COMPETITION & CONSUMER COMMISSION SINGAPORE

FAIR PLAY

Making markets work well through competition and consumer protection

Annual Report 2018- 2019

ABOUT CCCS

The Competition and Consumer Commission of Singapore ("CCCS") administers and enforces the Competition Act (Chapter 50B) which prohibits anti-competitive practices as well as the Consumer Protection (Fair Trading) Act (Chapter 52A) or CPFTA which protects consumers against unfair trade practices in Singapore. CCCS also represents Singapore in respect of competition matters and consumer protection matters in the international arena. In addition, CCCS has a statutory duty to advise the government or other public authority on national needs and policies in respect of competition matters and consumer protection matters.

The functions of CCCS are supported by seven divisions, which include: (1) Business & Economics, (2) Consumer Protection, (3) Corporate Affairs, (4) Enforcement, (5) International, Communications & Planning, (6) Legal and (7) Policy & Markets.

MISSION
Making markets work well to create opportunities and choices for businesses and consumers in Singapore.

VISION
A vibrant economy with well-functioning and innovative markets.

VALUES
Integrity, Professionalism, Passion, Teamwork

THEME
"Fair Play: Making markets work well through competition and consumer protection" highlights synergies between the Competition Act and the Consumer Protection (Fair Trading) Act to create fair competition for businesses in the marketplace and fair trade practices to protect consumers.

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CHAIRMAN'S MESSAGE

FY2018 MARKED A MILESTONE YEAR FOR CCCS ON SEVERAL FRONTS. WE REMAIN COMMITTED TO CREATING A VIBRANT ECONOMY WITH WELL-FUNCTIONING AND INNOVATIVE MARKETS.

NEW ROLE OF CONSUMER PROTECTION

On 9 April 2018, we officially launched our new identity as the Competition and Consumer Commission of Singapore ("CCCS"), which allowed us to harness synergies of enforcing both the Competition Act and the Consumer Protection (Fair Trading) Act ("CPFTA").

Competition and consumer protection share a close and complementary relationship as CCCS is now empowered to make markets work well from the supply side (competition) and demand side (consumers). Measures to enhance competition in markets can bring about benefits for consumers in the form of more choice, lower prices or improved quality. Similarly, enforcement of CPFTA against errant retailers for unfair trade practices will ensure that the playing field is level for law-abiding suppliers.

BUILDING A ROBUST AND CREDIBLE REGIME

CCCS's interventions not only protect the man in the street, but also businesses which may be victims of anti-competitive practices. As both an enforcer and advocate, CCCS can correct errant behaviours, engage consumers and businesses, and positively shape the better functioning of markets.

In 2018, CCCS issued infringement decisions with financial penalties totalling over S$41 million. On the merger front, it issued a provisional decision to block a merger relating to the supply of marine water treatment chemicals, as well as interim measures, final directions and financial penalties in an anti-competitive merger in the ride-hailing sector.

Due process is important for a robust and credible competition and consumer protection regime. When CCCS makes a preliminary decision that businesses have infringed the law, sufficient time is given to review the evidence and make their representations to CCCS. The final decision is made only after careful consideration of the representations, as well as all available information and evidence.

To this end, CCCS is pleased to participate as a founding member in the International Competition Network ("ICN") Framework on Competition Agency Procedures. This multilateral framework advances basic principles on procedural fairness and transparency, which are essential to the effective application of competition law, and promotes review mechanisms to ensure that participating agencies abide by these norms. As a proponent of the rule of law, our participation in the new framework will demonstrate our commitment to these principles fundamental to effective competition law enforcement, and it will strengthen our cooperation with competition agencies overseas.

REACHING NEW HEIGHTS

At the international level, we spearheaded the communications portfolio of the ICN, the global network of more than 130 competition agencies. CCCS co-organised a workshop on business compliance for ASEAN competition officials. Our role as co-chair of the ICN Advocacy Working Group also saw us leading a project on conducting competition advocacy in relation to digital markets.

Under our chairmanship of the ASEAN Experts Group on Competition ("AEGC"), we saw the establishment of the ASEAN Competition Enforcers' Network to handle cross-border cases in the region and discuss issues relating to competition policy and law. To facilitate regional discourse on consumer protection, CCCS also contributes to various initiatives of the ASEAN Committee on Consumer Protection ("ACCP") in support of the Ministry of Trade and Industry. Singapore hosted the 18th ACCP meeting in 2018, which identified e-commerce as an emerging trend within ASEAN and will prioritise it as a work area in 2019 through the development of the Online Business Code of Conduct and an ASEAN Framework of Cross-Border Cooperation.

2018 also marked CCCS's first official cooperation on competition enforcement with an ASEAN competition authority, when we signed a memorandum of understanding ("MOU") with Indonesia's Commission for the Supervision of Business Competition ("KPPU").

APPRECIATION

I would like to thank Mr Andrew Tan, who has stepped down in December 2018, for his valuable contributions to the Commission. At the same time, I welcome two new board members who joined in April 2019, Ms Cindy Khoo and Dr Faizal Bin Yahya.

My appreciation also goes out to all our partners and stakeholders for their strong partnership and support. Together, we will continue to make markets work well to create opportunities and choices for businesses and consumers in Singapore.

MR AUBECK KAM TSE TSUEN
Chairman

CHIEF EXECUTIVE'S MESSAGE

IN THE PAST YEAR, CCCS CONCLUDED SEVERAL HIGH-PROFILE CASES, WHICH HAS HELPED TO RAISE PUBLIC AWARENESS OF OUR COMPETITION ACT AND CONSUMER PROTECTION (FAIR TRADING) ACT, BESIDES CURBING ANTI-COMPETITIVE AND UNFAIR TRADE PRACTICES TO MAKE OUR MARKETS WORK WELL.

MAKING MARKETS WORK WELL

The infringement decision against two ride-hailing firms saw directions imposed to restore market contestability and financial penalties totalling S$13 million based on the harm done to the market through an irreversible merger. We took a balanced and forward-looking approach in our interventions. We required the removal of exclusivities and facilitated the entry of new players, instead of unwinding the transaction. Our measures aimed to ultimately create an open and competitive environment to enable new and existing players to compete effectively, so as to benefit drivers and riders alike.

Separately, we levied our highest financial penalties to date in a case involving 13 fresh chicken distributors who coordinated the amount and timing of price increases, and agreed not to compete for each other's customers. The cartel took place over seven years where the distributors had control of over 90 per cent of the market and a total turnover of approximately half a billion dollars. CCCS's infringement decision brought an end to the cartel's anti-competitive behaviour which impacted a large number of customers ranging from supermarkets, restaurants, wet markets and consumers of fresh chicken products.

CCCS also penalised the operators of four hotels for exchanging commercially sensitive information in connection with the provision of hotel room accommodation in Singapore to corporate customers. Such exchange of information among competitors harms competition as it reduces the uncertainty and pressure to compete, resulting in customers having less competitive prices and options.

In the year, CCCS assessed 13 mergers across a myriad of industries, including food and beverage, transportation, finance and manufacturing. CCCS issued a provisional decision to block a merger involving maritime products for potential substantial lessening of competition should it proceed. The proposed transaction was subsequently abandoned by the parties when, separately, the US federal court granted a preliminary injunction to block it.

CCCS identified competition concerns in spite of economic efficiencies that could arise in a joint venture to provide poultry slaughtering services. CCCS put the proposed commitments by the parties through a public consultation exercise. The joint venture was approved after CCCS evaluated the feedback and assessed the commitments to be sufficient to mitigate the competition concerns identified.

CCCS has also issued a guidance note to streamline its review of airline alliance agreements. Airlines were provided with greater clarity on the competition assessment of such agreements in areas such as the review process, criteria and timeline. This facilitated easier self-assessment of airline alliance agreements, increased efficiency in the notification process and reduced the compliance cost for businesses.

On consumer protection, CCCS has completed preliminary enquiries on 13 retailers across different industries including beauty, food and beverage, e-commerce and renovation contractors. Recently, we took our first enforcement action for consumer protection, with a Court Order for car retailer SG Vehicles to cease unfair trade practices. The motoring industry saw the highest number of consumer complaints in 2017 and has been overtaken by the beauty industry, which CCCS is monitoring closely, in 2018.

BACKING ADVOCACY WITH ENFORCEMENT

Enforcement and advocacy must go hand-in-hand to be effective and efficient. Without rigorous enforcement, advocacy is seen to have no bite. Enforcement alone is also inefficient. As investigations are resource intensive, advocacy can help to minimise involuntary transgression of the law and thus, save resources.

In 2018, CCCS set up an advocacy and outreach unit to sharpen our efforts. We regularly conduct outreach to key stakeholder groups ranging from trade associations to educational institutions to create awareness and promote understanding of competition and consumer protection laws. In the long-term, we hope to foster a culture of healthy competition, fair trade and consumer sophistication.

CCCS also issued a total of 18 competition advisories to government agencies on assessing competition impact of their policies and recommending options that can reduce potential adverse impact. As part of advocacy to sectoral competition regulators, CCCS also organised the Community of Practice for Competition and Economic Regulators ("COPCOMER") Tea 2018 to explore how Singapore can promote the responsible development and adoption of an artificial intelligence-driven economy.

To build awareness on consumer protection issues, we participated in roadshows and consumer fairs on pertinent topics such as safe online transactions and pre-payment protection. We also continue to collaborate with the Consumer Association of Singapore ("CASE") to publicise top industries with consumer complaints, smart buying tips and good retail practices. Through this, CCCS aims to empower consumers to make informed decisions and to report unfair business practices.

LOOKING AHEAD

Growing a vibrant economy with competitive markets and innovative businesses will remain our key objective. In FY2019, the key sectors of focus will be on digital platforms, transport and hospitality.

Given the rise of digital and data economy, CCCS is undertaking a number of initiatives to study the impact of digital platforms on competition and consumer protection. We are also deepening our understanding of technological and market developments, and reviewing our assessment toolkit to ensure its relevance to meet the new business models and conduct that abound in the digital sector.

We continue to welcome feedback on our cases when we consult on them, and encourage self-reporting of activities through our leniency or whistle-blower programmes. CCCS looks forward to working closely with our stakeholders to cultivate fair play in the market. All this contributes towards a strong competitive and consumer-focused ecosystem.

MR TOH HAN LI
Chief Executive

CHAIRMAN & COMMISSION MEMBERS

MR AUBECK KAM TSE TSUEN
(Chairman
Competition and Consumer
Commission of Singapore)
Permanent Secretary
Ministry of Manpower

MR TOH HAN LI
(Ex-officio)
(Member of Human Resource Committee)
Chief Executive
Competition and Consumer
Commission of Singapore

PROF EUSTON QUAH
(Member of Audit Committee)
Professor
Head of Economics
Nanyang Technological University

PROF WONG POH KAM
Professor
Department of Strategy & Policy
NUS Business School
National University of Singapore

DR ANDREW KHOO CHENG HOE
(Member of Audit Committee)
Deputy Managing Director
(Corporate Development)
Monetary Authority of Singapore

MS CHIA AILEEN
(Chairman of Human Resource Committee)
Deputy Chief Executive
(Policy, Regulation & Competition Development)/
Director-General (Telecoms & Post)
Infocomm Media
Development Authority

MR TAN KOK KIONG ANDREW
(Until 31 December 2018)
(Member of Human Resource Committee)
Chief Executive
Maritime and Port Authority of Singapore

MR KAN YUT KEONG
(Chairman of Audit Committee)
Retired Accountant
PricewaterhouseCoopers

MR KWEK MEAN LUCK, S.C.
Solicitor-General
Attorney General's Chambers

SENIOR MANAGEMENT

01 MR LEE CHEOW HAN
Assistant Chief Executive
(Legal, Enforcement & Consumer Protection)

02 MS NG EE KIA
Assistant Chief Executive
(Policy, Business & Economics)

03 MR TEO WEE GUAN
Director
(International & Strategic Planning)

04 MR HARIKUMAR SUKUMAR PILLAY
(Until 17 August 2018)
Director
(Enforcement)

05 MR GOH AIK HON
Director
(Corporate Affairs)

06 MR TOH HAN LI
Chief Executive

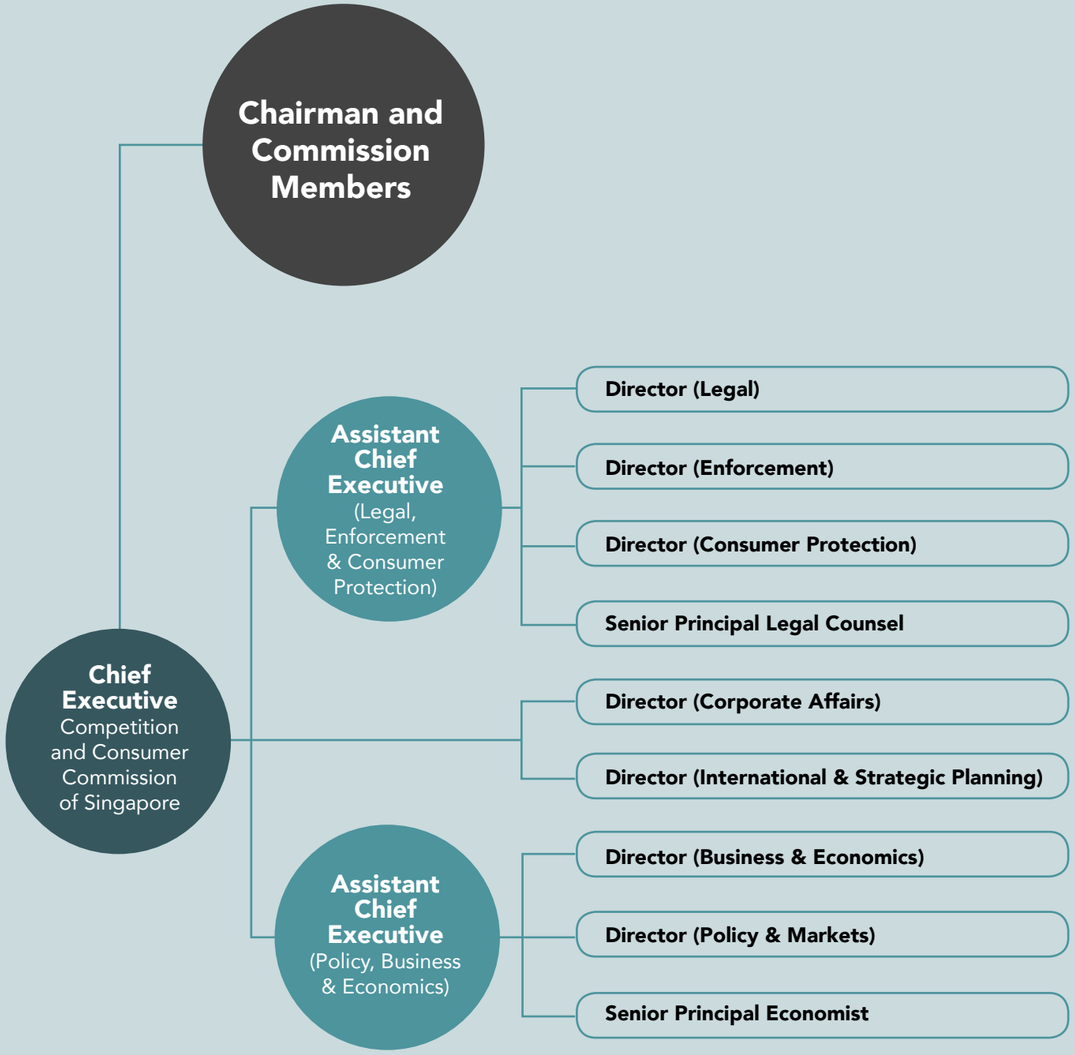
07 MR JACK TENG
Director
(Consumer Protection)

08 MS WINNIE CHING
Director
(Legal)

09 MR HERBERT FUNG
Director
(Business & Economics)

10 DR TAN HI LIN
Director
(Policy & Markets)

CCCS ORGANISATION STRUCTURE



CORPORATE GOVERNANCE

CHAIRMAN & COMMISSION MEMBERS

The Commission oversees the core work of CCCS. It comprises the Chairman and eight Commission Members. They bring with them their expertise in legal, economic and financial domains from the public and private sectors. The Chairman and Commission Members are appointed by the Minister for Trade and Industry. The non-executive Commission Members are remunerated based on Public Service Division ("PSD") guidelines.

HUMAN RESOURCE ("HR") COMMITTEE

The CCCS HR Committee was set up in August 2007. The Committee comprises Ms Chia Aileen as its chairman, Mr Tan Kok Kiong Andrew (until 31 December 2018) and Mr Toh Han Li as its members. The Committee advises the Commission on the formulation and implementation of HR policies so as to uphold a high standard of corporate governance within CCCS and promote the organisation as an employer of choice. The Committee also oversees staff performance appraisals as well as decides on internal disclosure and staff disciplinary cases.

BUSINESS & ETHICAL CONDUCT

All CCCS officers are subject to the provisions of the Official Secrets Act, as well as the Statutory Boards and Government Companies (Protection of Secrecy) Act. In addition, the Competition Act contains provisions governing the disclosure of information by CCCS officers. CCCS officers are also bound by CCCS's Code of Conduct and are obliged to adhere to internal policies to avoid conflicts of interest.

