

IN THE ACT

MAKING MARKETS WORK WELL

ISSUE 3 | FEBRUARY 2019 - MAY 2019

NO EASY GETAWAY

SG VEHICLES TO STOP
UNFAIR TRADE
PRACTICES

SMARTER WAYS TO BUY
A MOTOR VEHICLE

ELEVATING THE MARKET WITH OPTIONS

5 suppliers commit to sell lift
spare parts for maintenance
of lifts in HDB estates



CE's NOTE

In April, CCCS concluded our first enforcement action relating to consumer protection, with a Court Order for car retailer SG Vehicles to cease unfair trade practices.

This action reinforces CCCS's role as the administering agency for the Consumer Protection (Fair Trading) Act (CPFTA), and signalled that we will not hesitate to penalise persistent, errant businesses who engage in unfair trade practices.

At the same time, it is important that consumers know their rights and be alert to unfair trade practices so that they can better safeguard their interest.

As part of building consumer awareness, CCCS partnered with CASE to go on MoneyFM's radio talkshow series earlier this year and shared about the CPFTA, sales practices in various industries and consumer tips.

In this issue, we have also included a useful buyer's guide to help consumers make a smarter car purchase.

On the competition side, CCCS has concluded investigations into the supply of spare parts for the maintenance of lifts in HDB estates, after accepting commitments from a total of five lift companies which addressed our competition concerns, following public consultations.

Affirming our commitment to the global cooperation on competition, we are also pleased to participate in the multilateral International Competition Network's Framework on Competition Agency Procedures as a founding member. As a proponent of the rule of law, CCCS is committed to transparency and procedural fairness in competition enforcement.

I am also happy to welcome new Commission members, Ms Cindy Khoo and Dr Faizal Bin Yahya, who joined in April 2019. I hope you will enjoy this issue of In the Act, and we look forward to continue working with you to make markets work well.

TOH HAN LI
CHIEF EXECUTIVE

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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 (Cap. 50B) 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 (Cap. 52A) 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 business and consumers in Singapore.


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SPOTLIGHT



In 2017, the motoring industry ranked as the top industry with the highest number of consumer complaints received by CASE.

NO EASY GETAWAY

SG Vehicles To Stop Unfair Trade Practices Following Court Order

In April 2019, by the parties' mutual agreement, the State Courts have ordered car importer SG Vehicles to stop engaging in unfair trade practices under the Consumer Protection (Fair Trading) Act ("CPFTA").

What happened?

From January 2015 and November 2017, the Consumers Association of Singapore's ("CASE") received 92 complaints against SG Vehicles, with the number rising over the years despite CASE's efforts to resolve them through negotiation and mediation.

The complaints cited misrepresentations over terms and conditions of the sale agreement, mainly relating to the delivery dates of motor vehicles and bidding for Certificates of Entitlement. Consumers have also reported having to make additional payments due to a change in circumstances beyond their control.

Stopping unfair trade practices

In July 2017, SG Vehicles declined CASE's request to sign a Voluntary Compliance Agreement. CCCS investigated the complaints against SG Vehicles which revealed evidence of unfair trade practices under the CPFTA.

[Read more >>](#)

