

IN THE ACT

MAKING MARKETS WORK WELL

ISSUE 19 | JUNE - SEPTEMBER 2024



RIGGED BIDS

Company, Ex-Director Penalised

STERRA APOLOGISES

UNDERTAKES TO STOP FALSE & MISLEADING MARKETING PRACTICES

ESSAY WINNERS REVEALED!

How should Competition and Consumer Protection rules evolve in the age of Artificial Intelligence?

NAILED IT

Managing Director Sentenced to Jail as Nail Palace Fined for Flouting Court Orders



HOW TO

SPOT FAKE
ONLINE REVIEWS

**CCCS ENDS ASSESSMENT OF
GRAB TRANS-CAB MERGER**

CE's NOTE

"Nail Palace and its Managing Director were found guilty of contempt of court and were handed fines and a jail sentence respectively. This case underscores our commitment to taking decisive action against businesses that engage in unfair trade practices. CCCS will not hesitate to pursue financial penalties and even imprisonment for non-compliance with court orders under the law."



ALVIN KOH
CHIEF EXECUTIVE

Over the past few months, CCCS has been actively engaged in a diverse range of cases and strengthened our international partnerships, all while maintaining our focus on ensuring markets work well for consumers and businesses.

A significant milestone in our enforcement efforts was reached when Nail Palace and its Managing Director were found guilty of contempt of court and were handed fines and a jail sentence respectively. This case underscores our commitment to taking decisive action against businesses that engage in unfair trade practices. CCCS will not hesitate to pursue financial penalties and even imprisonment for non-compliance with court orders under the law.

In June, we also acted against Loft Home Furnishing for posting fake customer reviews on its website. Such misleading practices are unacceptable, and we swiftly stepped in to ensure the cessation of these unfair activities.

Additionally, we took enforcement action against Sterra for making false and misleading claims on the quality of Singapore's tap water, and other claims relating to its air and water purifiers. The company and its directors have since issued an apology and have expressed their commitment to improving their business practices.

In the aviation sector, we granted conditional approval for Singapore Airlines and Garuda's proposed commercial cooperation, following commitments from both parties to maintain competition on key routes. In the automotive industry, we reminded car dealers to remove unfair warranty restrictions which limit consumer choice in car repairs and servicing.

In the area of merger control, we closed two merger assessments from July to September. We raised competition concerns concerning Grab's proposed acquisition of Trans-cab. The subsequent withdrawal of the acquisition plans by the parties emphasises the crucial role our merger reviews play in preserving market competition. We also approved the acquisition by Green Esteel of shares in HG Metal.

In a separate cartel case, we penalised a company and its ex-director for rigging bids which distort competition. This marks the first time CCCS acted against companies formed to facilitate bid-rigging conduct and issued an infringement decision against an undertaking in his individual capacity.

We have continued our international engagement efforts. We recently hosted a series of high-level international meetings, reinforcing our commitment to global cooperation in competition and consumer protection law. We hosted Mr Andrew Bayly, New Zealand's Minister of Commerce and Consumer Affairs, Ms Shih Wen-Chen, Taiwan's Deputy Minister of Environment and Ms Caroline Genevois, Head of the Merger Control Unit at the New Caledonia Competition Authority.

While we have made significant progress at many fronts, there is more that we want to get done. CCCS remains steadfast in its commitment to promoting fair competition and safeguarding consumers interests. We look forward to continuing our work in the months ahead.

CONTENTS



SPOTLIGHT

Nailed It	3
Rigged Bids: Company, Ex-Director Penalised	4
Clearing the Air	5
Green Light for Green Estee/ HG Metal	6
CCCS Ends Assessment of Grab/Trans-cab	7
No Warranty Restrictions for Car Repairs/ Servicing	9
SIA Garuda Partnership Conditionally Approved	10
Loft Home Furnishing Caught Posting Fake Reviews	11

SHOWCASE

Championing Fair Markets. Empowering Consumers.	12
The Future of CCCS: Bolder and Nimble	12

