



# WHAT YOU CAN DO TO PROTECT YOUR BUSINESS





01. Better business with the Competition Compliance Programme	<b>01</b>
a. How can compliance with competition law help your business?	
b. What is a CCP?	
c. Why is a CCP important for your business?	
d. Should Small and Medium Enterprises (“SMEs”) adopt a CCP?	
02. Implementing an effective CCP	<b>04</b>
a. Successful compliance starts from the top	
b. Guidelines to common features in a CCP	
03. CCCS’s Business Collaboration Guidance Note	<b>07</b>
04. CCCS’s Leniency Programme	<b>08</b>
a. What is the leniency programme?	
b. Leniency Plus Programme	
c. Procedures for a leniency application	
05. CCCS’s Whistle-Blowing (Reward Scheme) Programme	<b>11</b>
06. CCCS’s Notification Scheme	<b>12</b>
a. Seeking guidance and decision from CCCS	
b. Guidance vs. Decision: Which route to take?	
c. Notifying CCCS of a merger or anticipated merger	





## HOW CAN COMPLIANCE WITH COMPETITION LAW HELP YOUR BUSINESS?

Competition in the economy benefits multiple stakeholders:



**Businesses** – Allows the most productive, innovative and efficient firms to prove themselves and to attract resources for growth.



**Consumers** – Provides more choices at better prices.



**The economy** – Drives higher productivity, encourages innovation, and stimulates overall economic growth through efficient resource allocation.

Compliance with the Competition Act 2004 ("**Competition Act**") ensures that businesses can compete fairly based on their own merits, free of distortions and impediments created by anti-competitive conduct. It gives all businesses a fair chance to grow and succeed.

A business may suffer a heavy financial penalty as well as loss of reputation and goodwill, if it is found to have breached the Competition Act.

As of end 2024, CCCS has issued 21 infringement decisions and imposed combined financial penalties of about SGD87 million for anti-competitive conduct. The 2018 infringement decision against 13 fresh chicken distributors for price fixing agreements saw the largest financial penalty levied of SGD20.1 million\*.

\*Following appeal to the Competition Appeal Board.





## WHAT IS A CCP?



A Competition Compliance Programme (“**CCP**”) is a formalised internal framework to ensure that your business (both management and employees) complies with competition law. The elements of a CCP may include a simple “Do’s and Don’ts” checklist for staff, continual review of staff conduct by management, and regular staff training to raise awareness of competition law.

A CCP can be implemented either as a standalone initiative or part of a broader regulatory compliance framework and can be organised at the levels of local offices or global headquarters. It is also useful as a part of good corporate governance.

Putting in place a CCP demonstrates the commitment of a business to comply with the provisions of the Competition Act.

## WHY IS A CCP IMPORTANT FOR YOUR BUSINESS?

Your business may run the risk of infringing the Competition Act when your staff breach the law, unknown to senior management. For example, staff may engage in price fixing, bid-rigging or the exchange of commercially sensitive information. As the financial penalty for breaching the Competition Act is ultimately borne by the business, staff may be tempted to engage in anti-competitive practices, especially if doing so leads to personal gains.

A successful CCP helps to make your business aware of its rights and responsibilities. When effectively implemented, it helps your business to identify possible infringements early and nip it in the bud by allowing your business to take appropriate remedial action swiftly. This minimises the risk of infringing the Competition Act and the corresponding sanctions imposed because of the infringement.

Good knowledge of competition law and a good competition compliance culture also helps you identify anti-competitive practices by your competitors or suppliers, alert your staff to such practices and consequently enable you to lodge a complaint to CCCS if your business is adversely affected.

Having an effective CCP in place may also reduce the amount of financial penalties should there be a finding of an infringement by CCCS. First, an effectively implemented CCP can be a mitigating factor in determining the extent of penalties levied on infringing companies. Second, timely termination of anti-competitive practices would shorten the duration of infringement, which is a key factor for calculating the penalty amount. Third, early detection of a cartel is particularly crucial as immunity or up to 100% discount from financial penalties may be granted to the first cartel member who comes forward and provides CCCS with evidence of the cartel under the CCCS Leniency Programme.