AUDIT COMMITTEE

The Audit Committee is chaired by Mr Kan Yut Keong, with Dr Andrew Khoo and Prof Euston Quah as members. The Audit Committee assists the Commission in carrying out its responsibilities in areas relating to internal controls, auditing, financial and accounting matters, regulatory compliance, and risk management. In addition, the Audit Committee reviews the audited annual financial statements and the adequacy of CCCS's accounting, and internal control systems with the management, external auditors and internal auditors.

EXTERNAL AUDIT FUNCTIONS

KPMG LLP was appointed by the Minister for Trade and Industry in consultation with the Auditor-General to audit the accounts of CCCS for FY2018. The audited accounts are duly approved by the Commission and the Minister for Trade and Industry. The Auditor-General is also kept informed of the audited accounts.

ACCOLADES

Singapore Quality Class

CCCS attained the Singapore Quality Class ("SQC") STAR with People Niche certification in September 2018, after a rigorous assessment based on the internationally benchmarked Business Excellence framework. This is a testament to CCCS's people-centric philosophy and commitment to strong employee practices and systems. CCCS was also noted for enforcement decisions that have generated new legal precedents for competition law in Singapore, and strong leadership and corporate governance.

The SQC recognises organisations that have attained robust business fundamentals and met standards for good business performance, and the accompanying People Niche certification recognises organisations which have achieved excellence in the area of people development.

SINGAPORE QUALITY CLASS STAR
PEOPLE

Global Competition Review

In October 2018, CCCS was awarded a 'three-star' rating with an upward trend of 'improved performance' by the Global Competition Review ("GCR"), which surveys the world's leading competition authorities annually.

GCR highlighted that CCCS, despite being a small and young agency compared to other global agencies, embarked on ambitious cases in 2017, including working with the likes of the US Federal Trade Commission ("US FTC") and the European Union's Directorate-General for Competition on big mergers. CCCS held regular discussions with US FTC during the merger review involving maritime products and issued a provisional decision to block the proposed transaction. The US FTC also challenged the merger in court, relying on CCCS's conclusions. The proposed transaction was subsequently abandoned by the parties when the US federal court granted a preliminary injunction to block it.

CCCS was also lauded for being prepared to reach different conclusions than some larger and longer-standing counterparts. For example, CCCS initiated a Phase II review of a merger involving eyewear companies, citing concerns that the deal might harm competition in Singapore, even though 10 other jurisdictions had already cleared the merger.

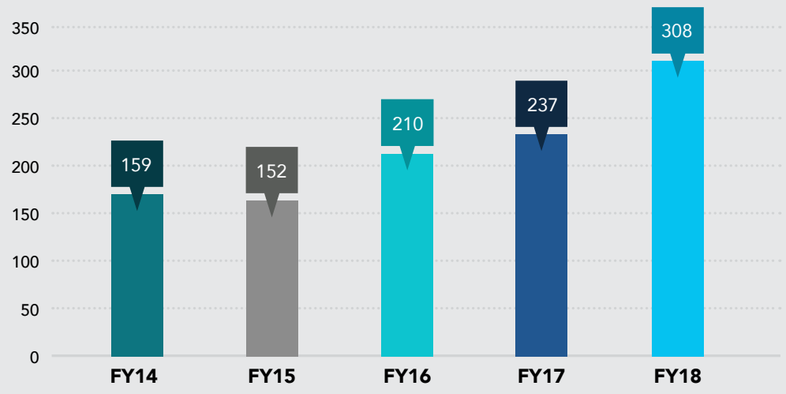
Beyond casework, CCCS was also recognised for its work in the area of market studies and the soft touch approach adopted in the milk powder, petrol and car parts warranty markets where the market conditions were evaluated to reach an amicable conclusion without opening up full-fledged enforcement actions.

OVERVIEW OF COMPLETED CASES

COMPETITION

Status as at 31 Mar 2019	Completed cases			
	FY18	FY17	FY16	Since CCCS started (1 Jan 2005)
Preliminary Enquiries	7	8	10	128
Investigations (excluding Leniency)	2	2	3	43
Leniency	2	2	6	24
Notifications for Guidance or Decision	2	0	2	32
Merger Notifications (Phase 1)	10	6	7	74
Merger Notifications (Phase 2)	2	0	0	9
Pre-Notification Decision	3	0	4	15
Appeals	0	1	1	10
Competition Advisories	18	34	27	187
Market Studies	2	2	3	24
TOTAL (excluding complaints)	48	55	63	546

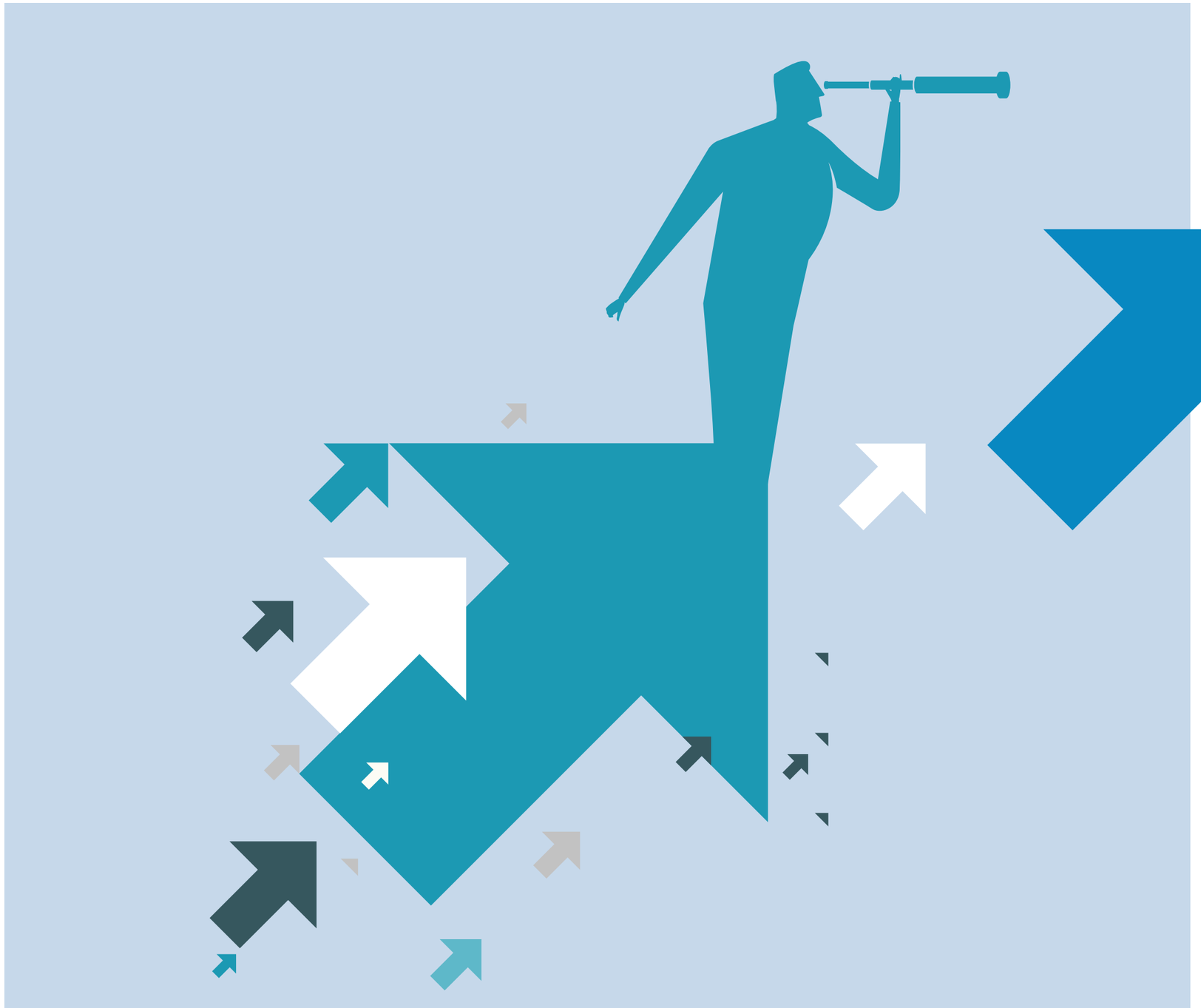
NUMBER OF COMPLAINTS / QUERIES HANDLED



COMPLETED INVESTIGATIONS (EXCLUDING LENIENCY) BY INDUSTRY (FY14-FY18)

CONSUMER PROTECTION

Status as at 31 Mar 2019	Closed Cases	
	FY18	Since 09 Dec 2016
Preliminary Enquiries/ Investigations	13	21



COMPETITIVE MARKETS

CCCS enforces the competition and consumer protection laws to ensure businesses compete on a level playing field and that consumers' interests are protected.

FY2018 CASE TIMELINE SUMMARY

20 Apr 2018

CCCS clears Essilor/ Luxotica proposed merger

27 Apr 2018

CCCS clears BRC Asia/ Lee Metal Group proposed acquisition

25 May 2018

CCCS provisionally finds Wilhelmsen/ Drew Marine proposed acquisition anti-competitive

29 Jun 2018

CCCS grants Singapore Poultry Hub Joint Venture conditional approval

05 Jul 2018

CCCS issues Proposed Infringement Decision against Grab/ Uber merger

30 Jul 2018

Wilhelmsen/ Drew Marine abandon merger; CCCS ends assessment

02 Aug 2018

CCCS issues Proposed Infringement Decision against hotels for exchange of information

12 Sep 2018

CCCS issues Infringement Decision against chicken cartel

24 Sep 2018

CCCS issues Infringement Decision against Grab/ Uber merger

12 Oct 2018

CCCS clears hearing aid suppliers Joint Venture

24 Oct 2018

CCCS clears Siemens/ Alstom merger

29 Oct 2018

CCCS raises competition concerns on private clinical labs merger

16 Nov 2018

CCCS initiates in-depth Phase 2 review of private clinical labs merger

27 Nov 2018

- CCCS clears Nasdaq/ CINN proposed acquisition
- CCCS clears JPP/ Spicers Singapore proposed acquisition

news

Watchdog okays Kopitiam sale

NTUC Enterprise's acquisition of bigger rival will make it biggest operator of coffee shops and foodcourts here

NG HUIWEN & TIFFANY FUMIKO TAY

Singapore's competition watchdog has given the green light yesterday to NTUC Enterprise's proposed acquisition of food centre operator Kopitiam, paving the way for it to become what is believed to be the biggest operator of coffee shops and foodcourts here.

The acquisition, expected to be completed next month, will bring Kopitiam, one of the largest players in the industry, under the umbrella of NTUC Enterprise and raise its count of food outlets to more than 100.

In a statement yesterday, the Competition and Consumer Commission of Singapore (CCCS) said that it had studied the impact on the markets for the sale of food to consumers and rental of stalls to food vendors, and concluded that the acquisition would not lead to a substantial lessening of competition.

The acquisition of Kopitiam Investments and its subsidiaries for an undisclosed sum was announced on Sept 21 and the CCCS was notified a week later.

Kopitiam has about 80 outlets comprising 56 foodcourts, 21 coffee shops and one hawker centre, as well as two central kitchens.

NTUC Foodfare, which is under the National Trades Union Congress' social enterprise arm, manages 14 foodcourts, 10 coffee shops and nine hawker centres.

NTUC Foodfare and Kopitiam will continue to operate separately, though there are plans to extend affordable meal initiatives and lower the price of coffee and tea, NTUC Enterprise said yesterday.

Competition watchdog Competition and Consumer Commission of Singapore says the acquisition of Kopitiam (above) would not lead to lessening of competition .

TNP FILE PHOTO

The CCCS said that the two are not each other's closest competitors, and strong competition remains from operators such as Koufu, Food Junction, Food Republic, Kimly and Broadway.

Collusion between food courts and coffee shops is also unlikely due to the large number of competing operators and low barriers to entry, among other factors, it added.

The watchdog also found little prospect of lessened competition in the market for the rental of hawker centre stalls, given that the merged entity would operate only 10 out of 114 hawker centres and be subject to regulatory oversight by the National Environment Agency.

On the rental of stalls in coffee shops and food courts, the CCCS said that the combined market share of the two operators within most overlapping areas ranged between 30 per cent and 40 per cent, while the combined market shares of the three largest firms made up less than 70 per cent.

This, in the commission's book, was not high enough to raise competition concerns.

NTUC Enterprise said in a statement yesterday that it welcomed the decision.

Said its executive director Kee Teck Koon: "With the combined footprint of NTUC Foodfare and Kopitiam, we will be in a better position to make quality cooked food affordable and more widely accessible to all."

nghuiwen@sph.com.sg
tiffanyt@sph.com.sg

FOR MORE, READ THE STRAITS TIMES TODAY

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20 Dec 2018

CCCS clears NTUC Enterprise/ Kopitiam proposed acquisition

30 Jan 2019

CCCS issues Infringement Decision against hotels for exchange of information

08 Feb 2019

CCCS clears Gebr.Knauf/ USG proposed acquisition

22 Feb 2019

CCCS clears DKSH/ Auric Pacific/ Centurion proposed acquisition

CCCS INFRINGEMENT DECISIONS TO DATE

To date, CCCS has issued 16 Infringement Decisions and imposed over S$83 million worth of fines.

Financial Year Completed	Infringement Decision Case	Prohibition	Financial Penalty Imposed*
FY2007	Pest Control Operators	s34	S$262,759.66
FY2009	Express Bus Operators	s34	S$1,699,133.00
FY2010	Ticketing Service Provider	s47	S$989,000.00
FY2010	Electrical Works	s34	S$187,592.94
FY2011	Maid Agencies	s34	S$152,563.00
FY2011	Modelling Agencies	s34	S$361,596.00
FY2012	Ferry Operators	s34	S$286,766.00
FY2012	Motor Traders	s34	S$179,071.00
FY2014	Freight Forwarders	s34	S$7,150,852.00
FY2014	Ball Bearings Manufacturers	s34	S$9,306,977.00
FY2015	Financial Advisers	s34	S$909,302.00
FY2017	Bid-rigging in Electrical Services and Asset Tagging Tenders	s34	S$626,118.00
FY2017	Capacitor Manufacturers	s34	S$19,552,464.00
FY2018	Fresh Chicken Distributors	s34	S$26,948,639.00
FY2018	Ride-hailing Firms	s54	S$13,001,702.00
FY2018	Hotels	s34	S$1,522,354.00
		Total	**S$83,136,889.60**

**not taking into account any reduction after appeals*

●专访竞消委首席执行官杜汉立 何惜薇 报道 hosb@sph.com.sg

16违例行为中
触犯竞争法令者10余年罚款逾8300万

10多年来，因触犯竞争法令被罚款的业者，包括灭虫、票务、交通、饮食、女佣中介和模特儿公司。其中，面对最高罚金的是操纵鲜鸡价格的行为，在去年被罚款约2700万元。

过去10多年，触犯竞争法令者在16个违例行为中，面对超过8300万元的罚款。

政府在2005年成立新加坡竞争局，为商家打造公平的竞争环境。去年，竞争局接管原由新加坡企业发展局负责的保护消费者公平交易法令事务，更名为新加坡竞争与消费者委员会（简称竞消委）。

竞消委首席执行官杜汉立日前接受《联合早报》专访时说，操纵价格和垄断市场等反竞争行为，为同流合污的业者带来盈利，罚金占有关营业额的一定百分比，但他不能透露确切的比率。

他解释，竞争局成立初期，由于竞争法令才刚生效，当局对违例者的罚款相对低。不过，随着民众对竞争法的认识提高，当局也调高了罚金所占的营业额比率。

10多年来，因触犯竞争法令被罚款的业者，包括灭虫、票务、交通、饮食、女佣中介和模特儿公司。其中，面对最高罚金的是操纵鲜鸡价格的行为。

13家鲜鸡贸易商和经销商在2007年至2014年间私下协商，串通操纵价格和不要相互抢客户，结果在去年被罚款约2700万元。

杜汉立说：“这些经销商为本地供应九成鲜鸡，年营业额达5亿元，我们不得不采取行动。”

他指出，竞消委如何裁决反竞争行为取决于三大因素：行为所造成的影响，如导致消费者蒙受金钱损失；能起到的阻吓作用；公共利益，包括执法是否会打击公众对竞消委的信心。

这位前副检察司说，竞消委不是动辄就对涉嫌反竞争者施加罚款，它其实透过多种途径来鼓励公平竞争。对于操纵价格的小贩和咖啡店业者，也只是给予警告。

近期，竞消委则接受了三家电梯零件供应商自发拟定的声明，这些被指拒绝为组屋电梯维修工作提供零件的商家，承诺为第三方维修商提供零件。竞消委正在评估另两家公司所拟定的承诺，它相信这样的承诺有助其他小型的第三方维修公司更公平地在市场上竞争。

竞消委首席执行官杜汉立：竞争与消费者保护相辅相成，强调公平竞争正是为了确保消费者有更多选项。（叶振忠摄）

市场调查有助消费者了解反竞争行为

市场调查是竞消委协助消费者了解反竞争行为的另一个途径。例如，竞消委针对婴儿奶粉的市场调查，就协助消费者了解配方奶粉的高价格与奶粉公司的积极市场策略息息相关，但不是价格更高的奶粉，质量才会更好。

竞消委下来会推出另两项市场调查，即个人资料保护及网上旅游预订市场调查。前者是竞消委同个人资料保护委员会的合作，详情有待日后公布。

至于网上旅游预订的研究，竞消委的目标是在今年完成和公布研究结果。

杜汉立举例，一个不合理的网上旅游预订做法是名为“滴灌定价”（drip pricing）的推销手法，它打出较低的收费吸引消费者，再透过强制购买早餐等把整体费用调高。

他说：“卖方要确保买方知道他们究竟购买什么。一些航空公司之前在网上订机票的系统中，自动为消费者预选添购旅游保险，而顾客未必知情，直接问顾客是否要添加保险是比较正确的做法。”

他也说，竞消委贯彻更多选项会提高素质的理念，认为竞争与消费者保护相辅相成，强调公平竞争正是为了确保消费者有更多选项。

例如，竞争局与本地主要汽车代理商前年协调，让保用期内的新车也可以到独立车厂维修，“一方面鼓励竞争，另一方面让消费者从更多选择中受益”。

竞消委历年来施加的罚款*

* 不包括上诉后的调整

财政年	触犯竞争法领域	罚金（元）
2007	灭虫业者	26万2760
2009	巴士服务业者	169万9133
2010	SISTIC票务	98万9000
2010	电机工程业者	18万7593
2011	女佣中介	15万2563
2011	模特儿公司	36万1596
2012	渡轮业者	28万6766
2012	汽车贸易	17万9071
2014	货运代理业者	715万零852
2014	轴承（ball bearings）厂商	930万6977
2015	金融顾问	90万9302
2017	工程公司操纵F1电力服务竞标价	62万6118
2017	电容器制造商	1955万2464
2018	鲜鸡经销商	2694万8639
2018	Grab-Uber私召车业者	1300万1702
2018	酒店	152万2354
	总额	8313万6890

资料来源／竞消委

Source: Lianhe Zaobao (11 Mar 2019) © Singapore Press Holdings Limited. Reprinted with permission.

