

Forging Ahead

COMPETITION COMMISSION OF SINGAPORE
ANNUAL REPORT 2014/15

**10 YEARS OF
CHAMPIONING
COMPETITION**
ENSURING A LEVEL PLAYING
FIELD FOR ALL

BALL BEARINGS CARTEL BUSTED

**HIGHLIGHTS FROM
CCS-ESS ESSAY COMPETITION**

**SCOOT AND TIGER FIND
GROWTH
IN COOPERATION**

**CCS WINS
INTERNATIONAL
ADVOCACY AWARD**



The Competition Commission of Singapore (“CCS”) is a statutory body that was established under the Competition Act (Chapter 50B) on 1st January 2005. Its core function is to administer and enforce the Act, and it comes under the purview of the Ministry of Trade and Industry.

Today’s competition landscape is getting tougher. As businesses develop and grow, they search for new methods to give themselves the competitive edge. As they do so, CCS’s role is to ensure businesses compete on a level playing field. In this regard, CCS has two areas of focus – enforcement and advocacy.

CCS enforces the Competition Act by taking action against anti-competitive practices. It also advocates the importance of competition and explains the benefits of competition through stakeholder collaborations and innovative communications.

FORGING AHEAD is derived from the belief that at the turn of the decade in CCS’s history, it will continue along the growth trajectory for the next 10 years as it has done in the past 10. CCS, along with its partners and stakeholders, will forge a vibrant and dynamic economy with innovative businesses.

MISSION

“MAKING MARKETS WORK WELL TO CREATE OPPORTUNITIES AND CHOICES FOR BUSINESSES AND CONSUMERS IN SINGAPORE”

The Mission Statement articulates ‘what CCS does’, and places emphasis on creating an environment that benefits businesses and consumers, in terms of both opportunities and choices, by promoting a strong competitive culture. Its function goes beyond proscribing anti-competitive conduct, and includes enhancing a market that promotes overall productivity, innovation and competitiveness. CCS will achieve these objectives by working with relevant stakeholders such as government agencies, businesses and competition practitioners.

VISION

“A VIBRANT ECONOMY WITH WELL-FUNCTIONING MARKETS AND INNOVATIVE BUSINESSES”

The Vision Statement outlines what CCS hopes to eventually accomplish as a result of its work in Singapore. In short, it is ‘the future the nation is working towards’. CCS hopes to help create a vibrant economy with markets that are characterised by efficient use of economic resources, and businesses that strive to be productive, innovative and responsive.

CORE VALUES

INTEGRITY, PROFESSIONALISM,
PASSION, TEAMWORK

CONTENTS

OVERVIEW



“There is greater awareness among government agencies that competition plays an important role alongside other policy considerations.”

CHAIRMAN'S MESSAGE

4

CHIEF EXECUTIVE'S MESSAGE



6

COMMISSION MEMBERS

8

SENIOR MANAGEMENT

10

ORGANISATION CHART

12

CORPORATE GOVERNANCE

13

ENFORCEMENT & ADVOCACY

14

ACCOUNTABILITY: TAKING IT TO THE FINISH LINE

Transport
↓
Job Recruitment Services
↓
Manufacturing
↓
Healthcare
↓
Logistics
↓
Pet Care
↓
Government Advocacy

42

KEEPING PACE WITH COMMUNITY AND INDUSTRY

Making Strides to Build Stronger Ties
↓
Outreach
Public Businesses
Competition Practitioners
↓
CSS in Publications

52

SPRINTING BEYOND BORDERS

International Relations and Cooperation
↓
Stepping up, Going Further

FINANCIAL STATEMENTS

64

Independent Auditors' Report to Commission Members of the Competition Commission of Singapore
↓
Statement of Changes in Equity
↓
Notes to Financial Statements

10
YEARS OF
CHAMPIONING
COMPETITION

60



CHAIRMAN'S MESSAGE

KEY ACHIEVEMENTS

A review of the Commission's work over the past year would not be complete without a record of thanks to Mr Lam Chuan Leong who stepped down as Chairman in January 2015, after having led CCS in its first ten years of existence. Mr Lam has been instrumental in charting CCS's course and guiding the fledgling team to become the strong organisation that it is today. We are all indebted to him for his immense contribution to Singapore's economic policy, and competition law in particular, throughout his long and distinguished career.