## SHOULD SMALL AND MEDIUM ENTERPRISES (“SMEs”) ADOPT CCP?

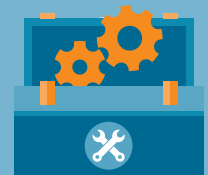
Compliance with competition law is important for all businesses, regardless of their size. While some businesses might cite high costs as a barrier to develop and implement compliance programmes, it is essential to consider the potential costs of non-compliance. Moreover, an effective competition compliance programme contributes to good corporate governance.

CCCS recognises that businesses may adopt different methods of ensuring compliance, depending on their size and resources. For example, smaller businesses may choose not to implement a sophisticated compliance programme, but employees must still be educated on the importance of competition compliance and be made aware of the implications of breaching the Competition Act. The key is to implement a programme that is appropriate for the business’s size and risk profile, ensuring that all staff members understand their responsibilities under competition law.



### COMPETITION COMPLIANCE TOOLKIT FOR BUSINESSES IN ASEAN

The “Competition Compliance Toolkit for Businesses in ASEAN” is a useful resource designed for companies operating in the ASEAN region. It provides essential information on the basic principles of competition law, benefits of competition compliance, as well as guidelines on implementing an internal CCP in the ASEAN context. It also helps both large companies and SMEs to identify key concepts of competition compliance and develop compliance strategies or measures that best suit their needs. By doing so, the toolkit aims to enhance competition compliance within individual companies, and improve overall business practices. This valuable resource equips businesses of all sizes with the knowledge and tools necessary to navigate competition law requirements effectively and foster a culture of compliance in their operations.



The toolkit covers key aspects of competition compliance including:

- General rationale of competition compliance, including the roles and responsibilities of businesses.
- Scope of competition compliance programmes. Identifying, assessing and managing competition compliance risks.
- Resources for businesses to devise their own CCPs in accordance with their specific needs and circumstances.

Access the toolkit at: <https://asean-competition.org/read-publication-competition-compliance-toolkit-for-businesses-in-asean>





An effective CCP must be tailored to the particular circumstances of your business. Your business may consider seeking professional advice from a legal adviser or a compliance specialist. It is crucial to understand that implementing a CCP is the start of a continual process. The programme must be ongoing and sufficiently flexible to adapt to the changing requirements of your business and the evolving regulatory landscape. Regular reviews of the CCP framework are essential to ensure it remains relevant and effective for your organisation. These reviews provide opportunities to assess the programme's performance, identify areas for improvement, and make necessary adjustments to align with your business' current needs and market conditions.

## SUCCESSFUL COMPLIANCE STARTS FROM THE TOP

Senior management's support is important for an effective CCP. It signals to external stakeholders the importance your business places on competition compliance and deters other businesses from engaging your business in anti-competitive practices. Strong management support will also encourage more junior employees to adhere to the programme and actively follow its principles, fostering a culture of compliance throughout the organisation. Senior management support must be visible, active and persistent. This can be achieved in a number of ways, such as:

- the most senior individual in the organisation sending a personal message to staff stating his or her commitment to the CCP;
- making reference to the CCP in your business-mission statement or code of behaviour and ethics;
- making adherence to the CCP one of the overall objectives of your organisation; and/or
- designating a member of the Board of Directors or the senior management team to take on overall responsibility to ensure that the CCP is functioning correctly and to report to the Board at regular intervals on it.





## COMMON FEATURES IN A CCP

The features of a CCP should ultimately be a management decision based on your business circumstances. However, the following are common features in many CCPs:

- **Appropriate policy and procedures**
- **Active implementation**
- **Training**
- **Regular evaluation**



### Appropriate policy and procedures

An effective policy should contain at least the following elements:

- an overarching commitment to comply with the Competition Act;
- placing a duty on all employees and directors to conduct their business dealings in compliance with this overarching policy, for example by including adherence to the CCP in the employee handbook;
- disciplinary action to be taken against employees/directors who intentionally or negligently involve the firm in anti-competitive practices – this is essential if the programme is to be taken seriously; and
- adherence to CCP as a consideration in performance appraisals.

