

MEDIA RELEASE

3 January 2025

CCCS Issues Positive Guidance in First Case Under Streamlined Process for Collaborations Pursuing Environmental Sustainability Objectives

- 1. The Competition and Consumer Commission of Singapore ("CCCS") has given positive guidance that the joint establishment and operation of Beverage Container Return Scheme (BCRS) Ltd. ("BCRS Ltd.") by Coca-Cola Singapore Beverages Pte. Ltd., F&N Foods Pte Ltd and Pokka Pte. Ltd. (collectively the "Parties") is unlikely to infringe sections 34 and 47 of the Competition Act 2004 ("Competition Act")¹.
- 2. The Parties and BCRS Ltd. (collectively the "Applicants") applied to CCCS for guidance on whether the joint establishment and operation of BCRS Ltd. by the Parties is likely to infringe section 34 or section 47 of the Competition Act. This was the first Notification for Guidance ("NG") where CCCS applied the streamlined process outlined in CCCS's Environmental Sustainability Collaboration Guidance Note ("ESCGN")² to assess collaborations pursuing environmental sustainability objectives³.
- 3. BCRS Ltd. is a not-for-profit company licensed by the National Environment Agency ("**NEA**") to design and operate the Beverage Container Return Scheme (the "**Scheme**") in Singapore, which is targeted to launch on 1 April 2026.⁴ Under

¹ Section 34 of the Competition Act prohibits anti-competitive agreements between businesses. Section 47 of the Competition Act prohibits abuse of a dominant market position.

² The <u>ESCGN</u> was issued on 1 March 2024 to provide greater clarity to businesses on how to pursue such business collaborations without harming competition. The streamlined notification process is designed for collaborations that support Singapore's whole-of-nation efforts to realise its environmental sustainability goals.

³ Under the streamlined process, CCCS will undertake a two-phase approach, with a Phase 1 review expected to be completed within 30 working days for simple cases, plus an additional Phase 2 review of 120 working days for complicated cases.

⁴ The Scheme is established under the Resource Sustainability Act 2019. The Scheme aims to increase the recycling rate of beverage containers and foster a culture of recycling among Singaporeans and raise consumer awareness on the importance of recycling. BCRS Ltd.'s licence validity period is from 29 July 2024 to 31 March 2033, which takes into account approximately 20 months of preparatory period and seven years of operations from 1 April 2026 to 31 March 2033.

the Scheme, pre-packaged beverages in plastic and metal containers ranging from 150 millilitres to 3 litres will have a refundable deposit of \$0.10. This deposit will be fully refunded when empty beverage containers are returned at designated return points, such as reverse vending machines at larger supermarkets.⁵

- 4. The Applicants' NG followed earlier competition advice that CCCS had provided to the NEA, on how NEA could mitigate potential competition concerns when developing the Scheme. ⁶ The NG also provided the opportunity for the Applicants to clarify and address any residual competition concerns regarding the joint establishment and operation of BCRS Ltd. In line with the expedited timeline under the ESCGN, CCCS completed its assessment within 30 working days.
- 5. Mr. Alvin Koh, Chief Executive of CCCS, said: "CCCS is supportive of Singapore's environmental sustainability goals while ensuring fair competition in our markets. Our streamlined process, with defined timeframes, allows for quicker decision-making without compromising thorough assessment. We encourage businesses to engage us early with complete information so that CCCS can respond promptly on whether their environmental sustainability initiatives comply with the Competition Act."
- 6. Businesses are encouraged to familiarise themselves with the ESCGN to gain greater clarity when planning collaborations with environmental sustainability objectives to ensure compliance with the Competition Act. Businesses that wish to seek more legal certainty may choose to notify their collaborations to CCCS for guidance or decision via https://www.go.gov.sg/approach-cccs.

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⁵ Further details of the Scheme may be accessed <u>here</u>.

⁶ Further details of an earlier competition advisory that CCCS provided to NEA on the Scheme may be accessed here.

About the Competition and Consumer Commission of Singapore

The Competition and Consumer Commission of Singapore ("CCCS") is a statutory board of the Ministry of Trade and Industry. CCCS administers and enforces the Competition Act 2004 which empowers CCCS to investigate and adjudicate anti-competitive activities, issue directions to stop or prevent anti-competitive activities and impose financial penalties. CCCS is also the administering agency of the Consumer Protection (Fair Trading) Act 2003 which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for businesses and consumers in Singapore.

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

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