During the year in review, CCS concluded 18 preliminary enquiries and investigations, and completed a total of 73 cases. We have seen

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There is greater awareness among government agencies that competition plays an important role alongside other policy considerations.
”

an almost threefold increase in the number of competition advisories since the set-up of the Policy and Markets (PM) Division in November 2013. This indicates greater awareness among government agencies that competition plays an important role alongside other policy considerations in their policy making.

In 2014, we also saw a significant increase in merger notifications received, covering sectors such as manufacturing, transport, healthcare, logistics and online recruitment advertising. As mergers and acquisitions are time-sensitive, all merger notifications are carefully considered within specified timeframes. One particular merger in the healthcare sector raised competition concerns which would impact healthcare costs in that

market. As such, CCS took a provisional decision to block that acquisition. The parties subsequently did not proceed with the merger, but the seller eventually found another buyer.

Beyond Singapore, CCS plays an important role in competition policy and law development. It was appointed as Chair for the Working Group on Competition for the Regional Comprehensive Economic Partnership (RCEP). RCEP involves 10 ASEAN member states and six of ASEAN's dialogue partners – Australia, China, India, Japan, New Zealand and South Korea – accounting for a collective market of more than three billion people and a combined GDP of about US\$20 trillion. To date, the working group has made good progress by concluding negotiations on certain substantive provisions in the Competition Chapter for RCEP.



CCS and the Singapore Academy of Law also successfully held the third Competition Law Conference in August 2014 with the theme, "CCS@10: Reflecting on the Past and Looking Ahead". The theme highlighted lessons learnt from the successes and challenges since competition law was introduced in Singapore in 2005, as well as opportunities to define the role of competition law in the next 10 years.

In April 2016, CCS will host the Annual Conference of the International Competition Network (ICN). The ICN is an international network of competition authorities and one of the key roles of the ICN is the harmonisation of competition laws to facilitate cross-border businesses transactions. We look forward to hosting more than 120 competition authorities from all over the world in Singapore to share experiences on best practices, tools and methods of effective competition enforcement and advocacy.

LOOKING AHEAD

CCS will keep abreast of changing business trends and increasing cross-border transactions, while ensuring markets work well for businesses, consumers and the economy. CCS will carry on its work with integrity, passion, professionalism and teamwork – the very core values of the organisation and I am confident CCS will forge ahead in fulfilling its vision of Singapore as a vibrant economy with well-functioning markets and innovative businesses.

ACKNOWLEDGEMENTS

I would like to welcome two new members to the Commission – Mr Andrew Tan, Chief Executive Officer, Maritime and Port Authority of Singapore, and Ms Mavis Chionh, S.C., Chief Prosecutor (Financial and Technology Crime Division). I would also like to take the opportunity to thank Mr Aedit Abdullah, Chief Prosecutor (Criminal Justice Division), Attorney-General's Chambers, who stepped down from the board on 11th November 2014, for his contributions to CCS during his tenure. We wish him all the best in his new appointment as Judicial Commissioner of the Supreme Court.

In addition, I thank my fellow Commission members for their contributions. Their time and commitment have allowed CCS to remain steadfast in its decisions and policies. I also appreciate the dedication of the management team and staff of CCS, for they have worked the ground to deliver excellence over the past years.

Finally, I am grateful for the support of our partners and stakeholders. Without them, the journey of championing competition would have been much more difficult.

MR AUBECK KAM TSE TSUEN

Chairman



CHIEF EXECUTIVE'S MESSAGE

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It is important to make sure that our decisions are carefully thought through and reasoned. These reasons are made public to show that our interventions are not taken lightly.