A robust compliance framework should empower employees to engage with competition law issues effectively. This framework should facilitate two key actions:

- Consultation with senior management:
  - Enable employees to seek guidance on whether specific transactions comply with the Competition Act
  - Provide a clear process for determining when to seek external legal advice as part of due diligence
- Reporting of suspected infringements:
  - Enable employees to report activities they believe may violate the Competition Act without fear of retaliation from the organisation.

### Active implementation

A CCP goes beyond mere verbal or written commitments to comply with the Competition Act. It requires active implementation and promotion through appropriate policies and procedures throughout the organisation.

Active implementation of a CCP could involve comprehensive measures such as an independent review of all existing contracts and agreements from a competition law perspective. This review might scrutinise elements like exclusivity clauses and sales rebate terms and conditions. Additionally, the CCP should include internal or external audits of existing standard operating procedures, particularly for staff in sensitive roles such as sales, marketing, or those involved in bid preparation. A well-designed and effective CCP might also incorporate procedural safeguards. For instance, it could mandate that all contracts and agreements be cleared through the legal department, which would explicitly include competition law considerations in their review process.





## Training

Training forms a crucial part of an effective CCP and is essential for all employees. Training should be provided on the Competition Act and the business' CCP. Such training can be offered as part of the induction programme for new staff and also on a continuing basis in order to reinforce the compliance message and keep staff updated with changes in the law. The training can be delivered in a variety of ways – e.g., informal seminars, video presentations and role-play. To maximise effectiveness, the content should be tailored to relate directly to the company's specific business activities, enabling employees to readily identify potential competition issues in their daily work. Furthermore, it's crucial to recognise that certain employees or business units may face higher exposure to competition law risks. Identifying these high-risk areas allows for more targeted and intensive training efforts, ensuring that resources are allocated efficiently and those most likely to encounter competition law issues are adequately prepared. These high-risk areas might include:

- senior management;
- sales and marketing staff;
- staff in charge of purchasing and procurement;
- strategic planning staff who plan potential mergers or acquisitions;
- staff involved in negotiating of contracts with customers or distributors;
- staff involved in pricing policy or loyalty programmes/rebates;
- staff who hold concurrent positions in trade associations; and
- staff who have contact with competitors.

By focusing additional training resources on these key groups, companies can significantly enhance their compliance efforts, reducing the risk of inadvertent breaches in areas most vulnerable to competition law concerns. Training records should also be kept, and management should ensure that the training content is up to date.

## Regular evaluation

Regular evaluation is crucial for the success of a CCP, even when other key elements are in place. This evaluation serves two primary purposes: ensuring the CCP's proper functioning and identifying and addressing areas of risk. An effective evaluation process should encompass several key components:

- Ensure that the CCP is kept up to date in relation to developments in competition law;
- Conduct formal audits of sales and procurement processes, both scheduled and unannounced, to check for actual or potential infringements; and
- Review mechanisms for reporting actual or potential infringements to senior management. Assess the effectiveness of processes for addressing identified issues and implementing measures to prevent recurrence.

The evaluation process should be carried out with a high degree of transparency. This openness signals to employees that their conduct is constantly subject to review against the terms of the CCP, reinforcing the importance of compliance in day-to-day operations.







## CCSS'S BUSINESS COLLABORATION GUIDANCE NOTE

07

*In response to rapidly changing operating conditions, businesses are transforming the way they operate to adapt to and seize new opportunities. They may desire to collaborate with one another but may be unfamiliar with how the Competition Act applies to such collaborations.*

*CCCS's Business Collaboration Guidance Note ("Guidance Note") clarifies CCCS's position on seven common types of business collaborations and provides guidance and certainty on how these collaborations will be assessed, so that businesses can work together with greater confidence in compliance with the Competition Act. The Guidance Note also facilitates self-assessment by businesses and encourages collaborations with pro-competitive outcomes.*



The seven common types of business collaborations covered in the Guidance Note are:

1. Information Sharing: Exchange of both price and non-price information among businesses;
2. Joint Production: Collaboration to jointly produce a product, share production capacity or subcontract production;
3. Joint Commercialisation: Collaboration in the selling, tendering, distribution or promotion of a product;
4. Joint Purchasing: Collaboration to jointly purchase from one or more suppliers;
5. Joint Research & Development: Collaboration on R&D activities, such as joint investment;
6. Standards Development: Setting of industry or technical standards; and;
7. Standard Terms and Conditions in Contracts: Use of standard terms by competitors in contracts with customers.