CASE INSIGHTS

In FY2018, CCCS issued three Infringement Decisions against companies for their anti-competitive conduct.

Grab and Uber Fined Over Merger Deal

CCCS issued an Infringement Decision against ride-hailing firms Grab and Uber for their anti-competitive merger in March 2018, which saw the sale of Uber's Southeast Asian business to Grab for a 27.5% stake in Grab.

Findings

CCCS found that the irreversible merger had led to a substantial lessening of competition in the provision of ride-hailing platform services in Singapore:

- **Grab increased prices after the removal of its closest competitor, Uber.**
  CCCS received numerous complaints from riders and drivers on the increase in effective fares^ and commissions by Grab after the merger and found that effective fares had increased between 10% and 15%.
- **Potential competitors, hampered by exclusivities, could not compete effectively against Grab.**
  Grab held about 80% of the market share post-merger, making the market shares of several small players insignificant. Also, Grab's exclusivity obligations on taxi companies, car rental partners and some of its drivers were blocking access to drivers and vehicles necessary for potential competitors to expand.

^Trip fares net of rider promotions

2 | TUESDAY, SEPTEMBER 25, 2018 | thenewpaper

news

Uber, Grab fined $13m over merger

Deal flouted competition laws, says watchdog that seeks to level playing field

ZHAKI ABDULLAH

The merger between ride-hailing firms Grab and Uber will not be unwound, but they were fined a combined $13 million yesterday by Singapore's competition watchdog.

Grab was fined about $6.4 million and Uber about $6.58 million by the Competition and Consumer Commission of Singapore (CCCS), which also spelt out measures to cushion the merger's impact on commuters, drivers and potential rivals.

The CCCS ruled that the deal had reduced market competition and resulted in Grab getting an 80 per cent share of the Republic's ride-hailing market, up from 50 per cent previously.

"Mergers that substantially lessen competition are prohibited, and CCCS has taken action against the Grab-Uber merger because it removed Grab's closest rival, to the detriment of Singapore drivers and riders," said its chief executive Toh Han Li.

Uber announced in March that it was exiting South-east Asia and that its business would be acquired by Grab, with the US firm getting a 27.5 per cent stake in Grab and a seat on the Singapore-based firm's board.

Since the merger, CCCS noted, effective fares had risen 10 per cent to 15 per cent while driver commissions had shrunk.

While it was too late to unwind the deal, CCCS set out directions to ease the impact on riders and drivers and to level the playing field.

Grab must remove existing exclusivity arrangements with taxi fleets and drivers and maintain pre-merger pricing algorithm and commission rates.

Uber must sell vehicles from its car rental arm Lion City Rentals – which was not included in the deal – to any potential competitor with a "reasonable offer". It will need CCCS' approval to sell to Grab.

These measures could be suspended if a competitor gets a 30 per cent share of the market for a month. Uber and Grab will have their penalties lifted if this competitor maintains the share for six straight months, CCCS said.

Noting existing players each held less than 5 per cent of the market, Mr Toh said: "We don't rule out joint ventures between the parties so that they can operate more like a single entity."

Uber and Grab have up to a month to appeal against the decision, he said.

Grab Singapore head Lim Kell Jay said it was glad the deal was not unwound but insisted it was legal and Grab did not "intentionally or negligently" breach laws. Uber chief international business officer Brooks Entwistle said it was "disappointed".

The Land Transport Authority said it supports the CCCS decision.

azhaki@sph.com.sg

FOR MORE, READ THE STRAITS TIMES TODAY

CCCS ruled the deal resulted in Grab getting an 80 per cent share of Singapore's ride-hailing market, up from 50 per cent previously. PHOTO: LIANHE ZAOBAO

Source: The New Paper (25 Sep 2018) © Singapore Press Holdings Limited. Reprinted with permission.

Actions Taken

CCCS issued directions to Grab and Uber to lessen the impact of the merger on drivers and riders, and to open up the market and level the playing field for new players. The directions included:

- ensuring Grab drivers are free to use any ride-hailing platform;
- removing Grab's exclusivity arrangements with any taxi fleet in Singapore to increase choices for drivers and riders;
- maintaining Grab's pre-merger pricing algorithm and driver commission rates; and
- requiring Uber to sell the vehicles of its vehicle-leasing operator Lion City Rentals to any potential competitor, and preventing Uber from selling these vehicles to Grab without CCCS's approval.

Financial Penalties

In total, Grab and Uber were fined S$13 million.

> "Mergers that substantially lessen competition are prohibited and CCCS has taken action against the Grab-Uber merger because it removed Grab's closest rival to the detriment of Singapore drivers and riders. Companies can continue to innovate in this market, through means other than anti-competitive mergers."
>
> **Mr Toh Han Li, Chief Executive of CCCS**

A20 | OPINION

Competition law

Why dominant and small players are treated differently

Burton Ong
For The Straits Times

Having issued a provisional infringement decision against Grab for violating Singapore's competition law prohibition against mergers that substantially lessen competition, the Competition and Consumer Commission of Singapore (CCCS) has proposed a number of striking behavioural remedies to help restore the competition that was eliminated when Uber ceased its local operations and "merged" with Grab.

In March, news broke that ride-hailing company Grab acquired its US-based competitor's Singapore and South-east Asian operations for an undisclosed sum.

Uber exited the market in return for a 27.5 per cent stake in Grab.

The CCCS found that the merger had substantially lessened competition, made it harder for new competitors to enter the market and resulted in higher prices. It proposed a series of remedies for Grab to comply with.

One of these is a restriction on Grab's ability to engage drivers on an exclusive basis, a measure that facilitates the contestability of the private vehicle ride-hailing market, by keeping the market open to new market entrants that require access to as many drivers as possible to service their customers.

Is it unfair to forbid Grab from having exclusive dealing arrangements with its drivers, while its smaller rivals remain at liberty to engage in such commercial practices?

Are such restrictions "one-sided" and do they employ a "double standard" against Grab?

Perhaps. However, there are legitimate reasons why the competition authority might restrict a dominant firm's freedom to engage in certain forms of conduct that would otherwise be unobjectionable if carried out by another competitor that lacked the same market power.

Exclusivity arrangements can be pro-competitive or anti-competitive, depending on the market circumstances in which such practices are deployed.

On the one hand, they can enhance the competitiveness of a smaller market player by enabling it to expand its operations by taking on more jobs, secure in the knowledge that it has the undivided attention and resources of its exclusive partners.

On the other hand, they can be harmful to competition by raising barriers to market entry, protecting the market position of a dominant incumbent by preventing new rivals from gaining access to the service providers or resources they need to compete effectively in the market.

The experience of competition authorities around the world has been that exclusivity arrangements are more likely to be harmful to competition when they are imposed by entities in a position of market dominance.

Because they wield enough market power, they can exclude their rivals from the market by "locking in" suppliers, distributors or other service providers that all market players need access to in order to compete effectively.

In contrast, such market foreclosure effects are unlikely to arise if the exclusivity arrangements are pursued by non-dominant market players.

Instead, a smaller market player that is able to convince others to partner with it on an exclusive basis might be able to mount a stronger competitive challenge against the dominant incumbent in the marketplace, thereby keeping the latter's market power in check.

It is thus disingenuous for market players to cry foul when the competition authority imposes behavioural restrictions on one of them but not the others.

Unlike competitions of sporting skill or creative ability, the "level playing field" for competitors in the marketplace does not mean absolute equality between all contestants.

Sure, when it comes to boxing, heavyweight fighters do not compete in the same ring as featherweight contestants.

Cooking competitions do not pit amateur home cooks against professionally trained chefs.

But in the realm of commerce, big supermarkets compete with neighbourhood convenience shops. Enterprises of vastly different sizes are expected to jostle with one another for the same customers.

The "level playing field" that competition law is concerned with is ultimately about ensuring markets are open to competition, prohibiting conduct or imposing remedial measures that are necessary to create, and sustain, opportunities for competition to take place.

What this means is that conduct which, if carried out by a competitor with market power, might exclude competitors from the market and damage the competitive process as a whole should be regarded as unlawful.

For those who are watching the confrontation between Grab and the CCCS closely, the tricky question is whether the Uber-Grab merger has, in fact, elevated Grab into a position of market dominance.

Well, that depends on how the relevant market is actually defined.

For a start, we should distinguish between the market for providing ride-hailing booking services – what the CCCS has called the provision of chauffeured point-to-point transport platform services – and the market for the provision of passenger transportation services.

The former market consists of the total volume of all the bookings made by passengers seeking single-trip transportation by car, while the latter consists of all the fleets of cars controlled by taxi companies, vehicle rental companies and private individuals. Grab is not a market player in the latter market and it does not have any vehicular assets of its own.

To determine if Grab is a dominant market player in the market for taking ride-hailing bookings from the public, and matching passengers to drivers who provide point-to-point transportation services, one needs to look at the volume of such bookings made over Grab's network vis-a-vis other booking platforms.

It is in this light that the CCCS' findings that "taxi-booking services pose an insufficient competitive constraint... with less than 15 per cent market share" should be understood.

Finally, the remedial measures proposed by the CCCS are intended to last only as long as they are needed to facilitate competition in the market – which is in itself a very open question, given the fluidity of the current market circumstances.

Any prohibition against Grab entering into exclusive dealing with its drivers will not be entirely absolute or perpetual – it may be revised, relaxed or removed as the degree of market power changes with the entry and growth of new rivals.

Here is where we have to acknowledge that competition law is not an exact science.

Much like the culinary arts, the goal is not to produce a single ideal state of affairs, but rather to steer the behaviour of market players within a zone of palatable outcomes. Expecting the market to "sort itself out" or letting market forces reach their own equilibrium is akin to asking a chef to disregard the temperature of his oven or the volume of liquid in his broth and hope that his ingredients end up coalescing into something edible.

Just as the chef must concoct a sauce that will complement the flavours of the particular protein he is cooking with, the competition authority should be expected to devise specific remedial responses targeted at reversing the anti-competitive effects of a dominant firm's misconduct.

In this case, what is sauce for the goose should not be regarded as sauce for the gander.

stopinion@sph.com.sg

* Burton Ong is associate professor, faculty of law, National University of Singapore.

Any prohibition against Grab entering into exclusive dealing with its drivers will not be entirely absolute or perpetual, says the writer. It may be revised, relaxed or removed as the degree of market power changes with the entry and growth of new rivals, he adds. ST PHOTO: GAVIN FOO

Source: The Straits Times (7 Aug 2018). Reprinted with permission.

CASE INSIGHTS

Record Financial Penalty for Cartel Conduct

On 12 September 2018, CCCS issued an Infringement Decision against 13 fresh chicken distributors for price fixing and market sharing.

Parties Involved

- Gold Chic Poultry Supply Pte. Ltd. and its related company, Hua Kun Food Industry Pte. Ltd.
- Hy-fresh Industries (S) Pte. Ltd.
- Kee Song Food Corporation (S) Pte. Ltd.
- Ng Ai Food Industries Pte. Ltd.
- Sinmah Poultry Processing (S) Pte. Ltd.
- Toh Thye San Farm
- Lee Say Group Pte. Ltd. / Lee Say Poultry Industrial
- Hup Heng Poultry Industries Pte. Ltd.
- Prestige Fortune (S) Pte. Ltd.
- Leong Hup Food Pte. Ltd. and its holding company, ES Food International Pte. Ltd.
- Tong Huat Poultry Processing Factory Pte. Ltd.
- Ban Hong Poultry Pte. Ltd.

Findings

- **Seven-year cartel amongst 13 parties**
  CCCS found that the distributors had engaged in discussions on prices and coordinated the amount and timing of price increases of certain fresh chicken products sold in Singapore. Additionally, they had agreed to not compete for each other's customers. These collusions took place from at least September 2007 to August 2014.

- **Over 90% market share of fresh chicken products**
  The cartel restricted competition in the market and likely contributed to price increases of certain fresh chicken products in Singapore. The total turnover of the distributors, who collectively supply more than 90% of fresh chicken products in Singapore, amounts to approximately half a billion dollars annually.

- **Impact on a large number of consumers**
  In view of the high combined market shares of the parties, and the fact that chicken is the most commonly consumed meat in Singapore, the parties' anti-competitive conduct impacted a large number of customers. These include supermarkets, restaurants, hotels, wet market stalls, and hawker stalls, and ultimately, end-consumers of these fresh chicken products.

Action Taken

CCCS directed the 13 fresh chicken distributors to provide a written undertaking that they would refrain from using the Poultry Merchants' Association, Singapore, of which all are members, or any other industry association as a platform or front, for anti-competitive activities.

Financial Penalties

In total, the distributors were fined S$26.95 million – the highest total financial penalty in a single case to date. The large size of the industry, high market shares of the distributors, seriousness and the long duration of the cartel conduct contributed to the heavy fines.

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Secretive chicken cartel taken down by a tip-off

Group had colluded to fix prices for years before whistle-blower alerted the authorities

(From left) Team leader Kong Weng Loong, deputy director of the CCCS' business and economics division, with team members Lim Wei Lu, Sarah Tan, Ethel Lin, Tham Chang Xian, Janet Chua, Nicholas Sim and Lee Wan Yi, who worked on the price-fixing case. The firms involved, which supply 90 per cent of Singapore's fresh chicken, have been fined $26.9 million in total. ST PHOTO: KELVIN CHNG

Tiffany Fumiko Tay

For years, a close-knit group of executives from firms that supply 90 per cent of Singapore's fresh chicken would gather at the Poultry Merchants' Association in Defu, among other places, to discuss prices.

The 13 suppliers, some of whom had known one another for decades, would make verbal agreements to increase prices in tandem and avoid competition with one another, leaving little paper trail of their misdeeds.

On at least seven occasions between 2007 and 2014, they made increments of between 10 cents and 30 cents a kilogram to their customers, which include restaurants, supermarkets, hotels, wet market stalls and hawker stalls.

The cartel was so secretive that it may not have been exposed, if not for a former employee of one of the firms who came forward to blow the whistle in 2014.

On Sept 12, the distributors were fined a record $26.9 million in total by the Competition and Consumer Commission of Singapore (CCCS) for their actions, which had restricted market competition and customer choices and likely contributed to price increases of the most consumed meat in Singapore.

The informant would receive a sum of up to $120,000, under the CCCS' scheme to reward whistle-blowers for information that leads to cartel infringement decisions.

From the start of the four-year investigations in 2014, the CCCS team on the case had a sense that most of the industry was involved, team leader Kong Weng Loong told The Straits Times in a recent interview.

But gathering evidence was challenging as "generally speaking, there were very few written records kept of their discussions... They met at informal meetings and discussed their agreements verbally", said Mr Kong, deputy director of CCCS' business and economics division.

Some cartel members were also longtime friends, making it more difficult to obtain information.

The team conducted nearly 70 interviews with current and former staff of the companies, customers and other players to piece together their case. According to some customers, "it was hard to switch suppliers, and players didn't really compete aggressively for their business. They also said there seemed to be some coordination in price increases, but they didn't know the extent of the collusion", said Mr Kong.

The collusion may have been ongoing for twice as long as they were fined for, as the firms were found to have been meeting as early as 2000.