TALKING POINT

CCCS-ESS Essay Winners Revealed	13
---------------------------------	----

GLOBAL ACT

New Zealand	14
Taiwan	14
East Asia	15
New Caledonia	15

BLUEPRINT

Tips for Online Reviews	16
-------------------------	----

ABOUT CCCS

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

CONTACT US:

Email: cccs_corporate_communications@cccs.gov.sg

Hotline: 1800 325 8282



NAILED IT

Managing Director Sentenced to Jail as Nail Palace Fined for Flouting Court Orders

A District Court has found Nail Palace (BPP) Pte. Ltd., Nail Palace (SM) Pte. Ltd. (the “NP Entities”), and their Managing Director, Kaiden Cheng Kai Teng, guilty of contempt of court. Both entities were fined \$15,000, while Cheng received a four-month prison sentence for failing to comply with court orders relating to unfair trade practices under the Consumer Protection (Fair Trading) Act or CPFTA.

This marks the first time CCCS has pursued contempt proceedings against a business and its director for breaching court orders under the CPFTA. The court’s decision signals a strong message to businesses that disregard such orders.

The NP Entities had repeatedly failed to publish court-mandated notices in a readable format and in the required languages. They also did not inform customers of the rulings, as required by court injunctions. These actions prompted CCCS to initiate contempt proceedings, resulting in financial penalties for the NP Entities and a jail sentence for Cheng.

CCCS Chief Executive’s Mr Alvin Koh said, “CCCS welcomes the decision of the District Court and is committed to enforcing the law for the benefit of consumers in Singapore. Unfair trade practices curtail the ability of consumers to make informed choices and CCCS will continue to take errant businesses to task, including seeking fines and imprisonment sentences should they fail to comply with Court orders issued under the CPFTA”.



[Scan or
click to
read more](https://go.gov.sg/nailpalace-contemp-tolcourt)



<https://go.gov.sg/nailpalace-contemp-tolcourt>

RIGGED BIDS

First Enforcement Action Against Companies Formed to Facilitate Bid-Rigging; Financial Penalties Imposed

CCCS has taken enforcement action against Rei Securite Pte. Ltd. and Soh Chee Keong, for rigging bids in tenders called by Ngee Ann Polytechnic (NP). This marks the first time CCCS has acted against companies formed to facilitate bid-rigging and issued an infringement decision against an undertaking in his individual capacity. Rei and Soh hatched a plan whereby Soh submitted fake cover bids by two newly incorporated companies to secure contracts for vulnerability management software and support services.

Investigations revealed that Soh manipulated bid prices to ensure Rei's bid appeared the lowest and therefore the most competitive. Rei and Soh both benefitted when Rei won the ITQs. Soh received payment from Rei of up to \$34,000 as "service fees" for providing IT support services to NP on behalf of Rei. For their bid-rigging conduct, Rei was fined \$6,237 and Soh \$2,550.

"Bid-rigging distorts competition in the market and prevents businesses from competing fairly." said CCCS Chief Executive's Mr Alvin Koh. He added that "CCCS has a zero-tolerance approach towards such practices and urges businesses and government agencies to report potential bid-rigging and irregularities in their tendering processes to CCCS."



Scan or
[click to
read more](#)



<https://go.gov.sg/cccs-id-soh-rei>

CLEARING THE AIR

Company Issues Public Apology and Undertakes Compliance Measures

Sterra Tech Pte. Ltd. has publicly apologised and committed to stop false and misleading claims regarding the safety of Singapore's tap water and the benefits of its air and water purifiers. CCCS launched an investigation earlier this year after several complaints about Sterra's misleading advertisement, which falsely claimed that Singapore's tap water was unsafe for consumption without using Sterra's water purifiers.



CCCS also found that Sterra falsely claimed certain air purifiers were made in Singapore and marketed two models of their water purifiers as "Korean" when they were made in China. In addition, Sterra promoted false discounts that misled consumers about product prices.