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ENFORCING THE COMPETITION ACT AND STRENGTHENING OUR CAPABILITIES

2014 accounted for CCS's first two international cartel cases, as well as a record number of merger notifications and competition advisories. By the end of FY2014/15, we had completed a total of 73 cases, including 13 anti-competitive agreements, nine abuse of dominance cases and 12 merger applications. In addition, we issued three notifications for guidance/decision, 31 competition advisories to other public sector agencies, and also completed two market studies.

In recognition of its work in 2014, CCS was nominated as a finalist for Agency of the Year, Asia-Pacific, Middle East & Africa in the Global Competition Review (GCR) Awards 2015. The GCR is a global competition law and policy journal and news service and the GCR Awards honour the world's leading lawyers, academics, economists and enforcers for their work in antitrust and competition law.

Our leniency programme continues to be an important enabler for detecting cartels. We are also seeing a trend where businesses file for leniency after an unannounced inspection (dawn raid) by CCS. This is to be welcomed, as businesses recognise the need to cooperate with CCS.

TOTAL OF

73

cases completed

**RECOGNISED AS
AGENCY OF THE YEAR,
ASIA-PACIFIC, MIDDLE EAST & AFRICA**

**WINNER OF
COMPETITION ADVOCACY
CONTEST 2014**

FY2014/15 also saw our first behavioural and structural commitments case when SEEK Asia Investments Pte. Ltd. proposed to acquire Jobstreet Singapore. CCS's decision to grant conditional approval of the merger strikes a balance between addressing the competition concerns identified and, at the same time, allowing the merger to proceed. The commitments achieved a win-win outcome through CCS preserving competition in the online recruitment advertising services market, while allowing the proposed merger to proceed.

CCS will continue to build on its merger scanning initiatives to ensure that potentially problematic, un-notified mergers in Singapore's voluntary

notification regime will not be overlooked. The Merger Advisory Unit, which resides within CCS's Legal & Enforcement division, has precisely been established for this reason.

ADVOCATING FAIR COMPETITION BY ENGAGING OUR KEY STAKEHOLDERS

The responses from our 2014 Stakeholder Perception Survey showed that there is greater awareness of competition policy and law among businesses and consumers compared to 2012. The perception from businesses towards the robustness of Singapore's competition laws and regulations has also improved significantly.

CCS will continue to step up outreach efforts to engage businesses and consumers on competition policy and law. In this regard, CCS's collateral materials will be given a facelift and are expected to be rolled out by the end of 2015.

CCS also continues with efforts to engage and advise government agencies on competition matters, and to conduct research market studies and research projects. The Policy and Markets (PM) Division is currently reviewing the Competition Impact Assessment guidelines to help government agencies make policies that are competition-friendly. We expect to complete the review before the end of FY2015.

For its work in promoting cooperation with the Land Transport Authority to balance competition goals with other public interests, I am proud to share that CCS was named a winner at the 2014 Competition Advocacy Contest, organised by the International Competition Network (ICN) and the World Bank Group. The annual contest aims to raise awareness about the key role of competition authorities in advocating and promoting competition within their countries, and to showcase their successful advocacy stories.

In 2014, CCS also held its inaugural CCS-ESS Essay Competition themed, "Competition Policy and Law in Singapore: Opportunities and Challenges Ahead", aimed at promoting awareness and understanding of competition law, and encouraging debate on competition

policy and issues. Winners received their prizes from the Guest-of-Honour Mr Chan Chun Sing, then Minister for Social and Family Development and Second Minister for Defence, during the Economic Society of Singapore (ESS) Annual Dinner on 7th August 2014.

FORGING AHEAD

With ten years of enforcement and advocacy experience under its belt, CCS is ready to forge ahead towards greater heights. As we look back on our achievements, we also consider our priorities and challenges moving forward. In this regard, CCS embarked on a scenario planning exercise to come up with a strategic long-term plan till 2020, and reviewed and renewed our mission and vision in line with this new plan.

Our new mission is "Making markets work well to create opportunities and choices for businesses and consumers in Singapore." Emphasis is placed on the benefits of our work – in terms of opportunities and choices – for businesses and consumers in Singapore by ensuring markets work well. This mission also clarifies CCS's role in that when CCS intervenes, it is aimed at achieving a better outcome for businesses and consumers. Also, CCS's mode of intervention and remedies will take market imperfections into consideration.

