



MEDIA RELEASE

29 June 2021

CCCS Identifies Areas for Further Review on Proposed Merger of Aon and Willis Towers Watson

The Competition and Consumer Commission of Singapore (“**CCCS**”) has completed its initial review¹ of the proposed merger (the “**Proposed Transaction**”) of Aon plc (“**Aon**”) and Willis Towers Watson Public Limited Company (“**WTW**”) (collectively, the “**Parties**”). CCCS has identified areas for further review in respect of the Proposed Transaction.

2. On 9 April 2021, CCCS commenced a public consultation on the Proposed Transaction after receiving a notification² from Aon for a decision on whether the Proposed Transaction would infringe section 54 of the Competition Act (Cap. 50B), which prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition within any market in Singapore. Aon notified CCCS in relation to the supply of retirement benefits consulting services and human capital consulting services, in which Aon and WTW overlap in supplying such services.

3. Based on information furnished by Aon and feedback from third parties³, CCCS has identified areas for further review in respect of the Proposed Transaction, pertaining to executive compensation and related consulting services, as a sub-segment under human capital consulting services.

4. Third party feedback suggested that the merged entity will become the largest provider of executive compensation and related consulting services in Singapore post-Proposed Transaction, and that there are limited alternative providers available who are able to compete effectively in Singapore. Feedback was also raised by third parties that there may be barriers to entry and expansion, with limited consulting personnel who possess the necessary expertise and experience in providing executive compensation and related consulting services in Singapore. There is also feedback

¹ Under CCCS’s merger procedures, a Phase 1 review entails a quick review and allows merger situations which do not raise competition concerns under the section 54 prohibition to proceed. For more information on what a Phase 1 review entails, please refer to **Annex 1**.

² For more information on the Proposed Transaction, please refer to [CCCS’s media release dated 9 April 2021](#) at www.cccs.gov.sg.

³ Third parties include customers and other providers of retirement benefits consulting services and human capital consulting services.

that building up a database of compensation data, which underpins the provision of executive compensation and related consulting services in Singapore, may constitute a barrier to entry. In view of the above feedback received, CCCS needs to further review the competition effects of the Proposed Transaction in greater detail.

5. At this stage, the Parties may offer commitments to address the potential competition concerns that may arise as a result of the Proposed Transaction, or the Proposed Transaction will proceed to a detailed further review⁴ upon CCCS's receipt of the relevant documents from Aon. Commitments may also be offered at any time during this review. For more information on the merger review process in Singapore, please refer to **Annex 1**.

- End -

⁴ Under CCCS's merger procedures, a Phase 2 review entails a more detailed and extensive examination of the merger situation. For more information on what a Phase 2 review entails, please refer to **Annex 1**.

About the Competition and Consumer Commission of Singapore (CCCS)

CCCS is a statutory board established under the Competition Act (Chapter 50B) on 1 January 2005 to administer and enforce the Act. It comes under the purview of the Ministry of Trade and Industry. The Act empowers CCCS to investigate alleged anti-competitive activities, determine if such activities infringe the Act and impose suitable remedies, directions and financial penalties. CCCS is also the administering agency of the Consumer Protection (Fair Trading) Act (Cap. 52A) which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for business and consumers in Singapore.

For more information, please visit www.cccs.gov.sg.

For media clarifications, please contact:

Ms. Grace Suen
Senior Assistant Director (Communications)
Competition and Consumer Commission of Singapore
Email: grace_suen@cccs.gov.sg

Ms. Nawwar Syahirah
Senior Assistant Director (Communications)
Competition and Consumer Commission of Singapore
Email: nawwar_syahirah@cccs.gov.sg

ANNEX 1

About the Section 54 Prohibition under the Competition Act & Merger Procedures

Section 54 of the Competition Act (Cap. 50B) (“**the Act**”) prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition in Singapore. CCCS is generally of the view that competition concerns are unlikely to arise in a merger situation unless:

- The merged entity has/will have a market share of 40% or more; or
- The merged entity has/will have a market share of between 20% to 40% and the post-merger combined market share of the three largest firms is 70% or more.

Merging entities are not required to notify CCCS of their merger but they should conduct a self-assessment to ascertain if a notification to CCCS is necessary. If they are concerned that the merger has infringed, or is likely to infringe, the Act, they should notify their merger to CCCS. In such cases, CCCS will assess the effect of the merger on competition and decide if the merger has resulted, or is likely to result, in a substantial lessening of competition (“**SLC**”) in Singapore.

Separately, CCCS has the ability to conduct an investigation into an un-notified merger if there are reasonable grounds for suspecting that the merger infringes section 54 of the Act. In the event CCCS finds that a merger situation has resulted or is expected to result in an SLC, CCCS has powers to give directions to remedy the SLC. For example, CCCS can require the merger to be unwound or modified to address or prevent the SLC, as the case may be. CCCS may also consider issuing interim measures prior to the final determination of the investigation.

Phase 1 and Phase 2 Merger Review

A Phase 1 review entails a quick review and allows merger situations that do not raise competition concerns under the section 54 prohibition to proceed. CCCS expects to complete a Phase 1 review within 30 business days. By the end of this period, CCCS will determine whether to issue a favourable decision and allow the merger situation to proceed. If CCCS is unable, at the end of the 30-day period, to conclude that the merger situation will not result in a substantial lessening of competition, CCCS will inform the merger parties and the merger parties may file further information and supporting documents as listed in Form M2⁵. Upon receipt of Form M2, CCCS will proceed to a Phase 2 review.

A Phase 2 review entails a more detailed and extensive examination of the merger situation. While the principles of substantive assessment are the same, CCCS will

⁵ The form can be accessed at www.ccs.gov.sg/approach-cccs/notifying-a-merger/filing-a-merger-notification-with-cccs.

require access to more extensive and detailed information regarding the merger parties and the markets in question.

As the Phase 2 review is more complex, CCCS will endeavour to complete a Phase 2 review within 120 business days.

Commitments

Section 60A of the Act states that CCCS may, at any time before making a decision as to whether the section 54 prohibition has been or will be infringed, accept commitments that remedy, mitigate or prevent the substantial lessening of competition or any adverse effect arising from the merger situation. Where CCCS has accepted a commitment, CCCS will make a favourable decision.

Further details can be found in the [CCCS Guidelines on Merger Procedures 2012](#).

For more information, please visit www.cccs.gov.sg.