As part of its undertaking to CCCS, Sterra will cease these unfair practices, put up a public apology for 30 days, and cooperate with relevant public agencies to resolve consumer complaints. The company's directors have also given personal commitments not to engage in similar conduct.

"CCCS takes a firm stance against businesses that make false or misleading claims in their marketing. Such practices hinder the ability of consumers to make informed decisions, which is essential for well-functioning markets. They also erode consumer trust and undermines the ability of honest businesses to compete on a level playing field," said CCCS Chief Executive's Mr Alvin Koh.

Scan or
click to
[read more](https://go.gov.sg/imd-grab-deliveryhero)



[https://go.gov.sg/
imd-grab-deliveryhero](https://go.gov.sg/imd-grab-deliveryhero)

CCCS CLEARS GREEN ESTEEL'S PROPOSED ACQUISITION OF HG METAL

**Both Parties Supply Reinforcing
Steel and Structural Steel Products
in Singapore**



CCCS has given the green light to the proposed acquisition of new shares in HG Metal Manufacturing Limited by Green EsteeL Pte. Ltd. after assessing that the deal will not infringe Singapore's competition laws.

CCCS determined that the transaction is unlikely to substantially lessen competition in the markets for reinforcing and structural steel products, where both parties operate. CCCS's decision came after a public consultation involving key stakeholders, including competitors and customers.

The assessment found that existing competition, market flexibility, and customers' ability to switch suppliers would maintain competitive conditions in the steel supply market.

[Scan or
click to
read more](#)



CCCS ENDS ASSESSMENT OF GRAB HOLDINGS' PROPOSED ACQUISITION OF TRANS-CAB

**Parties Withdraw Acquisition Plans
Following Provisional Decision**



CCCS has ceased its assessment of the proposed acquisition of Trans-cab Holdings Ltd. by Grab Holdings Limited through its subsidiary, GrabRentals Pte. Ltd., after the parties withdrew their application. The move comes after CCCS issued its provisional decision on 11 July 2024, following which the parties notified CCCS that they will no longer proceed with their acquisition plans.

In their correspondence with CCCS, the parties acknowledged the regulatory process and expressed appreciation for the thorough review conducted. CCCS notes Grab's commitment to compliance with competition laws and encourages businesses to engage with CCCS early if they anticipate competition concerns in future acquisitions.

Provisional Decision on Grab's Proposed Acquisition of Trans-cab

On 11 July 2024, CCCS issued a provisional decision expressing concern that Grab Holdings Limited's proposed acquisition of Trans-cab Holdings Ltd. could substantially lessen competition in Singapore's ride-hailing market

[See Infographics Next Page>>](#)

[Scan or
click to
read more](#)



CCCS Issues Provisional Decision on Proposed Acquisition of Trans-cab by Grab



CCCS has expressed concerns that the Proposed Acquisition **will significantly reduce competition** between ride-hail platforms, and strengthen and entrench Grab's dominant market position.

The Parties: Grab and Trans-cab



Grab is the **dominant** ride-hail platform.



Trans-cab is **one of the largest fleets (taxi or private-hire)** not owned by or in partnership with any ride-hail platform in Singapore.

How is Grab a *dominant* ride-hail platform?

High numbers of ride-hail trips are completed on Grab, due to the large pool of drivers and passengers on its platform.



Proposed Acquisition Significantly Weakens Grab's Rival Ride-hail Platforms by Depriving Them of an Important Source of Drivers



The Proposed Acquisition is expected to result in a greater degree of "stickiness" of Trans-cab drivers to Grab's ride-hail platform.



Difficult for rival ride-hail platforms to replace any loss of Trans-cab drivers on their respective ride-hail platforms in a timely manner.



Shortage of drivers facing rival platforms



Stickiness of drivers to certain ride-hail platforms



High cost of fleet ownership and expansion



Lack of major non-affiliated taxi or private-hire car fleets to partner with



High cost of driver incentives

Impact on Competition: Weaken Competitive Constraints Exerted by Rival Ride-hail Platforms on Grab



Affect the ability of rival ride-hail platforms to:

- Fulfil trip requests and, over time, make them less attractive to passengers and drivers as drivers prefer ride-hail platforms with larger number of passengers, and passengers prefer ride-hail platforms with a larger number of drivers.
- Expand the scale of ride-hail platform services offered.