Our new vision is "A vibrant economy with well-functioning markets and innovative businesses." It sets out the results that CCS hopes to achieve – a vibrant Singapore economy with markets that are characterised by good use of economic resources and businesses striving to be productive, innovative and responsive.

Forging ahead, we hope to see the establishment of well-functioning markets, a strong competition culture, a vibrant economy, as well as an excellent and nurturing organisation.



MR TOH HAN LI
Chief Executive

COMMISSION MEMBERS



Mr Aubeck Kam Tse Tsuen
*Chairman of Competition
Commission of Singapore*
(From 1st January 2015)

Permanent Secretary,
Ministry of Communications and
Information



Mr Lam Chuan Leong
*Chairman of Competition
Commission of Singapore*
(until 31st December 2014)



Prof Phang Sock Yong
Member of Audit Committee

Professor,
School of Economics,
Singapore Management
University



Dr Andrew Khoo Cheng Hoe
Member of Audit Committee

Deputy Managing Director,
Corporate Development,
Monetary Authority of
Singapore



Prof Tan Cheng Han, S.C.

Professor,
Faculty of Law,
National University of Singapore



Mr Toh Han Li

*Chief Executive of Competition
Commission of Singapore*

Member of Human Resource
Committee
(From 1st October 2013)



Ms Chia Aileen

*Chairman of Human
Resource Committee*

Assistant Chief Executive &
Deputy Director-General
(Telecom & Post),
Infocomm Development
Authority



Mr Aedit Bin Abdullah, S.C.

*Member of Human
Resource Committee*

(until 11th November 2014)

Chief Prosecutor
(Criminal Justice Division),
Attorney-General's Chambers



Mr Wong Yew Meng

Chairman of Audit Committee

Former Audit Partner,
PricewaterhouseCoopers



Mr Andrew Tan Kok Kiong

Chief Executive Officer,
Maritime and Port Authority of
Singapore
(From 1st January 2015)



Ms Mavis Chionh Sze Chyi, S.C.

*Member of Human
Resource Committee*

(From 1st January 2015)

Chief Prosecutor
(Criminal Justice Division),
Attorney-General's Chambers



Mr Toh Han Li
Chief Executive
(From 1st October 2013)

SENIOR MANAGEMENT



Mr Lee Cheow Han
Assistant Chief Executive
Legal & Enforcement



Mr Herbert Fung
Director
Business & Economics



Mr Teo Wee Guan

Director

Strategic Planning



Ms Ng Ee Kia

Senior Director

Policy & Markets



Mr Lee Jwee Nguan

Director

Legal & Enforcement



Mr Goh Aik Hon

Director

Corporate Affairs

ORGANISATION CHART

**CHAIRMAN
AND
COMMISSION
MEMBERS**

CHIEF EXECUTIVE

DIRECTOR

Legal & Enforcement

Enforces the Competition Act; renders legal advice; and drafts all legal documentation needed in the course of the Commission's work.

DIRECTOR

Corporate Affairs

Provides financial, human resource, information services & technology, and administrative and operational support to the Commission.

DIRECTOR

Strategic Planning

Formulates organisation strategic plans; tracks organisational performance; and formulates and implements strategies in the areas of public communications and international engagement.

DIRECTOR

Business & Economics

Undertakes economic analyses in the evaluation of competition cases and conducts outreach to the business community.

**SENIOR
DIRECTOR**

Policy & Markets

Establishes competition policy frameworks; conducts market studies and research; and provides government advisories.

CHAIRMAN & COMMISSION MEMBERS

The Commission oversees the key strategies and activities of CCS. 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 CCS HR Committee was set up in August 2007. Ms Chia Aileen is the Chairman of the HR Committee. The committee members are Mr Toh Han Li and Ms Chionh Sze Chyi Mavis, S.C.. The HR Committee advises the Commission on the formulation and implementation of appropriate HR policies as part of its continuous effort to ensure that CCS is a choice employer. It also oversees staff performance appraisals to ensure that staff are being objectively appraised and rewarded, as well as manages and decides on internal disclosure and staff disciplinary cases.