>> Continued from page 3

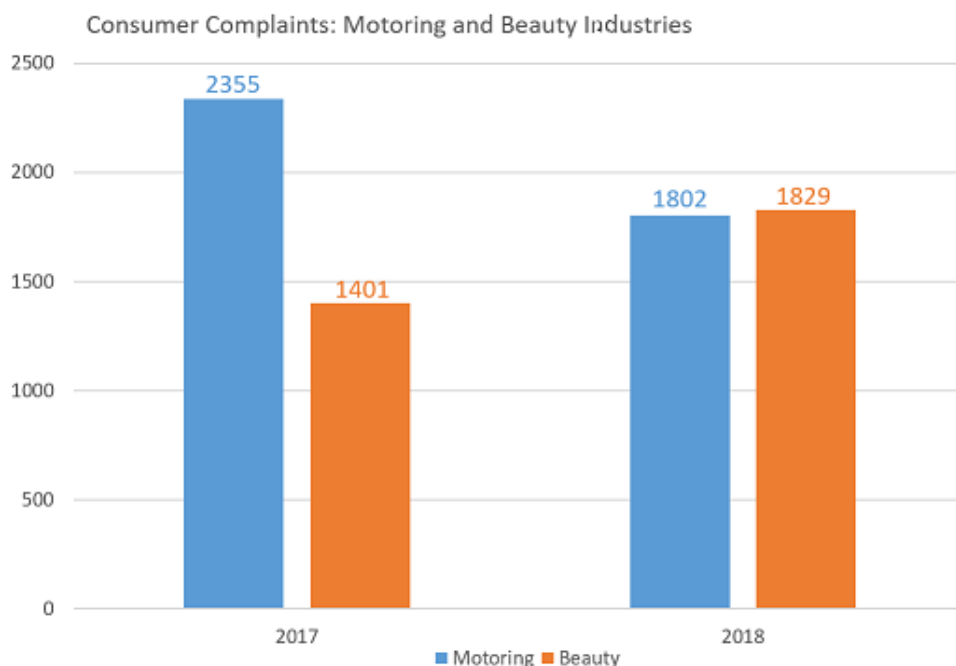
Following an injunction that CCCS filed with the court in December 2017, the Court Order prohibits SG Vehicles from engaging in unfair trade practices. The Court Order takes effect from 18 April 2019.

SG Vehicles is not required to cease its business operations. If SG Vehicles fail to honour existing sales agreements made with their customers, affected consumers may contact CASE for assistance (call 6100 0315 or visit www.case.org.sg for more information).

Top Industries with Consumer Complaints

In 2017, the motoring industry ranked top in terms of the highest number of consumer complaints received by CASE.

In 2018, the beauty industry overtook the motoring industry. 44% of the beauty complaints received were related to loss of consumers' prepayments due to abrupt business closures, and aggressive sales tactics used on consumers, such as coercing and following consumers to obtain monies for the payment of services.



CCCS is monitoring the beauty industry closely. Businesses are reminded that it is an unfair trade practice to:

- take advantage of a consumer by exerting undue pressure or undue influence on a consumer to enter into a transaction.
- charge a price that is substantially higher than the estimate earlier provided to the consumer, except where the consumer has expressly agreed to the higher price in advance.
- omit disclosing a material fact to a consumer, mislead a consumer on a material fact such as price, or demand payment for the supply of unsolicited goods or services.

Besides the beauty industry, CCCS is also investigating consumer complaints into other industries such as e-commerce and food & beverage.





ELEVATING THE MARKET WITH OPTIONS

Suppliers commit to supply lift spare parts to third-party contractors

In 2016, CCCS started investigating alleged refusals to supply lift spare parts for the maintenance of lifts in Housing & Development Board (“HDB”) estates.

Over 20,000 lifts of different brands are installed in HDB estates across Singapore, where the majority is maintained by the Original Equipment Manufacturers (“OEMs”). Town councils can appoint OEMs or a third-party contractor to carry out maintenance work.

A refusal to provide proprietary but essential lift spare parts by OEMs to third-party lift maintenance contractors may breach the Competition Act (Cap. 50B) for abuse of a dominant position.

The inability of third-party contractors to obtain proprietary but essential lift spare parts poses significant obstacles for them as they try to compete with OEMs for contracts to maintain and service lifts of a particular brand.

[Read more>>](#)

>> Continued from page 5

Opening up competition for more options

CCCS has accepted commitments from 5 lift companies – E M Services Pte. Ltd., BNF Engineering (S) Pte. Ltd., C&W Services Operations Pte. Ltd., Chevalier Singapore Holdings Pte. Ltd. and Fujitec Singapore Cooperation Ltd. to sell lift spare parts of the relevant brands to third-party contractors, subject to certain terms and conditions. It is estimated that these 5 companies installed more than 70% of the lifts in HDB estates in Singapore.

CCCS considers these commitments address the competition concerns raised by CCCS in relation to the supply of different brands of lift spare parts.

CCCS also highlights that it would be prudent for lift owners to continue to ensure that their appointed lift maintenance contractors maintain sufficient inventories of spare parts to service and maintain the lifts.

Following the acceptance of the voluntary commitments, CCCS has concluded its investigations into the supply of lift spare parts for the maintenance of lifts in HDB estates.

CCCS has communicated its acceptance of commitments to Town Councils so that they are better informed when procuring lift maintenance services and in reporting any potential anti-competitive practice.