But it was a 2007 written circular by the Poultry Merchants' Association, of which all 13 firms were members, that provided the first concrete dated evidence of coordinated price increases.

Managements from some of the implicated firms held committee positions in the association during the period of infringement, including an executive from Sinmah Poultry Processing, who was the association's secretary.

After the whistle-blower came forward, CCCS launched its investigations in March 2014 and conducted surprise inspections at five of the firms as well as the association's headquarters located in Sinmah's premises in August that year.

With four or five employees deployed per location, "it was one of our biggest simultaneous inspections; we had to activate most of CCCS to go down", said Mr Kong.

They interviewed employees of the firm and seized evidence, including e-mails, association minutes and sales records.

After the CCCS issued its proposed infringement decision in 2016, new evidence came to light, prompting further investigations and leniency applications from four firms – Tong Huat Group, Sinmah, Kee Song and Hy-fresh – which had their fine amounts reduced in exchange for information.

Among the reasons the cartel members gave for their actions were "serious losses" from a global outbreak of avian flu in 2007, and increased costs of live chickens imported from Malaysia.

"None of these arguments addressed the issue that they all colluded to raise prices and share markets, not just in one instance but over a period of seven years," said Mr Kong.

Ms Lee Wan Yi, assistant director of the commission's legal and enforcement division, said that working on the case drove home the importance of their work.

"This affected the lives of everyone as chicken is quite a common protein... I can't buy chicken now without thinking of the case and whether this came from one of the suppliers," she said.

tiffanyt@sph.com.sg

Source: The Straits Times (24 Sep 2018) © Singapore Press Holdings Limited. Reprinted with permission.

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13 chicken firms fined $26.9m for price fixing

The suppliers of over 90% of fresh chicken products here had also entered into non-compete deals

Tiffany Fumiko Tay

After four years of investigations, 13 fresh chicken distributors, which supply more than 90 per cent of fresh chicken products here, have been fined a record $26.9 million for price fixing and non-compete agreements.

The amount is the highest total financial penalty meted out by the Competition and Consumer Commission of Singapore (CCCS) in a single case to date, it said, in issuing its infringement decision yesterday.

Between 2007 and 2014, the suppliers met to discuss prices, and coordinated the amount and timing of increases on at least seven separate occasions, increasing prices by 10 cents to 30 cents a kilogram each time. They also agreed not to compete for one another's customers.

The actions restricted market competition and customer choices, and likely contributed to price increases of certain fresh chicken products in Singapore, the commission said.

Distributors import live chickens from farms in Malaysia and slaughter them here for sale at restaurants, supermarkets, hotels, wet market stalls and hawker stalls.

Products sold include whole fresh chickens, chicken parts and processed chicken.

Chicken is the most consumed meat in Singapore, with more than 30kg consumed per person annually, compared with 1kg to 20kg for other meat such as fish, pork, beef and mutton. In 2016, about 49 million chickens were slaughtered here.

Given the high consumption of chicken here and combined market share of the firms, a large number of the suppliers' customers and end-consumers were affected, the commission said.

Investigations began in 2014, following a tip-off, and the CCCS issued a proposed infringement decision against the 13 suppliers in 2016.

They are: Gold Chic Poultry Supply; its related company Hua Kun Food Industry; Hy-fresh Industries; Kee Song Food Corp (formerly Kee Song Brothers Poultry Industries); Ng Ai Food Industries (formerly Ng Ai Muslim Poultry Industries); Sinmah Poultry Processing; Toh Thye San Farm; Lee Say Group's Lee Say Poultry Industrial, Hup Heng Poultry Industries, Prestige Fortune, and Leong Hup Food (formerly KSB Distribution) and its holding company ES Food International; and Tong Huat Group's Tong Huat Poultry Processing Factory and Ban Hong Poultry.

The commission said the total turnover of the suppliers is about half a billion dollars a year.

It conducted further investigations after new evidence came to light, prompting four firms – Tong Huat Group, Sinmah, Kee Song and Hy-fresh – to apply for lenient treatment, the commission said in December last year.

Under the CCCS' Leniency Programme, parties that provide information on their cartel activities can be granted immunity or have their fines cut by up to 100 per cent.

The highest fine of $11,399,041 went to Lee Say Group, which has four firms under it, followed by Tong Huat Group, which was fined $3,580,415, and Kee Song Food Corp, with a $2,689,065 fine.

The commission said it arrived at the amount of fines after considering the turnover of the companies, the nature, duration and seriousness of the infringement, and aggravating and mitigating factors.

The record financial penalty was imposed given the large size of the industry, the high market share of the companies, and the seriousness and long duration of the cartel conduct.

Apart from financial penalties, the firms have also been directed to provide a written undertaking to refrain from using the Poultry Merchants' Association, of which they are all members, or any other industry association, as a platform or front for anti-competitive activities.

The firms were found to have met as early as 2000 to discuss prices at places including the association's headquarters, though evidence of coordinated anti-competitive efforts dated from September 2007.

The whistle-blower will receive a sum of money under the CCCS' reward scheme, where a monetary reward may be paid for information that leads to infringement decisions against cartel members.

"Price fixing and market sharing are considered some of the most harmful types of anti-competitive conduct," said CCCS chief executive Toh Han Li. "Such conduct is particularly harmful when the products are widely consumed in Singapore, such as in this case."

tiffanyt@sph.com.sg

The largest fine of $11,399,041 went to Lee Say Group (above), which has four companies implicated in the case. This was followed by the Tong Huat Group, which was fined $3,580,415, and Kee Song Food Corp, with a $2,689,065 fine. ST PHOTO: KHALID BABA

HARMFUL BEHAVIOUR

Price fixing and market sharing are considered some of the most harmful types of anti-competitive conduct. Such conduct is particularly harmful when the products are widely consumed in Singapore, such as in this case.

COMPETITION AND CONSUMER COMMISSION OF SINGAPORE CHIEF EXECUTIVE TOH HAN LI

Chicken cartel

Consumers likely paid more for fresh chicken products between 2007 and 2014, no thanks to a cartel of distributors that coordinated price increases for its customers, which included restaurants, supermarkets, hotels, wet market stalls and hawker stalls. Yesterday, the 13 distributors were fined a record $26.9 million by the Competition and Consumer Commission of Singapore (CCCS).

THE INS AND OUTS

13 fresh chicken distributors, which supply more than 90 per cent of fresh chicken products here, implicated

Total annual turnover: More than $500 million

$26.9 million in fines dished out, the highest total financial penalty in a single case to date

Cartel in operation for at least seven years (between 2007 and 2014)

They coordinated price increases and agreed not to compete for customers

Price increases for customers, including supermarkets and restaurants, on at least seven occasions: by 10 cents to 30 cents per kg each time

IMPLICATED FIRMS

	Applied for leniency*	Financial penalty
Gold Chic Poultry Supply and its related company, Hua Kun Food Industry	No	$1,771,111
Hy-fresh Industries	Yes	$705,939
Kee Song Food Corporation	Yes	$2,689,065
Ng Ai Food Industries	No	$1,910,897
Sinmah Poultry Processing	Yes	$2,624,706
Toh Thye San Farm	No	$2,267,465
Lee Say Group: Lee Say Poultry Industrial; Hup Heng Poultry Industries; Prestige Fortune; Leong Hup Food and its holding company ES Food International	No	$11,399,041
Tong Huat Group: Tong Huat Poultry Processing Factory; Ban Hong Poultry	Yes	$3,580,415

NOTE: *Reduction of fines in exchange for information/evidence

EVIDENCE UNCOVERED BY CCCS

Statements by key management of infringing parties

When prices were discussed, we would talk about when to increase prices and how much to increase prices by. For example, they will say 'let's raise prices by $0.20 next day'.

The understanding was to not compete for each other's customers and it included all customers.

SINGAPORE'S FRESH CHICKEN INDUSTRY: FACTS AND FIGURES

49 million Approximate number of chickens slaughtered in Singapore in 2016

Average consumption in kg per person (FY 2016)

Meat	kg
Chicken	35
Pork	20
Fish	15
Mutton	3
Beef	1

Sources: CCCS, AVA PHOTOS: REUTERS, SHANGRI-LA SINGAPORE STRAITS TIMES GRAPHICS

Impact on consumer prices minimal, say suppliers' customers

Hours after being served notice of the heavy fines they were slapped with yesterday, all 13 fresh chicken distributors implicated in cartel activities declined to comment or did not respond when contacted by The Straits Times.

The infringement decision by the Competition and Consumer Commission of Singapore (CCCS) issued on the same day capped four years of investigations into the collusion of suppliers to increase prices and avoid competition between 2007 and 2014.

A representative for the Poultry Merchants' Association, which is currently chaired by Mr Ong Kian San of Kee Song Food Corporation, one of the firms fined, could not be reached through its listed phone number.

The association, to which all the 13 cartel members belong, had been used as a meeting place to discuss prices, the CCCS said in a media briefing yesterday.

An executive from another of the implicated firms, Sinmah Poultry Processing, was the association's secretary during the period of infringement.

Both Kee Song and Sinmah declined to comment.

Customers of the suppliers, meanwhile, said that the increases had a minimal impact on prices charged to consumers.

In response to queries, FairPrice said that it had assisted the CCCS in its investigation.

"A handful of suppliers we work with were implicated in this matter. We do not condone such practices and appropriate action has been taken by the authorities against these suppliers to curb such unethical actions," the spokesman said.

Prices of poultry sold at its supermarkets have remained stable over the past few years, with no significant changes or fluctuations, the spokesman said, adding that FairPrice works with multiple sources and suppliers to ensure good value for consumers and protection from supply and price shocks.

The average price of fresh whole chicken sold in supermarkets increased from $4.96 per kg in 2007 to $6.14 in 2014, according to figures from the Singapore Department of Statistics. Last year, the average price was $6.58.

Mr Andrew Tjioe, president and chief executive of TungLok Group, said that one of the restaurant group's chicken suppliers is among those implicated, though it had not noticed much of a price increase during the infringement period.

"Chicken is a basic ingredient that is not expensive... We will not adjust prices of our dishes because of market price, unlike seafood which is more seasonal," said Mr Tjioe, who added that some of the chicken dishes sold by the group's restaurants have been priced the same for a decade.

Customer service officer Tina Wong, 32, said that she had noticed the price of chicken go up slightly at wet markets over the years, but had not thought much of it.

"I feel cheated. Who knows how much more we paid all that time? I'm sure it adds up," said Ms Wong.

Tiffany Fumiko Tay

Source: The Straits Times (13 Sep 2018) © Singapore Press Holdings Limited. Reprinted with permission.

> Price fixing and market sharing are considered some of the most harmful types of anti-competitive conduct. CCCS will continue to take strong enforcement action to ensure that cartels do not negatively impact Singapore markets and harm businesses and consumers.

Mr Toh Han Li, Chief Executive of CCCS

CASE INSIGHTS

Hotels Fined for Exchanging Commercially Sensitive Information

On 30 January 2019, CCCS issued an Infringement Decision against the owners/operators of four hotels in Singapore for sharing commercially sensitive information on room rates offered to corporate customers.

Hotels Involved

- Capri by Fraser Changi City Singapore
- Village Hotel Changi
- Village Hotel Katong
- Crowne Plaza Changi Airport Hotel

Findings

For over a year, sales representatives of Capri and Village Hotels and those from Capri and Crowne Plaza had exchanged commercially sensitive information in connection with the provision of hotel room accommodation in Singapore to their corporate customers. This conduct took place from at least 3 July 2014 to 30 June 2015, and from at least 14 January 2014 to 30 June 2015 respectively.

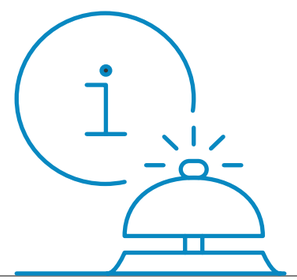
- **The information exchange influenced the hotels' subsequent conduct or placed them in a position of advantage over corporate customers.**
  The hotels disclosed confidential corporate room rates for specific customers. They also discussed future price-related strategies such as their proposed price increases for the next year and proposed bid prices in response to customer requests, and discussed if they intended to agree to a particular customer's price reduction request during corporate rate negotiations.

- **Their conduct seriously harmed competition in the market by reducing uncertainty and pressure to compete among them.**
  Without the exchange of commercially sensitive information, each sales representative would have had to independently determine his or her conduct on the market. Also, there would have been more competitive pressure on rates (and/or terms) offered to corporate customers.

Financial Penalties

In total, the hotels' owners and operators were fined S$1.52 million.

> "The exchange of non-public commercially sensitive information between competitors is harmful to competition and customers in the market as it reduces the competitive pressures faced by competitors in determining their commercial decisions. This can result in customers having less competitive prices and options."
>
> **Mr Toh Han Li, Chief Executive of CCCS**



Four hotels fined $1.5m for colluding by sharing discount info

Lester Wong

Four hotels that colluded by sharing with one another the non-public room rates offered to companies have been fined more than $1.5 million in total for infringing the Competition Act.

Singapore's competition watchdog, the Competition and Consumer Commission of Singapore (CCCS), yesterday issued an infringement decision against the owners and operators of Capri by Fraser Changi City Singapore, Village Hotel Changi, Village Hotel Katong and Crowne Plaza Changi Airport Hotel. These hotels are between a five- and 15-minute drive from Changi Airport.

Capri's former owner Ascendas Frasers Pte Ltd and operator Frasers Hospitality Pte Ltd (FHPL) were slapped with the largest penalty of $793,925, with the hotel's current owner Frasers Hospitality Trustee Pte Ltd and FHPL handed a further fine of $216,526.

The Village hotels, which are both managed by Far East Hospitality Management Pte Ltd, were fined $286,610, while Crowne Plaza received a fine of $225,293.

The information shared across the four hotels included the percentage discount that corporate customers asked for during confidential negotiations, and the responses of the hotels' sales representatives.

The commission provided extracts of four WhatsApp conversations between the sales representatives at its media briefing, which it had obtained during its investigation that culminated in a raid on June 30, 2015.

Sales representatives of Capri and the two Village hotels exchanged information between July 3, 2014 and June 30, 2015.

The same Capri sales representative also exchanged information with a Crowne Plaza counterpart between Jan 14, 2014 and June 30, 2015.

The watchdog said the two Village hotels and Crowne Plaza applied for leniency treatment and received lighter penalties, which are granted when businesses provide information on their cartel services. Capri did not apply for leniency, CCCS added.

"The exchange of non-public commercially sensitive information between competitors is harmful to competition and customers in the market as it reduces the competitive pressures faced by competitors in determining their commercial decisions, including the price they will offer to customers," said the commission's chief executive Toh Han Li.

"If a business receives such information from its competitor, it should immediately and clearly distance itself from such conduct and report it to CCCS."

Mr Toh added that this was the second such case CCCS has handled where competitors shared commercially sensitive information, which is distinct from cases involving price-rigging behaviour.

In the other case, two ferry operators serving the Singapore-Batam route were in July 2012 fined $172,906 and $113,860 respectively for infringing the Competition Act.

Responding to queries from The Straits Times, Far East Hospitality chief executive officer Arthur Kiong said: "Although disappointed with the infringement decision, the Group respects the position taken by CCCS.

"We have and continue to take various steps to review and implement rigorous compliance and training programmes to ensure that our business practices are and continue to be fully compliant with all applicable laws."

lesterw@sph.com.sg

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news

Four hotels fined $1.5m for anti-competitive behaviour

They shared commercially sensitive data on room rates for corporate customers

ANGELII TRISSHA MOHAN

For almost five years, the Competition and Consumer Commission of Singapore (CCCS) investigated more than 30 hotels for allegedly exchanging commercially sensitive data regarding hotel room rates for corporate customers.

This would have given these hotels an unfair advantage over competitors, said the CCCS.

Three years into investigations, it had identified four hotels over this infringement after making numerous site visits to some of these establishments.

By August last year, it had completed its investigations and had gathered enough evidence to slap fines totalling $1.5 million on the four guilty parties. (See report on right.)

Yesterday, the CCCS sent out a press statement identifying the four hotels, their owners and their financial penalties.

The hotels guilty of infringing the Competition Act are Capri by Fraser Changi City Singapore, Village Hotel Changi, Village Hotel Katong and Crowne Plaza Changi Airport.

The investigation revealed that the sales representatives of Capri exchanged commercially sensitive information relating to its corporate customers with Crowne Plaza and Village Hotels.

CCCS told The New Paper it began its investigation into the hospitality sector in November 2013. It initially covered more than 30 hotels' owners/operators.

INFORMATION

By June 2016, it had narrowed its focus on the exchange of commercially sensitive information relating to the provision of hotel room accommodation to corporate customers.

A CCCS spokesman told TNP the investigation was triggered by its own detection efforts.

The spokesman added: "We completed investigations into the... infringing conduct of Capri and Village Hotels and Capri and Crowne Plaza and issued a proposed infringement decision in August 2018."

The hotels are all located in the east of Singapore.

The CCCS had found WhatsApp conversations between sales representatives of Capri and Village Hotels, and Capri and Crowne Plaza comparing and fixing hotel room rates for specific customers.

CCCS said the exchange of commercially sensitive information relating to corporate customers is likely to have influenced the hotels' strategies when negotiating with corporate customers.