BUSINESS & ETHICAL CONDUCT

All CCS officers are subject to the provisions of the Official Secrets Act, as well as the Statutory Bodies and

CORPORATE GOVERNANCE

Government Companies (Protection of Secrecy) Act. In addition, the Competition Act contains provisions governing the disclosure of information by CCS staff. CCS officers are also bound by CCS's Code of Conduct and are obliged to adhere to internal policies to avoid conflict of interest.

AUDIT COMMITTEE

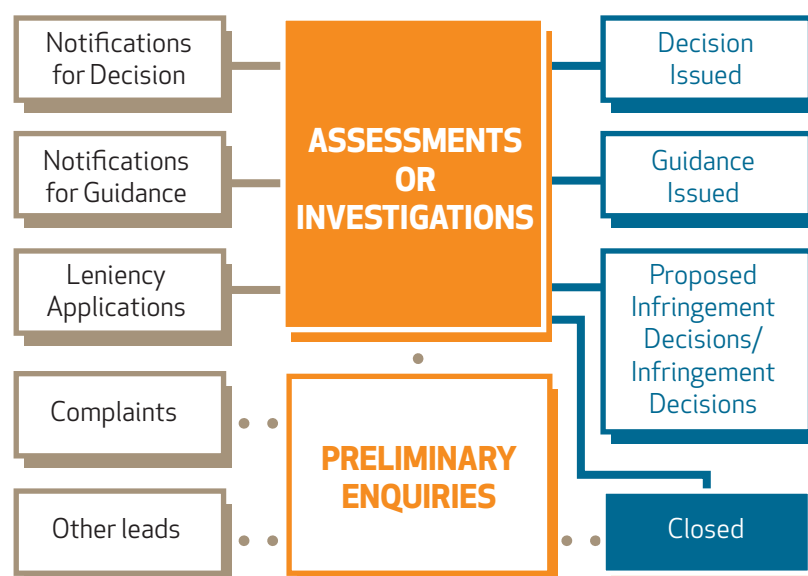
The Audit Committee is chaired by Mr Wong Yew Meng, with Dr Andrew Khoo and Professor Phang Sock Yong as members. The Audit Committee's main responsibilities are to assist the Commission in carrying out its responsibilities in areas relating to internal controls, auditing, financial and accounting matters, regulatory compliance,

and risk management. In addition, the Audit Committee reviews the audited annual financial statements and the adequacy of CCS's accounting and internal control systems with the management, external auditors and internal auditors.

EXTERNAL AUDIT FUNCTIONS

Deloitte & Touche LLP was appointed by the Minister for Trade and Industry in consultation with the Auditor-General to audit the accounts of CCS for FY2014. The audited accounts are duly approved by the Commission and the Minister for Trade and Industry. The Auditor-General is also kept informed of these Audit reports.

CCS CASE MANAGEMENT WORKFLOW



ACCOUNTABILITY

TAKING IT TO THE FINISH LINE



16

TRANSPORT

22

JOB
RECRUITMENT
SERVICE

26

MANUFACTURING

30

HEALTHCARE

32

LOGISTICS

36

PET CARE

38

GOVERNMENT
ADVOCACY

SETTING THE PACE FOR FAIR COMPETITION

Healthy competition can fuel an already vibrant economy. CCS continues to embrace its role as the professional authority responsible for enforcing the Competition Act and advocating the benefits of competition for Singapore.

CCS takes cases to the finish line with a strong commitment to high standards of due process and carefully reasoned decisions. The outcome is a competitive marketplace, and a level-playing field for all.

CCS reviewed a total of 73 cases in FY2014/15, compared with 51 in the previous year. The number of merger notifications also increased significantly. Out of 13 completed merger cases, two involved more detailed Phase Two reviews. This affirms that awareness of competition compliance among businesses is spreading, and CCS is taking on more complex cases requiring deeper analysis. CCS's rigorous enforcement and strong advocacy of the Competition Act will continue to set the pace for fair competition among businesses.