- Drivers and passengers could face higher prices and fewer choices for ride-hail platform services.
- Grab recognised that it will likely be able to significantly save on the incentives paid to drivers as compared to alternative means to increase driver supply.

Competition concerns raised, what's next?

CCCS will issue its final decision after consideration of representations from the Parties, as well as all available information and evidence. The Parties can also propose suitable Commitments to address the identified competition concerns.

CCCS REMINDS CAR DEALERS TO REMOVE WARRANTY RESTRICTIONS

Authorised Dealers Directed to Ensure Compliance with Competition and Consumer Protection Laws



As part of CCCS's efforts to monitor the motor vehicle repair and servicing industry, CCCS sent letters to authorised car dealers in February 2024, directing them to remove any restrictions that require customers to repair or service their cars exclusively at the dealers' authorised workshops to maintain the validity of their car warranties.

Warranty restrictions can limit competition, deterring car owners from using third-party workshops and potentially leading to higher prices for repairs and servicing at authorised workshops. CCCS's earlier intervention, stemming from the 2017 Car Parts Market Inquiry, led major car dealers to amend their warranty terms to ensure compliance with the Competition Act. CCCS expects car dealers, including parallel importers, to remove all warranty restrictions from their websites, marketing materials/related documents, and any legal documentation associated with the sale or servicing of cars.

Car dealers are also reminded that misleading consumers on their rights under the warranty may constitute an unfair practice under the Consumer Protection (Fair Trading) Act 2003.

With increasing digitalisation and the rise of hybrid and electric vehicles, CCCS will continue monitoring industry developments, especially concerning third-party access to essential inputs for repairs. CCCS will not hesitate to take enforcement action to ensure competitive markets and consumer protection.

[Scan or
click to
read more](#)



CCCS APPROVES SIA AND GARUDA PARTNERSHIP WITH CONDITIONS

Airlines to Maintain Seat Capacity and Compliance Monitoring

CCCS has granted conditional approval for the commercial cooperation between Singapore Airlines (SIA) and Garuda Indonesia on flights between Singapore and Indonesia, following their agreement to address competition concerns.

While the partnership promises benefits like better travel options and pricing, CCCS found that it could reduce competition on key routes such as Singapore-Jakarta and Singapore-Surabaya. To mitigate this, the airlines committed to maintaining seat capacity on these routes at pre-cooperation levels and appointing an independent auditor to ensure compliance.

After market testing, CCCS concluded that the commitments would adequately address competition concerns.

CCCS Chief Executive Mr Alvin Koh said, "Airline alliances are an important part of the aviation industry bringing significant benefits to the Singapore economy as well as overseas markets. We look forward to working closely with our businesses and stakeholders to deliver positive, prompt and impactful outcomes that matter. Full cooperation from businesses throughout the process, providing complete, concise and relevant information will facilitate the timely completion of CCCS's review".



[Scan or
click to
read more](#)



SPOTLIGHT

LOFT HOME FURNISHING CAUGHT POSTING FAKE REVIEWS

CCCS Investigation Leads to Removal of Fake 5-Star Ratings



Loft Home Furnishing has admitted to posting fake 5-star reviews on its website between November 2022 and August 2023. CCCS launched an investigation in October 2023 following customer complaints that positive reviews were falsely attributed to them, including photos of furniture in their homes.

CCCS found Loft Home Furnishing, along with its related businesses Loft Home Furniture and Loft Industries, responsible for fabricating the reviews to mislead consumers. As part of the resolution, the companies have committed to stop posting fake reviews, create a feedback channel for reporting fake reviews, and remove any fake reviews identified.

CCCS has accepted their undertakings and issued warnings, with further action to be taken if they breach the undertakings or engage in any unfair trade practice. Consumers are advised to exercise caution when relying on online reviews and can use CCCS’s tips to spot fake reviews and avoid being misled.