Following the investigations last year, CCCS sent each party a notice of its proposed infringement decision.

Mr Toh Han Li, CCCS' chief executive, said the exchange of non-public commercially sensitive information between competitors is harmful to competition and customers in the market.

This is because it reduces the competitive pressures faced by competitors in determining their commercial decisions, including the price they will offer to customers.

He added: "This can result in customers having less competitive prices and options after such exchanges.

"If a business receives such information from its competitor, it should immediately and clearly distance itself from such conduct and report it to CCCS."

atmoh@sph.com.sg

The penalties

- **$793,925** Ascendas Frasers, which used to own Capri by Fraser Changi City Singapore (right), and operator Frasers Hospitality
- **$216,526** Frasers Hospitality and Frasers Hospitality Trustee, which currently own Capri by Fraser Changi City Singapore
- **$286,610** Far East Organisation Centre, which owns Village Hotel Changi (right), and Orchard Mall, which owns Village Hotel Katong (far right). Far East Hospitality Management is the appointed agent for both hotels.
- **$225,293** OUE Airport Hotel, which owns Crowne Plaza Changi Airport (right). The hotel is managed by Inter-Continental Hotels (Singapore).

PHOTOS: CAPRI BY FRASER CHANGI CITY SINGAPORE, VILLAGE HOTELS & RESIDENCES, TNP FILE, ICH GROUP AND CROWNE PLAZA

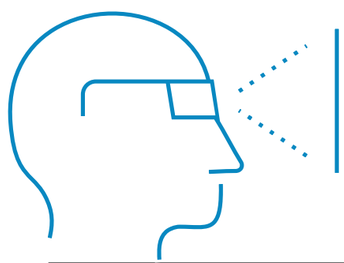
Source: The New Paper (31 Jan 2019) © Singapore Press Holdings Limited. Reprinted with permission.

MERGERS AND ACQUISITIONS

CCCS reviews notified mergers and acquisitions to assess if they give rise to competition concerns. The merger assessments include conducting public consultations as well as rigorous evaluation of submissions, feedback and evidence.

Eyewear Suppliers

On 20 April 2018, CCCS cleared the proposed merger between Essilor International (Compagnie Generale d'Optique) S.A ("Essilor") and Luxottica Group, S.p.A. ("Luxottica") after an in-depth review. In Singapore, Essilor is primarily engaged in the wholesale distribution of ophthalmic lenses, while Luxottica is involved in the wholesale distribution of prescription frames and sunglasses. The proposed merger went through a more detailed review as CCCS was unable to conclude that the merger would not raise competition concerns at the end of its initial review.



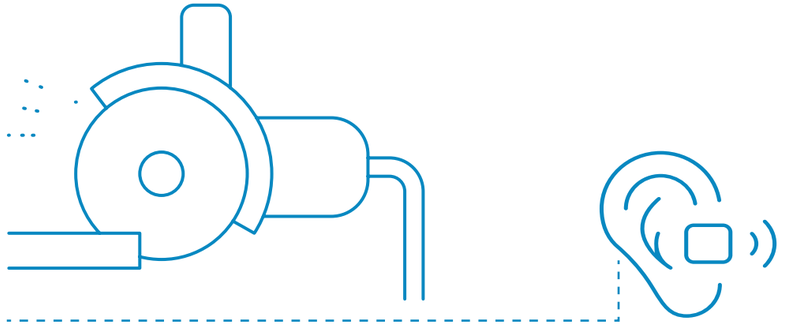
Steel Suppliers

On 27 April 2018, CCCS cleared the proposed acquisition of Lee Metal Group Limited ("Lee Metal") by BRC Asia Limited ("BRC"). The companies overlap in the sale of rebars, cut & bend, mesh and prefab.

Conditional Approval for Singapore Poultry Hub Joint Venture

On 29 June 2018, CCCS conditionally approved the formation of Singapore Poultry Hub Pte. Ltd. ("SPH") to provide poultry slaughtering services, after accepting commitments from the Joint Venture Parties which address the competition concerns raised by CCCS. The Joint Venture Parties are Mr Tan Chin Long, Kee Song Holdings Pte. Ltd, Sinmah Holdings (S) Pte. Ltd, Tong Huat Poultry Processing Factory Pte. Ltd. and Tysan Food Pte. Ltd.

The parties have committed to not exchange confidential and commercially sensitive information which would likely adversely affect competition, including having less competitive prices for chicken. They will also remain competitors in other commercial activities such as the procurement of live poultry, and the processing, marketing and distribution of chicken, even whilst SPH undertakes chicken slaughtering on their behalf.

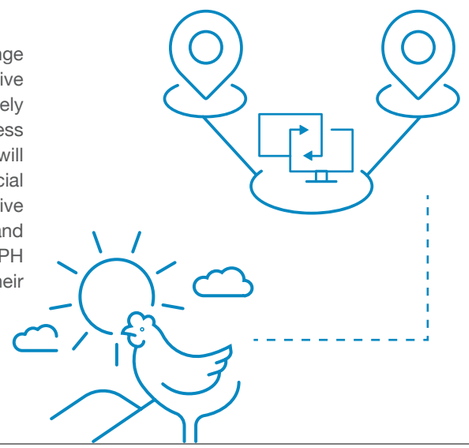


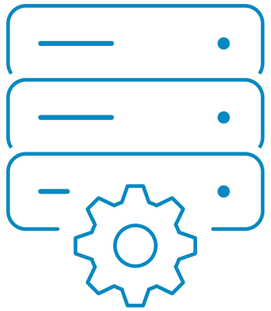
Hearing Aid Suppliers

On 12 October 2018, CCCS cleared a proposed joint venture by EQT Fund Management S.à.r.l. and Widex Holding A/S. In Singapore, Sivantos and Widex overlap in the supply of traditional hearing aids, and in the provision of complementary accessories, fitting software and smartphone applications, as well as associated after-sales support.

Rail Signalling Systems Suppliers

CCCS cleared the proposed merger of the rail mobility business of Siemens Aktiengesellschaft ("Siemens AG") with Alstom S.A. ("Alstom") on 24 October 2018. Both companies are global players in the rail transport industry, and they overlap in the supply of urban signalling systems for MRT lines and metros in Singapore.





Global Suppliers of Market Technology Solutions

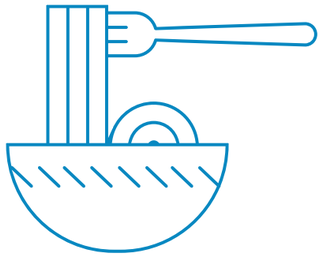
CCCS cleared the proposed acquisition of Cinnober Financial Technology AB ("CINN") by Nasdaq Technology AB ("Nasdaq Technology") on 27 November 2018. Nasdaq Technology is a wholly-owned subsidiary of Nasdaq, Inc. ("Nasdaq"). Both Nasdaq and CINN are global suppliers of market technology solutions. The companies overlap in the global supply of trading, clearing, market surveillance and risk management solutions. In Singapore, Nasdaq provides market technology solutions, while CINN provides clearing solutions, along with market surveillance and risk management solutions.

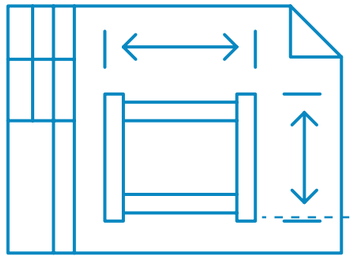
Paper Merchants

The proposed acquisition by Japan Pulp and Paper Company Limited ("JPP") of Spicers Paper (Singapore) Pte Ltd ("Spicers Singapore") was cleared by CCCS on 27 November 2018. The companies, both paper merchants, overlap in the supply of coated paper, uncoated woodfree paper, copy paper, coated board, carbonless paper and synthetic paper.

Food and Beverage Retailers

CCCS cleared the proposed acquisition by NTUC Enterprise Co-operative Limited ("NTUC Enterprise") of Kopitiam Investment Pte. Ltd. and its subsidiaries ("Kopitiam") on 20 December 2018. The food and beverage retail business of NTUC Enterprise is conducted through Foodfare Co-operative Limited. Kopitiam is a Singapore-based private limited company that specialises in food and beverage retail. The parties overlap in the sale of hot meals to consumers in coffee shops, hawker centres and food courts, and the rental of hawker stalls, coffee shops and food courts to food vendors.



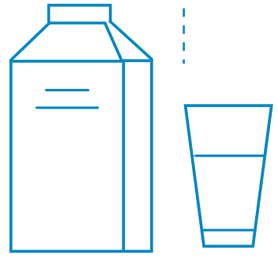


Plasterboard Suppliers

The proposed acquisition by Gebr. Knauf KG ("Knauf") of USG Corporation ("USG") was cleared by CCCS on 8 February 2019. In Singapore, Knauf and USG mainly overlap in the supply of gypsum boards (also known as plasterboards) and modular suspended ceilings, which are supplied by manufacturers to distributors and end-customers (e.g. installers).

Packaged Food and Beverage Product Distributors

CCCS cleared the proposed acquisition by DKSH Holding (S) Pte. Ltd. ("DKSH Holding (S)") of Auric Pacific Marketing Pte. Ltd. ("APM") and Centurion Marketing Pte. Ltd. ("CM") on 22 February 2019. The three companies overlap in the provision of distribution services for packaged food and beverage products in Singapore.



ADVOCATING CHAMPIONS

CCCS advises government agencies on competition matters and ensures their policies are pro-competition so that markets can function well to benefit consumers, businesses and the economy. CCCS also reaches out across a spectrum of stakeholders to raise awareness, promote understanding and foster a culture of compliance with competition and consumer protection law.

OUTREACH & ADVOCACY: GOVERNMENT

CCCS-PDPC Study on Data Portability

In support of Singapore's Smart Nation vision, CCCS worked with the Personal Data Protection Commission ("PDPC") to release a discussion paper on the impact of data portability on business innovation, market competition and consumers. The paper explains how data portability supports business innovation and drives competition while empowering consumers with greater control over their data. It also provides a framework for data originators, data recipients and consumers to understand and discuss data portability and data protection practices. The paper was announced by Mr S Iswaran, Minister for Communications and Information, at the Global System for Mobile Communications' ("GSMA") Mobile World Congress in Barcelona, Spain on 25 February 2019.

Highlights of Government Advisories

Sponsorship Arrangements

A government agency was required to provide a potential sponsor with more favourable terms of access to its facility. Such exclusive arrangements may distort market competition significantly as they provide significant competitive advantage to the sponsor and may, in turn, distort competition between the sponsor and its competitors to the detriment of customers.

Recommendation:

CCCS advised that these terms should be extended to all market players and could be adjusted to address concerns relating to excessive use of the facility. However, CCCS did not have competition concerns for other exclusive marketing privileges given to the sponsor that would not significantly impact competition between the sponsor and its competitors.

Restrictive Tender Specifications

CCCS found that competition concerns could arise from a government agency's tender specifications. It was discovered that an incumbent computer system provider, one that was also competing in tenders for hardware replacement, could deny competing bidders access to the system or charge prohibitively high prices for access, preventing third-party hardware providers from competing effectively.

Recommendation:

CCCS suggested that tender specifications for computer systems should require the provider to quote for fees for third-party access, and to justify where such access is denied. This would discourage the provider from charging an excessive price or refusing access to competing providers in the future. The provider could also be required to charge fair, reasonable and non-discriminatory ("FRAND") prices or cost-recovery prices to other providers that require access to the system.

CCCS-IPOS Seminar 2018

13 November 2018

Jointly organised by CCCS and IP Academy – the training arm of the Intellectual Property Office of Singapore ("IPOS"), the 2018 seminar focused on the interface between IP and Competition Law. In particular, it looked into the development of FRAND licenses and commitments, recent decisions involving FRAND, as well as the interface between IP and consumer protection laws.

Promoting Pro-Competition Regulations through COPCOMER

CCCS engages government agencies via the Community of Practice for Competition and Economic Regulations ("COPCOMER"), an inter-agency platform for CCCS, sectoral competition regulators and a few other government agencies, to share best practices and experiences on competition and regulatory matters.

One of FY2018's highlights was the COPCOMER Regulators' Tea 2018. Held on 19 October 2018, it brought together over 70 officers from 19 government agencies to discuss the topic "Towards an Artificial Intelligence ("AI") Economy".

In his opening remarks, CCCS Chief Executive Mr Toh Han Li proposed COPCOMER as the platform for the harmonisation of approaches towards economic and competition regulation, for example, with respect to consumer protection issues. NUS Law Faculty Dean Prof Simon Chesterman's keynote address discussed the fast-changing landscape of AI and the challenges posed to traditional models of regulation. This was followed by presentations by Mr Yeong Zee Kin, Assistant Chief Executive (Data Innovation and Protection Group), Infocomm Media Development Authority ("IMDA") and Deputy Commissioner, PDPC, Dr David Hardoon, Chief Data Officer and Head of Data Analytics Group, Monetary Authority of Singapore, and Mr Chris Leck, Deputy Group Director, Technology & Industry Development, Land Transport Authority.

CCCS also organised a COPCOMER Seminar on 4 May 2018 for government agencies to share their experiences on trending competition and regulatory issues in Singapore, with presentations on sector regulation activity by the Ministry of Trade and Industry, Singapore Tourism Board and IMDA-PDPC.

OUTREACH & ADVOCACY: BUSINESS

Promoting Healthy Competition in Singapore's Open Skies
5 September 2018
Singapore's open skies policy encourages both local and foreign airlines to grow their connectivity at Changi and has helped the nation progress as a key air hub in the region. Airline alliances can enhance operational efficiencies and provide benefits to travellers. However, certain forms of airline alliances can potentially restrict competition, and lead to fewer options and higher airfares.

CCCS issued an Airline Guidance Note to provide airlines with more clarity on the competition assessment of airline alliance agreements, specifically on whether they will breach Section 34 of the Competition Act (Cap. 50B), which prohibits anti-competitive agreements, and whether the alliance generates economic benefits that would outweigh competition concerns. It also provides information on how airlines can notify CCCS for guidance or decision after making self-assessments.

Educating Companies on Bid-rigging Prevention
16 April 2018
CCCS's Legal Division conducted an outreach session on "Preventing Bid-Rigging in Procurement" to management and staff members of Faithful + Gould ("F+G"), a project and programme management consultancy firm which had managed past Singapore Grand Prix events, as well as representatives from Singapore Grand Prix Pte. Ltd. Attendees gained knowledge of CCCS's role and the main prohibitions under the Competition Act, the nature and consequences of bid-rigging, and tips to detect, prevent and respond to bid-rigging.

Advocating Fair Sales and Marketing Practices for Supermarkets
23 July 2018
CCCS's Consumer Protection Division conducted an educational outreach session for 40 staff from supermarket chain Sheng Siong. The staff, comprising mainly purchasers, learnt about the Competition Act, CPFTA and the role of CCCS, as well as fair marketing and sales practices for supermarkets. CCCS also shared examples of unfair marketing and sales practices by overseas supermarkets.

Engaging Local e-Commerce Platforms
Qoo10: 15 February 2019
Carousell: 20 February 2019
Shopee: 28 February 2019
Lazada: 15 March 2019

As part of efforts to better understand issues consumers face when using online platforms, CCCS engaged the compliance teams of Qoo10 and Carousell, the legal team at Shopee, and the government relations team at Lazada.

Representatives from the Consumer Protection Division shared on the prohibitions under the CPFTA and discussed possibilities of partnerships and collaborations on investigation and outreach efforts between CCCS and the respective e-commerce platforms. Following the sessions, Qoo10 and Shopee posted CCCS's notice on the CPFTA on its sales management platform to inform sellers of the Act and their obligations.

OUTREACH & ADVOCACY: PRACTITIONERS

Inaugural Research Grant

April 2018

In April 2018, CCCS launched the first research grant call on the topic "Barriers to Innovative Entrepreneurship in Singapore" to encourage research on competition issues in Singapore and the region. Six proposals from researchers in Singapore, Indonesia and Thailand were received and evaluated by a panel comprising:

- Mr Toh Han Li (CCCS);
- Prof Euston Quah (Department of Economics, NTU), CCCS Commission Member; and
- Prof Wong Poh Kam (NUS Business School), CCCS Commission Member.

The grant was awarded to Associate Professor Eugene Tan Kheng Boon from Singapore Management University's School of Law for his research project titled "International Standards: Catalyst or Barrier for Innovative Entrepreneurship in Singapore?" in September 2018. Prof Tan's proposed research seeks to understand whether and how international standards can spur or impede innovative entrepreneurship in Singapore, and examine how such private (and quasi-public) regulation affects competition and if such barriers are anti-competitive.