CCS'S LENIENCY AND LENIENCY PLUS PROGRAMME

CCS's Leniency Programme includes provisions for informants to apply for leniency even when substantial information or evidence about a cartel is not initially available. It then provides time to collect the pertinent information or evidence required to complete the application.

If the applicant meets the relevant criteria, and is the first to notify CCS, it will be entitled to immunity from financial penalties (where CCS has not commenced an investigation), or a reduction of up to 100% of the financial penalties (where CCS has commenced investigation). Subsequent leniency applicants that cooperate with CCS and provide evidence of cartel activity may be entitled to a reduction of up to 50% of the financial penalties.

CCS's Leniency Plus Programme also encourages applicants under investigation to report involvement in other cartel operations to secure reduced penalties for the first case, and immunity from financial penalties in the second case (where CCS has not commenced its investigation).

SUMMARY OF COMPLETED CASES

	Complaints	Preliminary Enquiries/ Investigations	Notifications for Guidance or Decision	Merger Notifications (Phase 1)	Merger Notifications (Phase 2)	Pre-Notification Decision	Leniency	Appeals	Competition Advisories	Market Studies	Total Workload (excluding complaints)
FY14	157	18	3	11	2	3	2	1	31	2	73
FY13	105	20	8	1	0	2	3	2	12	3	51
FY12	86	15	3	7	0	1	1	2	8	2	39
Since CCS Started	1052	128	27	49	7	8	12	8	82	16	337



Singapore remains a key aviation hub in Asia, where stakeholders work tirelessly to expand global alliances, and connect the region to the rest of the world.

TRANSPORT



Case Team Members: Priscilla Yee, Jayme Leong

SCOOT AND TIGER FIND GROWTH IN COOPERATION

CCS cleared the proposed cooperation between two competitors, Scoot Pte. Ltd. and Tiger Airways Singapore Pte. Ltd. Their proposed cooperation allows them to coordinate efforts to improve the overall quality of service offered to passengers.

A comprehensive review that included submissions from various stakeholders and both airlines concurred with assertions that the companies operate largely complementary networks of flights. Although some parts of the proposed cooperation agreement raised competition concerns, it was determined that these would be offset by a resulting net economic benefit ('NEB') to Singapore passengers.

Examples of such benefits include improvements in scheduling and efficiency on routes, expanded connectivity across networks, pricing, sales and marketing, service policies, and expansion of existing networks. In arriving at this conclusion, CCS considered the significance of fifth freedom air traffic rights between Singapore and various

destinations within the respective flight networks, and agreed these measures have the potential to spark an increase in passenger numbers.

A recent aviation market study on airline cooperation agreements also concluded that similar agreements between airlines granted antitrust immunity by CCS have resulted in a NEB, particularly in terms of the increase in passenger numbers. However, each airline cooperation agreement would need to be examined on a case-by-case basis.

Case Team Members: Ng Ming Jie, Lynette Chua

ACQUISITION IMPROVES SERVICE FOR SINGAPORE – CLARK PASSENGERS

CCS cleared the proposed acquisition of Southeast Asian Airlines ('SEAir'), Inc. by Cebu Pacific on 20th August 2014.

SEAir was partly owned by Roar Aviation II Pte. Ltd., a wholly-owned subsidiary of Tigerair Holdings. Prior to the acquisition, SEAir and Cebu Pacific were the only two airlines competing on the Singapore – Clark route after entries and withdrawals of several other airlines. In rendering its decision, CCS acknowledged that post-merger, the number of competitors on this route remains at two, given the re-entry of Tiger Airways Singapore Pte. Ltd. in March 2014, so the acquisition would not lead to a substantial lessening of competition.

A Strategic Alliance Agreement ('SAA') was also entered into between Cebu Pacific and Tigerair Singapore, a wholly-owned subsidiary of Tigerair Holdings, that provides for a range of joint cooperation activities, including operations, sales, marketing and procurement. The parties submitted that the SAA constitutes an ancillary restriction directly related to, and necessary for, implementation of the acquisition and thus should qualify for exclusion from the relevant prohibitions in the Act. However, as CCS determined that the SAA did not constitute an ancillary restriction to the acquisition, CCS ordered a separate review to determine whether the SAA is anti-competitive. Accordingly, the parties filed another notification with CCS pertaining to the SAA.