Visit <https://go.gov.sg/bizcollabguidancenote> for more information on the Guidance Note.



From time to time, CCCS may issue specialised guidance notes in relation to other specific forms of business collaborations. Businesses are advised to keep updated with CCCS's policies and guidance as set out on CCCS's website.





## WHAT IS THE LENIENCY PROGRAMME?

CCCS administers a leniency programme for applicants who report and provide evidence of cartel activities.

CCCS's Leniency Programme is only available to businesses that are part of a cartel agreement or concerted practice or trade associations that participate in or facilitate cartels.

Cartel agreements are the most serious type of anti-competitive agreements. They are generally secretive by nature and hence, difficult to detect. Cartel members may be reluctant to come forward and report on their activities.

International experience has shown that leniency programmes are effective in incentivising businesses that have participated in cartel activities, to come forward to CCCS with information and evidence about the cartel.

To qualify for immunity from financial penalties, the applicant must:



i) Come forward with all the information and documents available to it relating to the cartel activity immediately as well as render full, complete and continuous cooperation to CCCS until the conclusion of any action arising as a result of the investigation;



ii) Grant CCCS a waiver of confidentiality to correspond with the competition regulator of any other jurisdiction that an application for leniency was made to, or any other regulatory authority which was informed of the conduct;



iii) Unconditionally admit to the conduct for which leniency is sought and provide details as to the extent to which the conduct had an impact on competition in Singapore;





iv) Refrain from further participation in the cartel from the time of disclosure to CCCS, unless otherwise directed by CCCS; and



v) Not have been the initiator of the cartel and not have taken steps to coerce other parties to participate in the cartel.

Depending on the time at which the leniency applicant comes forward to CCCS, the evidence already in CCCS's possession and the quality of information provided by the applicant, the applicant may be granted total immunity from or a reduction in the amount of financial penalty which may be imposed on it.

CCCS has a **marker system** in place for leniency applicants to obtain immunity or a reduction of up to 100% in financial penalties. A marker protects an applicant's place in the queue for a given period of time and allows it to gather necessary information on the cartel activity while maintaining its place in the queue for leniency.

If your business is part of a cartel, make a leniency application to CCCS as soon as possible. Even if you do not currently have substantial information or evidence of the cartel, you may still apply for a leniency marker on behalf of your business. You can thereafter collect the information or evidence required to support your application.

If your business meets the relevant criteria and is the first to notify CCCS, it may be granted immunity from financial penalties (if CCCS has not commenced investigations yet) or a reduction of up to 100% of the financial penalties (if CCCS has already commenced investigations).





## LENIENCY PLUS PROGRAMME

CCCS also administers a **Leniency Plus Programme** where an applicant who is cooperating with CCCS in a cartel investigation (“**first cartel**”) is the first to provide CCCS with information on a completely separate cartel that the applicant is involved in (“**second cartel**”).



To qualify for the Leniency Plus Programme, your business has to show that:



- the information and evidence provided is indeed in relation to a completely separate cartel from the first cartel;



- your business is the first to come forward to CCCS with information and evidence about the second cartel.

If your business meets the relevant criteria, it may be granted leniency (either immunity or a reduction of up to 100% of the financial penalty) in relation to the cartel in the second market. In addition, your business remains eligible for any reduction in financial penalty it would have received for its cooperation in the investigation in the cartel in the first market.

## PROCEDURES FOR A LENIENCY APPLICATION

Your business’ leniency application is deemed to have been made only after your business’ identity is revealed and CCCS has been furnished with either all the evidence available to your business relating to the cartel, or at least a list of the evidence to be disclosed by your business at a later point in time. It is therefore in your business’ interest to satisfy these requirements as soon as possible, since the reduction in the amount of financial penalty for which your business may be eligible for will depend on whether your business’ leniency application was the first one to be made and the evidence already in CCCS’s possession.