Revamped E-newsletter

June 2018

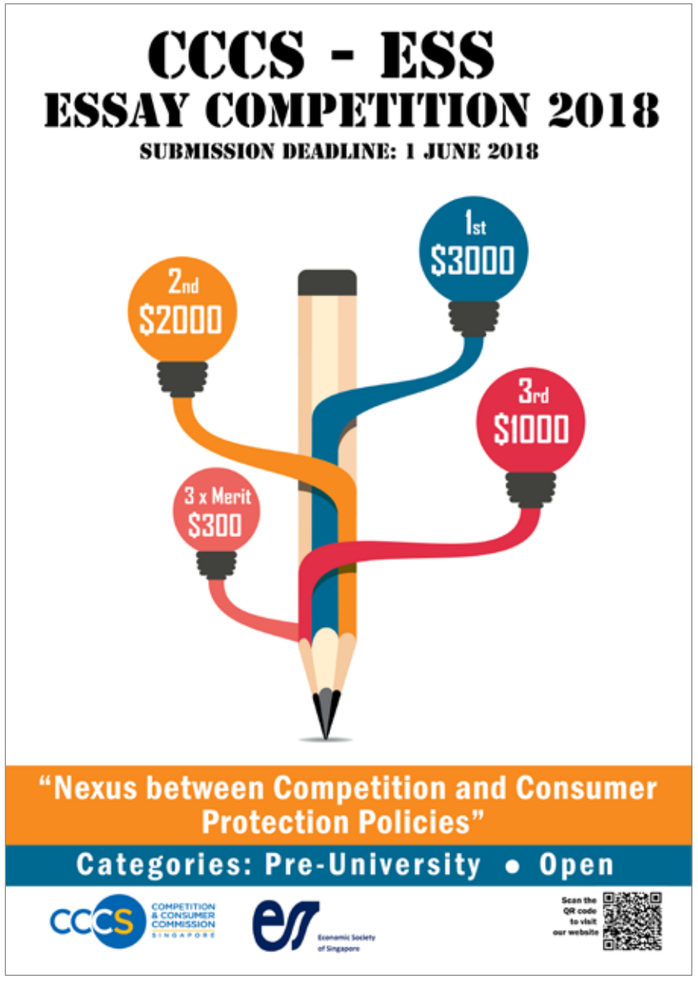
CCCS launched a revamped e-newsletter titled "In the Act". Formerly named "Competitive Edge", the new e-newsletter sports an updated look with corporate colours, more impactful visuals and a new content line-up. Its refreshed segment line-up comprises case highlights, updates on international relations, news and events and educational infographics on competition and consumer protection issues.

OUTREACH & ADVOCACY: STUDENTS

CCCS-ESS Essay Competition 2018
February to June 2018

CCCS co-organised the third Essay Competition with the Economic Society of Singapore ("ESS") on the topic "Nexus between Competition and Consumer Protection Policies". Contestants examined the extent to which both competition and consumer protection policies can harmonise or complement each other to ensure that markets function effectively. A total of 56 entries were received from the 'Open' and 'Pre-University' categories.

The awards ceremony was held in conjunction with the ESS Annual Dinner 2018 on 25 July. Winners received their awards from the Guest-of-Honour, Mr Ong Ye Kung, Minister for Education.



The Judging Panel

- Mr Toh Han Li (CCCS)
- Prof Wong Poh Kam (NUS Business School), CCCS Commission Member
- Dr Tan Teck Yong (NTU Economics)
- Mr Eugene Toh (Ministry of Trade & Industry), CCCS Consumer Protection Resource Panel Member
- Mr Quek Choon Yang (Singapore Tourism Board)
- Mr Adrian Kemp (Houston Kemp)
- Mr James Allan (Frontier Economics)
- Dr Burton Ong (NUS Faculty of Law)

1st prize winner of the Open Category:
Ms Wang Yi Kat (represented by Ms Flora Suen-Krujatz in photo) from law firm Clifford Chance
Her essay highlighted that with a single agency conducting market studies and advocacy, both competition and consumer protection functions can be carried out in a comprehensive and balanced manner.

1st prize winner of the Pre-University Category
Mr Zhang Xiaomenghan and Mr Zhang Qing Yang from the Singapore Armed Forces Military Police Command
Their essay held that despite certain trade-offs between competition policy and consumer protection, the pursuit of one objective generally reinforces the other.

Engaging Students

CCCS believes in educating the younger generation as they are tomorrow's changemakers. Officers from the Business & Economics and the Policy & Markets Divisions held talks and lectures to share CCCS's role, competition law in Singapore, as well as case studies with Junior College ("JC") students. Participating schools included Eunoia JC, Meridian JC, Temasek JC, Saint Andrew's JC and Catholic JC.

At the ESS-MOE-CSC Annual JC Seminar in March 2019, Mr Herbert Fung, Director (Business & Economics), spoke to 350 Economics teachers and students on Singapore's micro-competitiveness. Raising the topic of domestic market competition, he spoke of companies devoting resources to fronting external challenges as well as tackling challenges on home turf to become more resilient when venturing overseas.

Engagement efforts extended to universities as well. CCCS also conducted outreach sessions covering topics ranging from competition policy and law, consumer protection policy and international engagement efforts to students from the NUS Business School, Nanyang Business School, SMU School of Economics, and NUS Faculty of Arts and Social Sciences.

OUTREACH & ADVOCACY: CONSUMERS

On-Air with CCCS
MoneyFM 89.3 (Home and Yours, DJ Howie Lim)
January – February 2019
Capital 95.8 FM (快乐一家族, DJ Yisha)
March – May 2019
CCCS partnered the Consumer Association of Singapore ("CASE") in a series of discussions on the MoneyFM 89.3 and Capital 95.8FM radio talkshows to share pressing consumer issues and unfair trade practices.

Topic: "Introduction of the CPFTA" and "The Beauty Industry Remains the Most Complained-About Industry"

CCCS talked about commonly received complaints about the beauty industry, and shared tips on what consumers and suppliers should be aware of.

Topic: "Perils of Online Shopping and Prepayments"

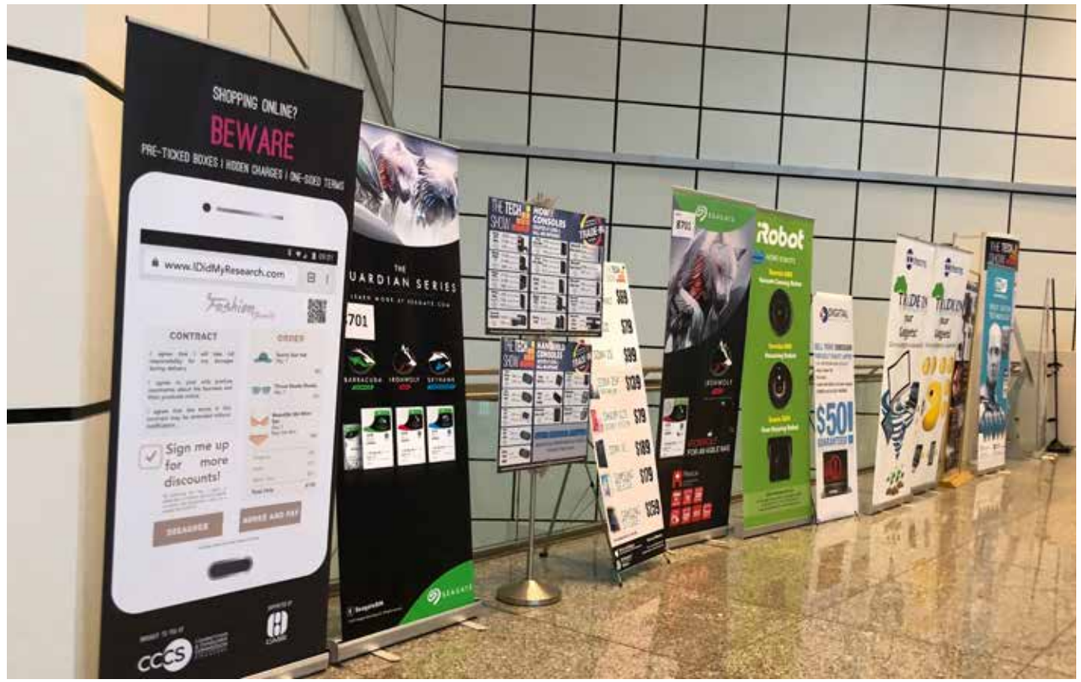
Common tactics employed by online retailers such as hidden charges, pre-ticked boxes and drip pricing were discussed. Suppliers were also encouraged to be upfront and transparent when dealing with consumers.

Topic: "The Errant Contractor and Motoring Sectors"

CCCS encouraged consumers to use resources such as CASE checklists to better understand the transactions they were entering into. Suppliers were also encouraged to take on the CASETrust Accreditation.

Topic: "The Errant Electronics Sector and Protecting the Elderly"

Common consumer issues in the electrical and electronics industry and schemes targeting the elderly were highlighted. CCCS also shared some good practices that suppliers can adopt.



"The Cars @ Expo"
27 to 28 October 2018
CCCS participated in this annual event organised by Singapore Press Holdings, where first and second-hand car dealers came together to connect with car enthusiasts and prospective car buyers. CCCS educated consumers on making big purchase decisions that often require large upfront payments, as well as raised awareness of the CPFTA and the SAFE Checklist.

SPF Anti-Scam Roadshow
15 December 2018
The Singapore Police Force's ("SPF") Anti-Scam Roadshow by Sengkang Neighbourhood Police Centre educated the public on various types of scams, including e-commerce scams. Partnering SPF, CCCS reached out to consumers on prepayment protection and introduced them to the CPFTA at the event. CCCS also conducted a survey on consumers' shopping behaviours, as well as their knowledge and perspectives of consumer rights.

COLLABORATIVE SYNERGY

CCCS works with foreign counterparts to promote competition by mitigating non-tariff barriers, building necessary capacities, rendering technical assistance and cooperating on cross-border competition matters. CCCS also cooperates with foreign counterparts to protect consumers and increase awareness of consumer protection issues.

BILATERAL

Strengthening Ties with Indonesia's KPPU
30 August 2018
CCCS and Indonesia's Commission for the Supervision of Business Competition ("KPPU") have signed a Memorandum of Understanding ("MoU") to facilitate mutual cooperation on competition enforcement. This marks CCCS's first MoU on enforcement cooperation of competition law with an ASEAN competition authority and signifies the strengthening of the long-standing relationship between both authorities. The MoU serves to enhance effective enforcement of competition laws in Indonesia and Singapore through the establishment of a mutual cooperation framework and increase the effectiveness of enforcement on cross-border cases involving both countries.

Visits hosted by CCCS
CCCS met with foreign delegates to share cross-border insights and discuss potential collaboration opportunities in the competition arena.

Competition Bureau Canada
In October 2018, Mr Matthew Boswell, Interim Commissioner of Competition, Competition Bureau Canada visited Singapore. Both authorities shared experiences on competition and consumer protection matters.

United Arab Emirates Ambassador to Singapore
United Arab Emirates ("UAE") Ambassador His Excellency Dr Mohamed Omar Abdulla Balfaqeeh and his delegation visited Singapore in January 2019. Both parties shared their experiences in implementing competition law, and also discussed possible areas of cooperation in the area of competition.

Members of Parliament from Kenya and Officials from the Competition Authority Kenya
A eight-member delegation from Kenya comprising Members of Parliament and officials from the Competition Authority of Kenya visited CCCS on 25 September 2018 to find out about CCCS's experiences in dealing with fee guidelines by professional bodies. During the visit, the delegation was briefed on the overview of the competition regime in Singapore, recent competition cases and our experiences on fee guidelines.

REGIONAL

Chairing the 22nd AEGC Meeting
8 to 11 October 2018
CCCS hosted the 22nd Meeting of the ASEAN Experts Group on Competition ("AEGC"). As Chair of the AEGC in 2018, CCCS led various initiatives to strengthen enforcement of competition law in ASEAN and increase awareness of competition policy in the region. These include developing the ASEAN Regional Cooperation Framework for Competition, creating an ASEAN Competition Compliance Toolkit to provide guidance to ASEAN Member States ("AMSs") on promoting business compliance with competition law and establishing the ASEAN Competition Enforcers' Network ("ACEN") to facilitate cooperation on competition cases in the region and to serve as a platform to handle cross-border cases. To stimulate research collaboration on competition in ASEAN and East Asia, CCCS also led the establishment of the Virtual ASEAN Competition Research.

A New ASEAN Competition Enforcers' Network ("ACEN")

9 October 2018

CCCS hosted the first ACEN meeting on the side-lines of the 22nd AEGC Meeting in October 2018. The ACEN aims to enable mutual understanding of enforcement goals, encourage information sharing between ASEAN competition authorities and look into facilitating cooperation involving cross-border mergers and acquisitions.

ASEAN Workshop on Big Data and Competition Law

6 to 7 August 2018

Together with KPPU and supported by the Japan-ASEAN Integration Fund ("JAIF"), CCCS hosted the two-day ASEAN Workshop on Big Data and Competition Law. The workshop aims to strengthen the capabilities of AMSs in responding to antitrust challenges arising from the use of big data and algorithms.

18th ACCP Meeting hosted by Singapore from 19 to 21 November 2018

Protecting Consumers through ACCP

The ASEAN Committee on Consumer Protection ("ACCP") serves as the focal point to implement and monitor regional arrangements and mechanisms to foster consumer protection in the ASEAN Economic Community ("AEC").

CCCS supports the Pro-Enterprise Division of the Ministry of Trade and Industry ("MTI") in contributing to the various initiatives of the ACCP, and participates actively at the Committee's meetings and workshops to stay updated on emerging trends and developments of the consumer protection landscape in ASEAN.

The ACCP has identified e-commerce as one of the emerging trends within ASEAN and will be prioritising work in this area in 2019.

17th ACCP Meeting and the ASEAN – US FTC Workshop held in Manila, Philippines from 7 to 10 May 2018

INTERNATIONAL

Partnering ICN
CCCS is currently a member of the International Competition Network ("ICN") Steering Group and a co-chair of the ICN advocacy working group. In FY2018, CCCS led the Advocacy and Digital Markets Project, which focuses on collating agencies' experience in conducting competition advocacy in relation to digital markets. In FY2018, CCCS also partnered the ICN on various other initiatives to contribute to the advancement of the global competition landscape.

ICN Workshop for ASEAN Competition Officials on Business Compliance
12 October 2018
Together with ICN's Promotion and Implementation team, CCCS organised a workshop on business compliance in Singapore, to help younger competition authorities in ASEAN better understand the issues in business compliance, and better equip them to encourage greater competition law compliance in their respective countries. Experts from the Competition Bureau Canada and the Australian Competition and Consumer Commission shared their experiences at the workshop.

ICN Advocacy Workshop
28 February to 1 March 2019
As co-chair of the ICN Advocacy Working Group, CCCS jointly organised the ICN Advocacy Workshop in Kiev, Ukraine. The workshop, hosted by the Antimonopoly Committee of Ukraine, was attended by more than 80 participants from 48 jurisdictions. CCCS shared on combating anti-competitive practices in a session on Competition Advocacy in Public Procurement.

2018 ICN Annual Conference
20 to 23 March 2018
CCCS Chief Executive Mr Toh Han Li was appointed as the Vice Chair (Communications) of the ICN Steering Group, where he will be responsible for overseeing initiatives to communicate with the ICN members and interested parties on ICN's developments and activities. At the conference in New Delhi, he spoke at the advocacy working group's plenary session on "Advocacy for the Good Times, the Bad Times or Any Time".

Strengthening Consumer Protection capabilities through ICPEN

To further build up its knowledge on global best practices in consumer protection, CCCS attended the annual conference and best practices workshop by the International Consumer Protection Enforcement Network ("ICPEN"). ICPEN is an organisation comprising consumer protection law enforcement authorities from across the globe.

ICPEN Spring Conference 2018

12 to 14 April 2018

Held in Istanbul, Turkey, the event enabled CCCS to gain insights into the trends, challenges and best practices of other consumer protection regimes and to establish bilateral relations with ICPEN members and network with other consumer protection agencies.

ICPEN Best Practices Workshop

15 to 16 November 2018

The workshop in Lusaka, Zambia focused on enhancing Consumer Protection regulators' capacities. CCCS received insights useful in honing case handling and investigative skills and fostered closer collaborations with various consumer protection law enforcement agencies.

Strengthening knowledge and capabilities through OECD

The Organisation of Economic Cooperation and Development ("OECD") aims to promote policies to improve the economic and social well-being of people across the world.

96th OECD Committee on Consumer Policy Meeting

26 to 28 November 2018

CCCS presented Singapore's consumer protection regime and approach to consumer policy and enforcement at the meeting in Paris, France. CCCS also participated in the Joint Meeting of the Committee on Consumer Policy and the Competition Committee where topics discussed included personalised pricing and quality of non-monetary transactions.

130th meeting of the OECD Competition Committee and 17th Global Forum on Competition

27 to 30 November 2018

CCCS participated in the 130th meeting of the OECD Competition Committee and the 17th Global Forum on Competition. CCCS submitted written contributions on designing publicly-funded healthcare markets, limits and effectiveness of requests for information, benefits and challenges of regional competition agreements, and competition law and state-owned enterprises.

Fostering open, competitive global marketplace through FTAs

Many of Singapore's free trade agreements ("FTAs") include chapters on competition, which help to ensure a level playing field for businesses. CCCS represents Singapore as the Chapter Lead for negotiations of competition chapters or provisions in FTAs.

China-Singapore FTA

April 2018

Negotiations for the Competition Chapter of the China-Singapore FTA were completed in April 2018. The Chapter requires both parties to adhere to principles of transparency, discrimination and procedural fairness in competition law enforcement, and provides a basis for future cooperation in competition law enforcement.

