administer and enforce the Act. Its mission is to promote healthy competitive markets that will benefit the Singapore economy based on sound economic principles applied objectively and consistently. For more information, visit [www.ccs.gov.sg](http://www.ccs.gov.sg).

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**Notes to Editor:**

1. The Competition Act was passed by Parliament on 19 October 2004. The Act is being implemented in phases. On 1 January 2005, the Competition Commission of Singapore was set up. On 1 January this year, the prohibitions on anti-competitive agreements and abuse of a dominant position came into force. The proposed merger regime will be implemented on 1 July 2007.
2. A copy of the earlier 'Consultation Document', which explained the key features of the proposed merger regime and policy considerations and was issued on 10 October 2006 for the public consultation, is available on the CCS website at [www.ccs.gov.sg](http://www.ccs.gov.sg).