### WILL CCCS KEEP MY BUSINESS’ IDENTITY CONFIDENTIAL IF IT APPLIES FOR LENIENCY?

CCCS will endeavour to keep your business’ identity confidential throughout the course of our investigations, until CCCS issues a proposed infringement decision.





## CCCS'S WHISTLE-BLOWING (REWARD SCHEME) PROGRAMME

11

CCCS is interested to hear from individuals with useful information on cartel activity in Singapore. If you are aware of cartel activities and wish to report them, please contact CCCS with relevant information via <https://gather.gov.sg/questionnaire> or call the CCCS hotline at **1800-325-8282** to provide such information. If you wish to remain anonymous or obtain a reward for providing such information, please inform us accordingly upfront.

## WHEN SHOULD YOU CONTACT CCCS

You should contact CCCS as early as possible because:

- CCCS officers can discuss with you what information is most useful to us;
- CCCS officers can advise on how to minimise the risks in obtaining the information; and
- Current information relating to competition infringements is likely to be more useful.

Notwithstanding the above, you should contact CCCS only if you have direct or, at the very least, indirect access to **inside** information surrounding the cartel activity. Hearsay information e.g., an overheard conversation from unknown third parties is unlikely to be useful to CCCS.

Examples of useful information include:

- Identities of companies/businesses who are part of the cartel;
- Origins of the cartel;
- The nature of the industry where the cartel is operating; and
- Documents or other information evidencing the agreements, decisions or practices of the cartel e.g. minutes of meetings, text messages and/or emails.



CCCS undertakes to keep strictly confidential your identity and any information that may lead to your identification. Only a limited number of CCCS officers will know your identity and the process of providing information will, as far as possible, be facilitated by an assigned officer.

In appropriate cases, a monetary reward can be paid to informants for information that leads to CCCS issuing an infringement decision against the cartel members. The reward will be paid within one month of the issuance of an infringement decision. The amount of reward is capped at SGD 120,000 and the actual amount paid out is determined at the sole discretion of CCCS. CCCS may also reject offers of information without giving reasons for doing so. The exact amount of reward that an informant will get is known only after CCCS has assessed the value of the information given just before the issuance of the infringement decision. Where the cartel activity is already under investigation by CCCS at the time the informant comes forward to CCCS, no reward will be paid out to the informant.





## SEEKING GUIDANCE AND DECISION FROM CCCS

Businesses need not notify CCCS of their agreements or conduct. However, there may be occasions when they have serious concerns as to whether they are infringing or likely to infringe the Competition Act. In such situations, they may find it useful to take independent legal advice on these matters. Where relevant, they may also apply to CCCS for:

- **Guidance** from CCCS as to whether the agreement or conduct is likely to infringe section 34 (anti-competitive agreements/conduct) or section 47 (abuse of dominance) of the Competition Act; or
- **Decision** by CCCS as to whether the agreement or conduct does in fact infringe section 34 (anti-competitive agreements/conduct) or section 47 (abuse of dominance) of the Competition Act.

When applying to CCCS for guidance or a decision, businesses should ensure that the application is in relation to an existing agreement or conduct. CCCS is unable to accept applications relating to a proposed agreement or conduct that has not been concluded or taken place as it will have to assess the agreement or conduct in its entirety and the surrounding circumstances.



Notification forms for guidance or decision from CCCS can be found on CCCS's website ([www.cccs.gov.sg](http://www.cccs.gov.sg)).