Using online reviews to make purchasing decisions? See tips on how to spot fake reviews and avoid being misled in “Blueprint”.

[Using online reviews to make purchasing decisions? See tips on how to spot fake reviews and avoid being misled in “Blueprint”.](#)

Scan or
click to
read more



SHOWCASE

CHAMPIONING FAIR MARKETS. EMPOWERING CONSUMERS.

CCCS's Annual Report (2023/2024) showcases the agency's work over the past financial year. The vibrant interplay of colours, textures and sizes converge to form a resilient braid, representing the rich diversity of businesses and consumers in Singapore's economy. Just as threads weave together to grow stronger over time, CCCS plays a crucial role in enhancing the competition and consumer protection regulatory and enforcement regime, ensuring that markets function effectively for the benefit of businesses and consumers in Singapore.

[Scan or click to read more](#)



THE FUTURE OF CCCS: BOLDER AND NIMBLER

GCR

Q&A with Alvin Koh

Irles McConnell
September 2024



In a recent interview with the Global Competition Review, CCCS Chief Executive, Mr Alvin Koh, outlined his strategic vision for CCCS. He emphasized the need for CCCS to be an agile, responsive organization, committed to impactful work that strongly supports Singapore's growth and productivity agenda. Mr Koh shared key priorities areas for CCCS, including aviation, digital markets, price transparency and supporting Singapore's green transition.

[Scan or
click to
read more](#)



RESULTS OF THE CCCS-ESS ESSAY COMPETITION 2024

CCCS and the Economic Society of Singapore (ESS) launched the 6th CCCS-ESS Essay Competition on 5 February 2024. This year's competition addresses the topic, "How should Competition and Consumer Protection rules evolve in the age of Artificial Intelligence (AI)?".

This year's competition invited participants to explore and discuss the impact of AI on both businesses and consumers, and to consider how governments can protect competition and consumers without stifling the advancement of technology.

The competition closed on 31 May 2024 and a total of 134 submissions were received across both 'Open' and 'School' categories. The final judging panel comprised Mr Alvin Koh (Chief Executive, CCCS), Ms Ng Ee Kia (Assistant Chief Executive, Economics, Policy & Data, CCCS), Mr Loke Shiu Meng (Assistant Chief Executive, Legal, Enforcement and Consumer Protection, CCCS) and ESS members – Dr Julian Wright (Lim Chong Yah Professor of Economics, Dept of Economics, NUS), Dr Kon Sen Choeng (Chief Executive, CEO Solutions) and Dr Teh Tat How (Assistant Professor, Economics, NTU).

The awards ceremony was held in conjunction with the ESS Annual Dinner 2024 on 28 August at the Orchard Hotel with Mr Chee Hong Tat, Minister for Transport and Second Minister for Finance as the Guest-of-Honour and Keynote Speaker.

Congratulations to all the winners!

OPEN

1st Prize

Ms Cheong Su-Ann & Mr Ian Wong Kai Jing
(Rajah & Tann Singapore LLP)

2nd Prize

Ms Pang Cheng Kit, Kit (SMU)

3rd Prize

Mr Ng Zhong Han (SMU)

Merit

- Mr Theodore Choy Zhi Yang
- Mr Chong Ee Hsiun (Supreme Court of Singapore)
- Mr Chong Jia Hua Cavan & Mr Lee Hayden (SUSS)

SCHOOL

1st Prize

Mr Gan Wei Wen (Hwa Chong Institution)

2nd Prize

Mr Lukas Lim Kai Zhe (Raffles Institution) &
Ms Masuda Marsh Amy Felicity (Nanyang Junior College)

3rd Prize

Mr Brian Lee Ming Feng (NSF) & Ms Gong Yizhen (Dunman High School)

Merit

- Ms Zhao Yuxuan & Mr Adharsh Venkatakrishnan (Raffles Institution)
- Ms Leow Jiah Shuen Chloe & Mr Tan Wei Ming Noel (Nanyang Junior College)
- Ms Ezann Yeap Ke Hui & Mr Caleb Choy Kit Weng (Raffles Institution)



[Scan to read
the winning
essays or
click here](#)

VISIT BY NEW ZEALAND MINISTER OF COMMERCE AND CONSUMER AFFAIRS

On 10 June 2024, CCCS hosted a delegation led by Mr Andrew Bayly, New Zealand's Minister of Commerce and Consumer Affairs.