Eurasian Economic Union-Singapore Free Trade Agreement ("EAEU-S FTA")

December 2018

Negotiations for the Competition Chapter of the EAEU-S FTA concluded in December 2018. The Chapter ensures that competition regimes of parties are in line with principles of transparency, non-discrimination and due process. It also provides a platform for formal cooperation between Singapore and EAEU Member States in the area of competition enforcement, and allows for the exchange of information and coordination of enforcement activities based on mutually agreed terms.

Pacific Alliance Singapore FTA ("PASFTA")

August 2018

The competition chapter negotiations between the Pacific Alliance States and the Associate States (Australia, Canada, New Zealand and Singapore) concluded inter-sessionally in August 2018. Based on the competition chapter of the Comprehensive and Progressive Agreement for the Trans-Pacific Partnership ("CPTPP"), the text contains provisions on procedural fairness in competition law enforcement, cooperation, technical cooperation, consumer protection, transparency and consultation.

45 Maxwell Road
#09-01 The URA Centre
Singapore 069118

www.cccs.gov.sg

KPMG

Competition and Consumer Commission of Singapore

Annual Report
Year ended 31 March 2019

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statement by the Members of the Commission

In our opinion,

(a) the accompanying financial statements of the Competition and Consumer Commission of Singapore (the "Commission"), set out on pages FS1 to FS32 are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018, Act 5 of 2018 (the "PSG Act"), the Competition Act, Chapter 50B (the "Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the state of affairs of the Commission as at 31 March 2019 and the results, changes in equity and cash flows of the Commission for the financial year ended on that date;

(b) proper accounting and other records have been kept, including records of all assets of the Commission whether purchased, donated or otherwise; and

(c) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Commission during the financial year are in accordance with the provisions of the PSG Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Commission.

The Members of the Commission have, on the date of this statement, authorised these financial statements for issue.

On behalf of the Commission

Aubeck Kam Tse Tsuen
Chairman

Toh Han Li
Chief Executive

25 July 2019

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

Independent auditors' report

Members of the Commission
Competition and Consumer Commission of Singapore

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Competition and Consumer Commission of Singapore (the "Commission"), which comprise the statement of financial position as at 31 March 2019, the statement of income and expenditure and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS32.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018, Act 5 of 2018 (the "PSG" Act), the Competition Act, Chapter 50B (the "Act ") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the state of affairs of the Commission as at 31 March 2019 and the results, changes in equity and cash flows of the Commission for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Commission in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained the List of Commission Members, List of Senior Management and Statement by the Members of the Commission prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair representation of these financial statements in accordance with the provisions of the PSG Act, the Act and SB-FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements are fee from material misstatement, whether due to fraud or error.

A statutory board is constituted based on its Act and its dissolution requires Parliament's approval. In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Commission or for the Commission to cease operations.

Those charged with governance responsible for overseeing the Commission's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Commission to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Report on other legal and regulatory requirements

Opinion

In our opinion:

(a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Commission during the year are, in all material respects, in accordance with the provisions of the PSG Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Commission; and

(b) proper accounting and other records have been kept, including records of all assets of the Commission where purchased, donated or otherwise.

Basis for opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the *'Auditor's Responsibilities for the Compliance Audit'* section of our report. We are independent of the Commission in accordance with the ACRA Code together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion on management's compliance.

Responsibilities of management for compliance with legal and regulatory requirements

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the PSG Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Commission. This responsibility includes monitoring related compliance requirements relevant to the Commission, and implementing internal controls as management determines are necessary to enable compliance with the requirements.

Auditor's responsibility for the compliance audit

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the PSG Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Commission.

Our compliance audit includes obtaining an understanding of the internal control relevant to the receipts, expenditure, investment of moneys and the acquisition and disposal of assets; and assessing the risks of material misstatement of the financial statements from non-compliance, if any, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Because of the inherent limitations in any internal control system, non-compliances may nevertheless occur and not be detected.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
25 July 2019

Statement of financial position
As at 31 March 2019

	Note	2019 $	2018 $
Assets			
Plant and equipment	4	1,182,842	1,195,700
Intangible assets	5	846,651	543,133
Non-current assets		2,029,493	1,738,833
Other receivables	6	321,594	283,269
Prepayments		231,606	314,493
Cash and cash equivalents	7	23,281,871	23,137,228
Current assets		23,835,071	23,734,990
Total assets		25,864,564	25,473,823
Equity			
Share capital	8	2,097,892	2,097,892
Accumulated surpluses		18,200,557	18,054,935
Total equity		20,298,449	20,152,827
Liabilities			
Provision for reinstatement costs		324,489	287,301
Deferred capital grants	9	1,924,467	1,467,356
Non-current liabilities		2,248,956	1,754,657
Trade and other payables	10	2,774,874	2,708,055
Amounts payable to the supervisory ministry	11	515,060	858,284
Provision for contribution to consolidated fund	12	27,225	–
Current liabilities		3,317,159	3,566,339
Total liabilities		5,566,115	5,320,996
Total equity and liabilities		25,864,564	25,473,823

The accompanying notes form an integral part of these financial statements.

Statement of income and expenditure and other comprehensive income
Year ended 31 March 2019

	Note	2019 $	2018 $
Income			
Interest income		357,043	204,897
Application fee income		635,000	130,000
Other operating income		44,042	16,613
	13	1,036,085	351,510
Expenditure			
Depreciation of plant and equipment	4	(401,591)	(404,866)
Amortisation of intangible assets	5	(166,845)	(132,926)
Salaries, wages and staff benefits		(12,407,668)	(10,797,606)
Staff training and development costs		(621,245)	(439,493)
Information technology expenses		(1,524,458)	(1,492,581)
Operating lease expenses		(1,737,182)	(1,557,143)
Other operating expenses		(2,238,960)	(1,979,748)
		(19,097,949)	(16,804,363)
Deficit before government grants		(18,061,864)	(16,452,853)
Government grants			
Operating and other grants	14	17,826,122	16,116,239
Deferred capital grant amortised	9	408,589	323,912
		18,234,711	16,440,151
Surplus/(deficit) before contribution to consolidated fund	15	172,847	(12,702)
Contribution to consolidated fund	12	(27,225)	–
Net surplus/(deficit) for the year representing total comprehensive income/(loss) for the year		145,622	(12,702)

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
Year ended 31 March 2019

	Share capital $	Accumulated surpluses $	Total $
Balance at 1 April 2017	2,097,892	18,067,637	20,165,529
Net deficit for the year, representing total comprehensive loss for the year	–	(12,702)	(12,702)
Balance at 31 March 2018	2,097,892	18,054,935	20,152,827
Balance at 1 April 2018	2,097,892	18,054,935	20,152,827
Net surplus for the year, representing total comprehensive income for the year	–	145,622	145,622
Balance at 31 March 2019	2,097,892	18,200,557	20,298,449

The accompanying notes form an integral part of these financial statements.

Statement of cash flows
Year ended 31 March 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Deficit before government grants		(18,061,864)	(16,452,853)
Adjustments for:			
Depreciation of plant and equipment	4	401,591	404,866
Amortisation of intangible assets	5	166,845	132,926
Write off of plant and equipment		6,605	963
Interest income	13	(357,043)	(204,897)
		(17,843,866)	(16,118,995)
Changes in:			
Other receivables		80,380	42,970
Prepayments		82,887	(126,000)
Trade and other payables		(737,637)	(203,261)
Cash used in operations		(18,418,236)	(16,405,286)
Contribution to consolidated fund		–	(88,363)
Amounts payable to the supervisory ministry		(343,224)	858,284
Decrease/(Increase) in cash with AGD not available for general use		343,224	(858,284)
Net cash used in operating activities		(18,418,236)	(16,493,649)
Cash flows from investing activities			
Purchase of plant and equipment		(22,194)	(132,856)
Acquisition of intangible assets		(1,863)	(399,798)
Interest received		238,338	274,322
Net cash generated from/(used in) investing activities		214,281	(258,332)
Cash flow from financing activity			
Government grants received		18,691,822	16,856,200
Net cash generated from financing activity		18,691,822	16,856,200
Net increase in cash and cash equivalents		487,867	104,219
Cash and cash equivalents at the beginning of the financial year		22,278,944	22,174,725
Cash and cash equivalents at the end of the financial year	7	22,766,811	22,278,944

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Members of the Commission on 9 July 2019.

1 Domicile and activities

The Competition and Consumer Commission of Singapore (the "Commission") was established as a statutory board in Singapore under the provisions of the Competition Act, Chapter 50B (the "Act").

As a statutory board, the Commission is subjected to the control of its supervisory ministry, Ministry of Trade and Industry ("MTI"). The Commission is required to follow the policies and instructions issued from time to time by MTI and other government ministries and departments such as the Ministry of Finance ("MOF").

The principal place of business and registered office is located at 45 Maxwell Road, #09-01, The URA Centre, Singapore 069118.

The Commission's functions and duties are principally to:

a. maintain and enhance efficient market conduct and promote overall productivity, innovation and competitiveness of markets in Singapore;

b. eliminate or control practices having adverse effect on competition in Singapore;

c. promote and sustain competition in markets in Singapore;

d. promote a strong competitive culture and environment throughout the economy in Singapore;

e. act internationally as the national body representative of Singapore in respect of competition matters and consumer protection matters;

f. promote fair trading practices among suppliers and consumers and enable consumers to make informed purchasing decisions in Singapore;

g. prevent suppliers in Singapore from engaging in unfair practices;

h. administer and enforce the Consumer Protection (Fair Trading) Act, Chapter 52A;

i. advise the Government, any public authority or any consumer protection organisation on national needs and policies in respect of competition matters and consumer protection matters generally; and

j. perform such other functions and discharge such other duties as may be conferred on the Commission by or under any other written law.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the provision of the PSG Act, the Act and the Statutory Board Financial Reporting Standards ("SB-FRS"), including Interpretations of SB-FRS ("INT SB-FRS") and SB-FRS Guidance Notes as promulgated by the Accountant-General.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the functional currency of the Commission.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SB-FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there are no critical judgments or significant estimates that would have a significant effect on the amounts recognised in the financial statements.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 19, which addresses changes in accounting policies.

3.1 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Commission at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

3.2 Financial instruments

(a) Non-derivative financial assets and financial liabilities

Recognition and initial measurement

Other receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Commission becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value.

(i) Classification and subsequent measurement

Non-derivative financial assets – Policy applicable from 1 April 2018

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Commission changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment – Policy applicable from 1 April 2018

The Commission makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

Financial assets: Business model assessment – Policy applicable from 1 April 2018

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Commission's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Commission's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest – Policy applicable from 1 April 2018

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Commission considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Commission considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Commission's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable from 1 April 2018

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of income and expenditure and statement of comprehensive income. Any gain or loss on derecognition is recognised in statement of income and expenditure and other comprehensive income.

Non-derivative financial assets – Policy applicable before 1 April 2018

The Commission initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Commission becomes a party to the contractual provisions of the instrument.

The Commission derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Commission is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Commission currently has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Commission's non-derivative financial assets comprise loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, financial penalties receivables and other receivables. Cash and cash equivalents comprise deposits placed with the Accountant-General's Department ("AGD") and cash maintained centrally with AGD as a consolidated pool.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of income and expenditure and statement of comprehensive income. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in in statement of income and expenditure and statement of comprehensive income. These financial liabilities comprised trade and other payables and amounts payable to the supervisory ministry.

(ii) Derecognition

Financial assets

The Commission derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Commission neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Commission enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Commission derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Commission also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in statement of income and expenditure and statement of comprehensive income.

(iii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Commission currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.3 Plant and equipment

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Commission has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment is recognised in profit or loss.

Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if probable that the future economic benefits embodied within the component will flow to the Commission, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in the profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment, unless it is included in the carrying amount of another asset. Capital work-in-progress is not depreciated.

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

• Furniture, fixtures and equipment	8 years
• Office equipment	5 to 10 years
• Computer equipment	3 to 5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Intangible assets

Intangible assets that are acquired by the Commission and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives for the current and comparative periods are from 3 to 5 years. Development work-in-progress is not amortised.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Leased assets

Leases in terms of which the Commission assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Commission's statement of financial position.

3.6 Impairment

Non-derivative financial assets - Policy applicable from 1 April 2018

The Commission recognises loss allowances for ECLs on financial assets measured at amortised costs.

Loss allowances of the Commission are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Commission applies the simplified approach to provide for ECLs for other receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Commission applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Commission assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Commission considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Commission's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Commission considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Commission in full, without recourse by the Commission to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Commission is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Commission expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Commission assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Commission on terms that the Commission would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Commission determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Commission's procedures for recovery of amounts due.

Policy applicable before 1 April 2018

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Commission on terms that the Commission would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Loans and receivables

The Commission considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans with similar risk characteristics.

In assessing collective impairment, the Commission uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Commission considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Commission's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.7 Provisions

A provision is recognised if, as a result of a past event, the Commission has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Site Restoration

In accordance with the applicable terms and conditions in the lease arrangement governing the Commission's use of assets under operating leases and a provision for reinstatement costs in respect of the leased premises, and the related expense, was recognised at the date of inception of the lease.

3.8 Employee benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Commission has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

3.9 Government grants

Government grants are recognised initially at their fair value where there is a reasonable assurance that the grants will be received and the Commission will comply with the conditions associated with grants.

Government grants utilised for the purchase of depreciable assets are initially recorded as "deferred capital grants" on the statement of financial position of the Commission. Deferred capital grants are then recognised in the statement of income and expenditure and other comprehensive income over the periods necessary to match the depreciation of the assets purchased, with the related grants. Capital grants are recognised in profit or loss on a systematic basis over the useful life of the asset. Upon disposal of the asset, the balance of the related deferred capital grants is recognised in the statement of income and expenditure and other comprehensive income to match the net book value of assets written off.

Other government grants are recognised as income over the periods necessary to match the expenditure for which they are intended to compensate, on a systematic basis.

3.10 Revenue recognition

Revenue from sale of services in the ordinary course of business is recognised when the Commission satisfies a performance obligation (PO) by transferring control of a promised service to the applicant. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised services. The individual standalone selling price of a service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

The transaction price is the amount of consideration in the contract to which the Commission expects to be entitled in exchange for transferring the promised services. Consideration payable to an applicant is deducted from the transaction price if the Commission does not receive a separate identifiable benefit from the applicant.

Revenue is at a point in time following the timing of satisfaction of the PO.

Application fees

Application fees income is recognised over time when the service is being provided.

Interest income

Interest income is accrued on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.

3.11 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted by revising the minimum lease payments over the remaining term of lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Commission determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria:

- The fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- The arrangement contains a right to use the asset(s).

At inception or upon reassessment of the arrangement, the Commission separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Commission concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Commission's incremental borrowing rate.

3.12 Financial penalties

Financial penalties are imposed on undertakings found to have infringed the prohibitions under the Competition Act, Chapter 50B. Financial penalties are collected on behalf of the supervisory ministry, and together with the interest accrued on financial penalties, are transferred to the Consolidated Fund at least once every quarter. Financial penalties are accounted for on a cash basis.

3.13 Contribution to consolidated fund

The Commission is required to make contribution to the Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act, Chapter 319A. The provision is based on the guidelines specified by the Ministry of Finance. It is computed based on the net surplus of the Commission for each of the financial year at the prevailing corporate tax rate for the Year of Assessment. Contribution to consolidated fund is provided for on an accrual basis.

3.14 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are not yet effective and have not been applied in preparing these financial statements. An explanation of the impact, if any, on adoption of these new requirements is provided in note 20.

4 Plant and equipment

	Furniture, fixtures and equipment **$**	**Office equipment** **$**	**Computer equipment** **$**	**Assets under construction** **$**	**Total** **$**
Cost					
At 1 April 2017	1,432,475	887,494	1,878,012	–	4,197,981
Additions	–	6,253	339,974	–	346,227
Reclassification from intangible assets	–	–	289,329	–	289,329
Disposals/Write off	(1,635)	–	(424,122)	–	(425,757)
At 31 March 2018	1,430,840	893,747	2,083,193	–	4,407,780
Additions	41,875	17,507	187,933	148,023	395,338
Reclassification	87,654	60,369	–	(148,023)	–
Disposals/Write off	(87,247)	(11,396)	–	–	(98,643)
At 31 March 2019	1,473,122	960,227	2,271,126	–	4,704,475

	Furniture, fixtures and equipment $	Office equipment $	Computer equipment $	Assets under construction $	Total $
Accumulated depreciation					
At 1 April 2017	1,039,094	577,836	1,615,078	–	3,232,008
Depreciation	173,986	80,592	150,288	–	404,866
Disposals/Write off	(672)	–	(424,122)	–	(424,794)
At 31 March 2018	1,212,408	658,428	1,341,244	–	3,212,080
Depreciation	129,136	85,745	186,710	–	401,591
Disposals/Write off	(82,883)	(9,155)	–	–	(92,038)
At 31 March 2019	1,258,661	735,018	1,527,954	–	3,521,633
Carrying amounts					
At 1 April 2017	393,381	309,658	262,934	–	965,973
At 31 March 2018	218,432	235,319	741,949	–	1,195,700
At 31 March 2019	214,461	225,209	743,172	–	1,182,842

5 Intangible assets

	Acquired computer software $	Development work-in-progress $	Total $
Cost			
At 1 April 2017	782,247	327,594	1,109,841
Additions	153,749	239,985	393,734
Reclassification to plant and equipment	–	(289,329)	(289,329)
At 31 March 2018	935,996	278,250	1,214,246
Additions	470,363	–	470,363
Reclassification	278,250	(278,250)	–
At 31 March 2019	1,684,609	–	1,684,609
Amortisation:			
At 1 April 2017	538,187	–	538,187
Amortisation charge	132,926	–	132,926
At 31 March 2018	671,113	–	671,113
Amortisation charge	166,845	–	166,845
At 31 March 2019	837,958	–	837,958
Carrying amounts			
At 1 April 2017	244,060	327,594	571,654
At 31 March 2018	264,883	278,250	543,133
At 31 March 2019	846,651	–	846,651

In prior year, development work-in-progress related to Knowledge Management System.