**GUIDANCE**

**DECISION**





## GUIDANCE VS. DECISION: WHICH ROUTE TO TAKE?

	GUIDANCE	DECISION
<b>Outcome</b>	Guidance is <b>indicative</b> as it informs an undertaking whether or not, in CCCS's view, the agreement or conduct <b>is likely to infringe</b> the section 34 or 47 prohibition of the Competition Act.	A decision is <b>definitive</b> as it informs an undertaking whether or not, in CCCS's view, the agreement or conduct does in fact <b>infringe</b> the section 34 or 47 prohibition of the Competition Act.
<b>Confidentiality</b>	An application for guidance is usually treated confidentially, although CCCS may consult with third-parties for relevant information or feedback if it allows CCCS to conduct a more complete assessment.	After an application for decision is made, a summary of the non-confidential details of the application (which will be submitted by the applicant) must be published on the CCCS website for public consultation.
<b>Application cost</b>	Initial fee: SGD3,000 Further fee: SGD20,000	Initial fee: SGD5,000 Further fee: SGD40,000
<b>Time</b>	Generally takes a shorter time for CCCS to issue a guidance if there is no need for public consultation.	Generally CCCS may take a slightly longer time to issue a decision as there is a need for public consultation.
<b>Immunity from financial penalties</b>	In the event that CCCS issues an unfavourable guidance or decision for cases in relation to the section 34 prohibition, the notifying undertaking is immune from financial penalties during the period when CCCS was considering the matter. The undertaking will then be given a short period to comply with the Competition Act. There is no immunity from financial penalties with respect to notifications of conduct that constitute an abuse of a dominant position.	
<b>Forms</b>	Applications for guidance or decision are made by filling out Form 1 and submitting it to CCCS, together with the prescribed initial fee. Where requested by CCCS, the applicant must also fill out and submit Form 2, after having submitted Form 1. The application forms can be found on the CCCS website ( <a href="http://www.cccs.gov.sg">www.cccs.gov.sg</a> ).	



## NOTIFYING CCCS OF A MERGER OR ANTICIPATED MERGER

Singapore has a voluntary merger notification regime. It is not compulsory for businesses to notify CCCS of a merger or anticipated merger. However, CCCS may conduct an investigation if there are reasonable grounds for suspecting that a merger (or anticipated merger, if carried out) has infringed the section 54 prohibition (mergers that substantially lessen competition). If CCCS carries out an investigation and ultimately identifies a Substantially Lessening of Competition ("SLC") situation, there may be two consequences. First, CCCS may direct the merged entity to remedy the SLC (for example by divesting all or part of the business) and secondly, CCCS has the power to impose financial penalties on merger parties that implement a merger that gives rise to an SLC.



In light of the above, the merging parties should perform a self-assessment to determine if their merger would lead to an SLC. However, if they have concerns or are unsure as to whether the merger has resulted or may result in an SLC, they may notify CCCS and apply for a decision by CCCS as to whether a merger has infringed or when carried into effect, will infringe section 54 of the Competition Act. In the case of an anticipated merger, notification will not be accepted if the transaction is still confidential.



**NOTIFYING A MERGER OR ANTICIPATED MERGER**

<b>Regime</b>	Voluntary regime
<b>Confidentiality</b>	After an application for decision is made, a summary of the non-confidential details of the application (which will be submitted by the applicant) must be published on the CCCS's website for public consultation.
<b>Application fees</b>	<ol style="list-style-type: none"><li>1) Mergers involving small and medium enterprises ("SMEs") in Singapore: SGD5,000</li><li>2) Where the turnover of the target undertaking or turnover attributed to the acquired asset:<ol style="list-style-type: none"><li>(i) is equal to or less than SGD200 million: SGD15,000;</li><li>(ii) between SGD200 million and SGD600 million: SGD50,000;</li><li>(iii) above SGD600 million: SGD100,000.</li></ol></li></ol>
<b>Time</b>	<p>The assessment consists of "2 phases".</p> <p>In the "Phase 1" review, within an indicative timeframe of 30 working days, CCCS assesses that the notification form meets all filing requirements, charges the filing fee and makes a relatively quick assessment of the filing. This allows CCCS to give a favourable decision for proposed mergers that clearly do not raise any competition concerns under the Competition Act.</p> <p>If CCCS is unable to conclude that the proposed merger does not raise any competition concerns during the "Phase 1" review, CCCS will provide the applicant(s) with a summary of the key concerns, and upon the filing of a complete Form M2 and response to the "Phase 2" information request, CCCS will proceed to carry out a more detailed assessment ("Phase 2" review). CCCS endeavours to complete "Phase 2" within 120 working days.</p>

However, businesses that wish to keep their mergers confidential for the time being, but wish to get an indication from CCCS on whether or not their mergers would infringe the Competition Act may approach CCCS for confidential advice, subject to the fulfilment of certain conditions.

More details on the procedures and the notification forms can be found on CCCS's website ([www.ccs.gov.sg](http://www.ccs.gov.sg)).





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