CCCS will also continue to detect anti-competitive conduct and investigate if there are reasonable grounds for suspecting that the Competition Act has been infringed. CCCS may issue directions and impose financial penalties if there is an infringement of the Act.



“More competition means better options for consumers and better service. This opens things up for the town councils as well and gives us more options when looking for contractors”

– Chairman of Nee Soon Town Council and MP for Nee Soon GRC Louis Ng (quoted in the Straits Times article “Two more suppliers make commitments on selling lift spare parts, probe concluded” dated 28 May 2019)

SPOTLIGHT



JOINT FARE SUPPLY

CCCS clears food distributors tie-up

CCCS has cleared the proposed acquisition by DKSH Holding (S) of Auric Pacific Marketing Pte. Ltd. and Centurion Marketing Pte. Ltd.

The food distributors operate in the market for the provision of distribution services for packaged food and beverage products in Singapore.

Distributors provide services such as physical distribution, warehousing, invoicing and other valued-added services to manufacturers and/or suppliers of packaged food and beverage products. The services provided ensure that these manufacturers and suppliers' products reach various channels including wholesalers,

supermarkets, retailers with a shopfront or e-commerce presence, and food service businesses such as hotels, restaurants and cafes.

In its assessment, CCCS has considered that, amongst others, the parties involved are not each other's closest competitors, there exists a number of alternatives and the barriers to entry are not insurmountable. Accordingly, CCCS concluded that the proposed acquisition, if carried into effect, will not lead to a substantial lessening of competition within the relevant market in Singapore.

For more details of CCCS's decision, scan the QR Code to visit the Public Register page:



SPOTLIGHT



SEALING THE DEAL

CCCS clears merger of plasterboards suppliers

CCCS has cleared the proposed acquisition by Gebr. Knauf KG of USG Corporation.

In Singapore, both parties supply gypsum boards (also known as plasterboards) and modular suspended ceilings. These products are supplied by manufacturers to distributors and end-customers (e.g. installers) in Singapore.

In its assessment, CCCS found that, amongst others, the merged entity will continue to face significant competition and there are sufficient alternatives or substitutes.

Hence, CCCS concluded that the proposed acquisition, if carried into effect, will not lead to a substantial lessening of competition within the relevant markets in Singapore.

[For more details of CCCS's decision, scan the QR Code to visit the Public Register page:](#)



NEW ICN FRAMEWORK ON PROCEDURAL FAIRNESS

CCCS has joined the Framework on Competition Agency Procedures (CAP) as a founding member.

The CAP is a multilateral framework led by the International Competition Network (ICN) to advance basic principles on procedural fairness and transparency among competition agencies, which are essential to the effective application of competition law.

The CAP also enables closer cooperation by allowing participating agencies to engage in dialogues to better understand each other's processes.

CCCS's Chief Executive, Mr. Toh Han Li said, "CCCS is pleased to participate in the multilateral ICN CAP framework alongside many other competition agencies. As a proponent of the rule of law, CCCS is committed to transparency and procedural fairness in antitrust enforcement."

8TH CHINA COMPETITION POLICY FORUM



CCCS delegation attended the 8th China Competition Policy Forum held in Haikou, Hainan from 6 to 9 May 2019, with the theme "A Higher-Level of Opening-up and Competition Policy - From the Perspective of the Free Trade Zone/Free Port Construction in China".

CCCS's Chief Executive, Mr Toh Han Li, delivered a keynote speech while Mr Herbert Fung, Senior Director for Business & Economics, shared the role competition played in Singapore's experience as a free trade port, in one of the panel discussions.

97TH OECD COMMITTEE ON CONSUMER POLICY MEETING

CCCS delegation led by Ms Winnie Ching, Director (Legal & Enforcement), attended the OECD meeting in Paris from 10 to 11 April 2019. Delegates at the meeting discussed emerging consumer protection topics on personalised pricing, online consumer ratings and reviews among others. Delegates also shared their experiences in dealing with the issues and challenges faced in the secondary ticketing industry and some regulations put in place to address these issues. The CCCS delegation provided an update in the area of consumer protection policy and enforcement.