Insightful discussions were held, where both agencies exchanged valuable perspectives on their respective approaches to market inquiries and merger assessments.



2024 TAIWAN INTERNATIONAL CONFERENCE ON COMPETITION POLICY/LAW



At the conference held in Taipei, Taiwan from 25 to 26 June 2024, CCCS Chief Executive, Mr Alvin Koh shared on the agency's experience at the session on "Interactions between Competition Enforcement and Consumer Protection".

On the sidelines of the conference, bilateral meetings were held between CCCS and senior officials from the Philippine Competition Commission, Taiwan Fair Trade Commission, and the US Federal Trade Commission.

19TH EAST ASIA TOP LEVEL OFFICIALS' (EATOP) MEETING AND 16TH EAST ASIA CONFERENCE (EAC)

CCCS participated in the 19th EATOP meeting and 16th EAC, held from 23 to 24 July in Kuala Lumpur, Malaysia. CCCS shared its insights at the sessions on "Best Practices in Merger Control" and "Cost of Living". Bilateral meetings were also conducted with senior officials from the Australian Competition and Consumer Commission, Hong Kong Competition Commission, Indonesia Competition Commission, and Japan Fair Trade Commission.

VISIT BY TAIWAN'S DEPUTY MINISTER OF MINISTRY OF ENVIRONMENT



On 9 July 2024, CCCS hosted a delegation from Taiwan's Ministry of Environment, led by Deputy Minister Ms Shih Wen-Chen. The meeting facilitated a productive exchange of insights and experiences, with a focus on addressing the issue of greenwashing.

VISIT BY NEW CALEDONIA COMPETITION AUTHORITY'S HEAD OF MERGER CONTROL UNIT

On 2 August 2024, CCCS hosted Ms Caroline Genevois, Head of Merger Control Unit at New Caledonia's Competition Authority. The discussions covered a range of topics, including merger control, anti-competitive practices, investigation techniques and case prioritisation.



Consumer Tips for Online Reviews

Relying on online reviews to make purchases?

Customer reviews are supposed to reflect the experiences of others that can guide you to making your purchases. However, fake reviews can confuse and mislead you to make the wrong decisions. Here are some tips to help you navigate online reviews effectively:

Approach Reviews Thoughtfully

1 LOOK DEEPER through the reviews. Don't just scan.



- Instead of just focusing on the number of reviews and the average score, look deeper into the spread of review scores and common opinions that emerge.
- Read a selection of reviews with different scores and form your own view.

2 LOOK WIDER. Broaden your scope.



- Check multiple websites and platforms to gauge the consistency and reliability of the reviews, e.g. check whether the seemingly positive or negative reviews that you see on a business's website are consistent with reviews on other websites that do not belong to the business.
- Consider whether safeguards are in place to ensure the authenticity of the reviews, such as verification of purchases and absence of incentivised reviews.

3 LOOK FOR TELL-TALE SIGNS. Spot signs of fake reviews.



- Be wary of overly positive reviews, e.g. only 5-star reviews, no negative or moderate reviews, or overly negative reviews, e.g. many 1-star ratings that have no content or lack detail about the negative rating.
- Look out for generic reviews that lack details or use exaggerated language, e.g. generic buzz words used, such as "amazing", "perfect", or "worst".
- Many reviews posted under similar names, using similar language, or have repeated or similar spelling or grammatical errors.

Dealing with Fake Reviews



If you suspect reviews are fake, exercise caution and do further research before making a purchase. If you believe you have suffered harm as a result of fake reviews, you can seek assistance from CASE. For more information, please visit www.case.org.sg or call 6277 5100.