6 Other receivables

	2019 $	2018 $
Interest receivable	211,963	93,258
Other receivables	109,631	190,011
	321,594	283,269

Other receivables amount are not past due and not impaired.

7 Cash and cash equivalents

	2019 $	2018 $
Cash with AGD	19,812,411	21,194,839
Cash at bank	225,293	–
Deposits with AGD	3,244,167	1,942,389
	23,281,871	23,137,228
Less: Cash with AGD not available for general use	(515,060)	(858,284)
	22,766,811	22,278,944

The Commission participates in the AGD's Centralised Liquidity Management ("CLM") Scheme whereby the Commission's cash is pooled together and managed centrally by AGD, a related party. This does not affect the daily liquidity of the Commission. AGD pays interest on the Commission's cash with AGD. The weighted average effective interest rates range between 1.44% to 1.98% (2018: 1.21% to 1.28%) per annum.
Cash with AGD not available for general use relates to the financial penalties collected on behalf of the supervisory ministry, Ministry of Trade and Industry.

8 Share capital

	2019	2018	2019	2018
	No. of shares		$	$
Issued and fully paid ordinary shares, with no par value:				
At 1 April and 31 March	2,097,892	2,097,892	2,097,892	2,097,892

The shares have been fully paid for and are held by the Minister of Finance, a body corporate incorporated by the Minister for Finance (Incorporation) Act (Chapter 183). The holder of these shares, which has no par value and do not carry any voting rights, is entitled to receive dividends from the Commission. There is no dividend payable in current year.

9 Deferred capital grants

	Note	2019 $	2018 $
At 1 April		1,467,356	1,051,307
Transfer from operating grants	14	865,700	739,961
Transfer to statement of income and expenditure and other comprehensive income		(408,589)	(323,912)
At 31 March		1,924,467	1,467,356

10 Trade and other payables

	Note	2019 $	2018 $
Trade payables	(a)	406,780	584,629
Accrual for payroll related costs		949,400	875,000
Accrual for operating and other expenses		747,261	713,335
Accrual for purchase of plant and equipment and intangible assets		656,433	295,091
Contract liabilities		15,000	240,000
		2,774,874	2,708,055

The average credit period for trade payables is of 30 days (2018: 30 days). No interest is charged on outstanding balances.

11 Financial penalties

Financial penalties are imposed on undertakings found to have infringed the prohibitions under the Competition Act, Chapter 50B. In accordance with the Finance Circular Minute No. M5/2016, legislated financial penalties are considered public moneys and are collected by the Commission on behalf of its supervisory ministry, MTI. All financial penalties collected by the Commission are paid into the Consolidated Fund in accordance with Section 13(2) of the Competition Act, Chapter 50B.

Movements in the amount payable to supervisory ministry on financial penalties collected are as follows:

	2019 $	2018 $
At 1 April	858,284	–
Financial penalties collected	11,985,599	20,471,086
Financial penalties paid to the supervisory ministry	(12,328,823)	(19,612,802)
At 31 March	515,060	858,284
Represented by:		
Cash with AGD	515,060	858,284

12 Provision for contribution to consolidated fund

The Commission is required to make contributions to the Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act (Cap 319A, 2004 Revised Edition) and in accordance with the Finance Circular Minute No. 5/2005 with effect from 2004/2005. The amount to be contributed is based on 17% (2018: Nil) of the net surplus of the Commission, after netting off the prior years' accounting deficit.

13 Income

	2019 $	2018 $
Interest income on cash balances placed with AGD	357,043	204,897
Application fee income	635,000	130,000
Other operating income	44,042	16,613
	1,036,085	351,510

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with applicants, including significant payment terms, and the related revenue recognition policies:

Application fee income

Nature of services	The Commission provides guidance or decision in relation to agreement, conduct, mergers or anticipated mergers to the applicants.
When revenue is recognised	Revenue is recognised over time when the service is being provided.
Significant payment terms	Payment is received in advance, i.e. upon submission of application form.

Disaggregation of revenue from contracts with applicants

In the following table, revenue from contracts with applicants is disaggregated by primary geographical market.

	2019 $	2018 $
Primary geographical markets		
Domestic	635,000	130,000

Contract balances

The following table provides information about contract liabilities from contracts with applicants.

	Note	2019 $	2018 $
Contract liabilities	10	15,000	240,000

The contract liabilities primarily relate to advance consideration received from applicants in respect of the services to be provided.

Significant changes in the the contract liabilities balances during the period are as follows:

	2019 $	2018 $
Revenue recognised that was included in the contract liability balances at the beginning of the year	240,000	115,000
Increases due to application fee received*	(15,000)	(240,000)

* Excluding amounts recognised as application fee income during the year.

14 Operating and other grants

	Note	2019 $	2018 $
Grants received from government during the year		16,974,900	16,856,200
Other grants received from government during the year		1,716,922	–
Transfer to deferred capital grants	9	(865,700)	(739,961)
		17,826,122	16,116,239

15 Surplus/(deficit) before contribution to consolidated fund

Surplus/(deficit) for the year has been arrived at after charging:

	2019 $	2018 $
Operating lease expenses	1,737,182	1,557,143
Salaries, wages and other allowances	11,055,456	9,730,810
Contribution to defined contribution plans, included in salaries, wages and staff benefits	1,352,212	1,066,796

16 Related parties

For the purpose of these financial statements, parties are considered to be related to the Commission if the Commission has the ability, directly or indirectly, to control the party, exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Commission and the party are subject to common control or significant influence. Related parties may be individuals or other entities. In accordance with SB-FRS paragraph 28A, the Commission is exempted from disclosing transactions with government-related entities other than Ministries, Organs of State and other Statutory boards, unless there are circumstances to indicate that these transactions are unusual and their disclosure would be of interest to readers of financial statements.

Key management personnel compensation

Key management personnel of the Commission are those persons have the authority and responsibility for planning, directing and controlling the activities of the Commission. The core management are considered as key management personnel of the Commission.

Key management personnel compensation comprises:

	2019 $	2018 $
Short-term benefits and salaries paid to directors and above	3,538,376	3,476,666
Allowances paid to non-executive Commission Members	88,151	89,692
	3,626,527	3,566,358

Transactions with Ministries, Organs of State, Statutory Boards and other Government Agencies

The Commission leases and office premise from Urban Redevelopment Authority. In addition, the Commission engages information technology services from Government Technology Agency.

	2019 $	2018 $
Operating grants received from government	16,974,900	16,856,200
Other grants received from government	1,716,922	–
Office premises lease	1,586,882	1,423,956
Computer and IT related expenses	103,823	59,596

17 Commitments

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised in the financial statements are as follows:

	2019 $	2018 $
Capital commitments in respect of computer system	–	516,750

Operating lease commitments

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	2019 $	2018 $
Not later than 1 year	919,609	1,549,009
Later than one year but not later than five years	71,125	806,362
	990,734	2,355,371

Operating lease payments represent rentals payable by the Commission for its office premises, office equipment and lease of laptops. Leases are negotiated and rentals are fixed for an average of 1 to 5 years with renewal options included in the contracts.

18 Financial instruments

Financial risk management

Overview

The Commission has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- interest rate risk

This note presents information about the Commission's exposure to each of the above risks, the Commission's objectives, policies and processes for measuring and managing risk, and the Commission's management of capital.

Risk management framework

The Members of the Commission has overall responsibility for the establishment and oversight of the Commission's risk management framework. Management is responsible for developing and monitoring the Commission's risk management policies. Management reports regularly to the Members of the Commission on its activities.

The Commission's risk management policies are established to identify and analyse the risks faced by the Commission, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Commission's activities. The Commission, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Commission if an applicant or counterparty to a financial instrument fails to meet its contractual obligations, and arises from its financial assets.

The carrying amounts of financial assets in the statement of financial position represent the maximum exposure to credit risk, before taking into account any collateral held. As at 31 March 2019, the Commission does not hold any collateral in respect of its financial assets.

Other receivables

Exposure to credit risk

A summary of the Commission's exposures to credit risk for other receivables are as follows:

	2019		**2018**
	Not credit-impaired	**Credit-impaired**	
	$	**$**	**$**
Not past due	321,594	–	283,269
Total gross carrying amount	321,594	–	283,269
Loss allowance	–	–	–
	321,594	–	283,269

Comparative information under FRS 39

An analysis of the ageing of other receivables that were not impaired is as follows:

	31 March 2018
	$
Not past due	283,269
Total not impaired other receivables	283,269

Cash and cash equivalents

The Commission held cash and cash equivalents of $23,281,871 at 31 March 2019 (2018: $23,137,228). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated Aaa to Aa1 based on Moody's ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Commission considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

12-month probabilities of default are based on data supplied by Moody for each credit rating. Loss given default ("LGD") parameters generally reflect an assumed recovery rate of 30% except when a bank or financial services company is credit-impaired, in which case the estimate of loss is based on the instrument's current market price and original effective interest rate.

Liquidity risk

Liquidity risk is the risk that the Commission will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Commission is not subject to regulatory requirement to maintain minimum cash level. It is the policy of the Commission to maintain a level of cash deemed adequate by the management to finance its operations and mitigate the effects of fluctuations in cash flows.

To manage liquidity risk, the Commission places surplus funds with AGD which are readily available where required. The undiscounted cashflow of the Commission's current financial liabilities at the reporting date approximate their carrying amounts and are expected to be settled within the next 12 months.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate arising from changes in interest rates.

The Commission's exposure to interest rate risk primarily arises from the cash participation in AGD's CLM Scheme. Interest rate risk on cash balances are managed through AGD's CLM Scheme. Surplus funds are placed with AGD.

Sensitivity analysis

The sensitivity analysis has been determined based on the exposure to interest rates for cash and cash equivalents balances at the reporting date. If interest rates had been 100 basis points higher or lower and all other variables held constant, the Commission's surplus before tax for the period ended 31 March 2019 would have increase or decrease for by $200,377 (2018: $211,948).

Capital management

The Commission manages its capital base in consideration of current economic conditions and its plan for the year in concern. The request for grants from the Ministry of Trade and Industry is made though the annual budget exercise. The Commission is not exposed to any external capital requirements. However, it is required to comply with FCM No. 26/2008 under the Capital Management Framework for Statutory Boards. The capital structure of the Commission consists of accumulated surpluses and share capital. The Commission's capital structure remains unchanged since 31 March 2018.

Accounting classification and fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Note	Amortised Cost $	Other financial liabilities $	Total carrying amount $	Fair value $
31 March 2019					
Financial assets					
Other receivables	6	321,594	–	321,594	321,594
Cash and cash equivalents	7	23,281,871	–	23,281,871	23,281,871
		23,603,465	–	23,603,465	23,603,465
31 March 2019					
Financial liabilities					
Trade and other payables*	10	–	2,759,874	2,759,874	2,759,874
Amounts payable to the supervisory ministry		–	515,060	515,060	515,060
		–	3,274,934	3,274,934	3,274,934

	Note	Loans and receivables $	Other financial liabilities $	Total carrying amount $	Fair value $
31 March 2018					
Financial assets					
Other receivables	6	283,269	–	283,269	283,269
Cash and cash equivalents	7	23,137,228	–	23,137,228	23,137,228
		23,420,497	–	23,420,497	23,420,497

	Note	Loans and receivables $	Other financial liabilities $	Total carrying amount $	Fair value $
Financial liabilities					
Trade and other payables*	10	–	2,468,055	2,468,055	2,468,055
Amounts payable to the supervisory ministry		–	858,284	858,284	858,284
		–	3,326,339	3,326,339	3,326,339

* *excludes contract liabilities*

The carrying amounts are assumed to approximate the fair value for all financial assets and liabilities with maturity periods less than one year and where the effect of discounting is immaterial.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying amounts of financial assets and financial liabilities as reported in the financial statements approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

19. Explanation of adoption of new standards

The Commission adopted SB-FRS 109 *Financial Instruments* and SB-FRS 115 *Revenue from Contracts with Customers* from 1 April 2018.

Other than SB-FRS 109 and SB-FRS 115, the adoption of the above standards and interpretations do not have a material effect on the financial statements.

SB-FRS 109 *Financial Instruments*

SB-FRS 109 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new ECL model.

As a result of the adoption of SB-FRS 109, the Commission has adopted consequential amendments to SB-FRS 107 *Financial Instruments: Disclosures* that are applied to disclosures about 2018 but have not been generally applied to comparative information.

The Commission has used an exemption allowed in SB-FRS 109 on not restating comparative information for prior periods with respect to classification and measurement (including impairment) requirements.

The following assessments have been made on the basis of the facts and circumstances that existed at 1 April 2018:

- The determination of the business model within which a financial asset is held; and
- The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Details of how the Commission classifies and measures financial assets and related gains and losses under SB-FRS 109 are disclosed in note 3.2.

The adoption of SB-FRS 109 does not have a significant effect on the Commission's accounting policies for financial liabilities.

SB-FRS 115 Revenue from Contracts with Customers

SB-FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Commission has adopted SB-FRS 115 using the modified retrospective approach to contracts that are not completed contracts at the date of initial application 1 April 2018, with the effect of initially applying this standard recognised at the date of initial application. Accordingly, the information presented for 2018 has not been restated – i.e. it is presented, as previously reported, under SB-FRS 18 and related interpretations, as applicable. Additionally, the disclosure requirements in SB-FRS 115 have not generally been applied to comparative information.

Upon adoption of SB-FRS 115, the Commission has changed the presentation of 'Deferred income' of $240,000 as at 1 April 2018 to 'Contract liabilities'.

(i) Classification and measurement of financial assets and financial liabilities

Under SB-FRS 109, financial assets are measured at amortised cost. The classification of financial assets under SB-FRS 109 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. SB-FRS 109 eliminates the previous classifications under SB-FRS 39: loans and receivables.

SB-FRS 109 largely retains the existing requirements in SB-FRS 39 for the classification and measurement of financial liabilities. The adoption of SB-FRS 109 does not have a significant effect on the Commission's accounting policies for financial liabilities.

The following table and the accompanying notes below explain the original measurement categories under SB-FRS 39 and the new measurement categories under SB-FRS 109 for each class of the Commission's financial assets as at 1 April 2018.

	Note	Original classification under SB-FRS 39	New classification under SB-FRS 109	1 April 2018 Original carrying amount under SB-FRS 39 $	1 April 2018 New carrying amount under SB-FRS 109 $
Financial assets					
Other receivables	(a)	Loans and receivables	Amortised cost	283,269	283,269
Cash and cash equivalents	(a)	Loans and receivables	Amortised cost	23,137,228	23,137,228
Total financial assets				23,420,497	23,420,497

(a) Other receivables and cash and cash equivalents were classified as loans and receivables under SB-FRS 39 are now classified at amortised cost.

(ii) Impairment of financial assets

SB-FRS 109 replaces the 'incurred loss' model in SB-FRS 39 with an ECL model. The new impairment model applies to financial assets measured at amortised cost.

Under SB-FRS 109, loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The application of SB-FRS 109 impairment requirements at 1 April 2018 did not result in any allowances for impairment.

20 New standards and interpretations not yet adopted

The following new SB-FRSs, interpretations and amendments to SB-FRSs are effective for annual periods beginning after 1 April 2019:

Description	Effective for annual periods beginning on or after
SB-FRS 116 *Leases*	1 April 2019
Amendments to SB-FRS 109: *Prepayment Features with Negative Compensation*	1 April 2019

The Commission has assessed the estimated impact that initial application of SB-FRS 116 will have on the financial statements.

SB-FRS 116 *Leases*

SB-FRS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. SB-FRS 116 replaces existing lease accounting guidance, including SB-FRS 17 *Leases*, INT SB-FRS 15 *Operating Leases – Incentives* and INT SB-FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Commission plans to apply SB-FRS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting SB-FRS 116 will be recognised as an adjustment to the opening balance of accumulated surplus at 1 April 2019, with no restatement of comparative information. The Commission plan to apply the practical expedient to grandfather the definition of a lease on transition. This means that they will apply SB-FRS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with SB-FRS 17 and INT SB-FRS104.

The Commission is still assessing the potential impact of implementing SB-FRS 116 and does not plan to early adopt the standard.