CCCS CHIEF EXECUTIVE AT SPRING MEETINGS

Washington, DC



67th American Bar Association Antitrust Law Spring Meeting
“Agency Update with ASEAN Enforcers”



U.S. Chamber of Commerce on International
Norms for Antitrust Proceedings

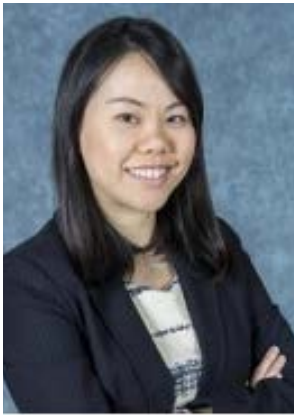


U.S. Federal Trade Commission Hearings
“Effective International Engagement: Foreign Agency
Perspectives”

SHOWCASE

CCCS WELCOMES NEW BOARD MEMBERS

The Ministry of Trade and Industry has appointed Ms Cindy Khoo and Dr Faizal Bin Yahya to the Board of CCCS with effect from 1 April 2019.



Ms Cindy Khoo is the Divisional Director of the Planning Division in the Ministry of Education. She oversees education policies, strategic planning and international relations.

Dr Faizal Bin Yahya is a Senior Research Fellow at the Institute of Policy Studies. His research interests include challenges of Industry 4.0, human capital; and transformation in the business models, digitalisation, regionalisation and globalisation of Singapore-based companies.

DATA PORTABILITY

In support of a Smart Nation and a Digital Economy, CCCS worked with the Personal Data Protection Commission 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.

The paper was announced by Mr. S Iswaran, Minister for Communications and Information, at the Global System for Mobile Communications' Mobile World Congress in Barcelona, Spain on 25 February 2019.

SHOWCASE

ON-AIR WITH CCCS



CCCS partnered the Consumer Association of Singapore (“CASE”) in a series of radio talkshows on the MoneyFM 89.3FM’s Home and Yours from January and February 2019 on and Capital 95.8FM’s 快乐一家族 from March to May 2019 to share pressing consumer issues and unfair trade practices across four main topics.

For the topic [“The Beauty Industry Remains the Most Complained About Industry”](#), CCCS and CASE shared stories and feedback to illustrate key consumer grievances and common errant sale tactics, along with consumer and supplier tips.

On [“Perils of Online Shopping and Prepayments”](#), CCCS highlighted common tactics employed by retailers for online shopping such as hidden charges, pre-ticked boxes and drip pricing.

The discussion on [“The Errant Contractor and Motoring Sectors”](#) educated consumers to use resources such as CASE checklists to better understand the transactions and terms and conditions. Suppliers were encouraged to take on the CASETrust Accreditation and to be upfront about the terms and conditions of goods and services supplied.

The last session of the series talked about [“The Errant Electronics Sector and Protecting the Elderly”](#). This touched on the rising consumer issues relating to the electrical and electronics industry, including schemes targeting the elderly that warrant extra attention. Complaints received were also shared to remind consumers what they should be careful of and how they can better protect themselves, alongside good practices suppliers can adopt.



BLUEPRINT

6 SMARTER WAYS TO BUY A MOTOR VEHICLE



1 Select a Reputable Retailer



- Do your research
- Make comparisons
- Buy from CaseTrust-SVTA* accredited retailer (www.casetrust.org.sg)
- Check if retailer is on CASE's watch list (www.case.org.sg/companyalertlist)

*Singapore Vehicle Traders Association

2 Understand Contract Terms & Conditions



- Obtain customer copy of signed sales contract
- Contract must clearly indicate all agreed warranty, service packages and car accessories, Certificate of Entitlement (COE), road tax and insurance
- Commit verbal agreements in writing
- Be aware of payment terms and schedules
- Negotiate for lowest amount of deposit to minimise risk
- Include all refund arrangements in contract
- Do not sign on blank forms

3 Check COE Terms & Conditions

- COE in price package listed as conditional or unconditional guarantee?
- Number of bids and bidding sequence regardless of COE condition
- COE rebate level (if any)
- Deposit requirements when bidding for COE
- Refund policy following failure to secure COE within the number of bids agreed



4 Ensure Receipts are obtained at Payment

Insist on official receipts for all payments. All transactions must be accounted for.



5 Confirm Trade-In Information of Used Cars



Information on person or company your used car is being traded-in to must be indicated in the sales contract.

6 Contact CASE on Unfair Trade Practices

Contact CASE at 6100 0315 or submit complaint online at www.case.org.sg