Case Team Members: Soh Yan Wei, Candice Lee

COMMERCIAL ALLIANCE BRINGS GREATER EFFICIENCIES

On 7th November 2014, CCS cleared the notification for decision received from Etihad Airways PJSC ('Etihad') and Jet Airways (India) Limited ('Jet'), pertaining to a proposed commercial alliance between the parties.

Under the alliance, the parties intended to cooperate on, amongst other things, route and schedule coordination, pricing, distribution, and marketing. For the purpose of assessment, CCS examined the provision of international scheduled air passenger services and air freight services for the affected Singapore origin and destination city pairs.

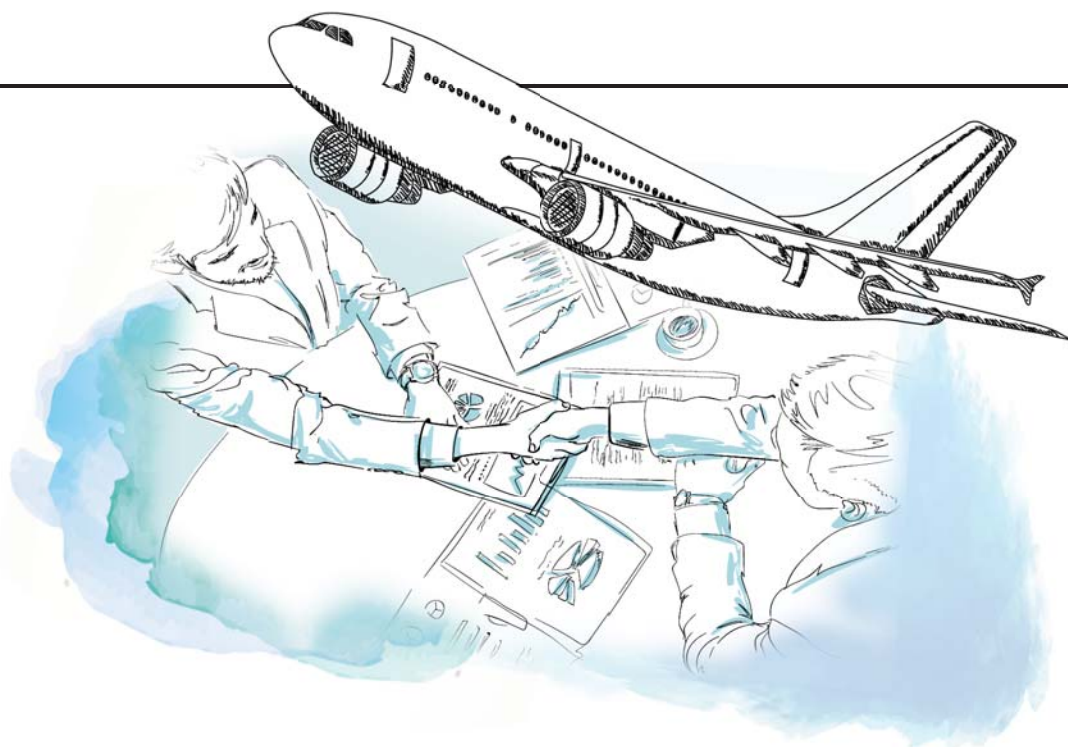
After reviewing submissions provided by the parties and various stakeholders, CCS found the alliance would, by its nature, prevent, restrict or distort competition within Singapore. However, given that it has minimal adverse impact on competition in the relevant markets, the efficiencies accrued would outweigh the anti-competitive effect, and CCS therefore excluded the alliance from section 34 of the Act.

Some of the beneficial results identified by CCS include the economic efficiencies achieved through joint operations and sharing of resources, as well as the expansion of Jet's existing network. The alliance would enable Jet to compete in the market segment of intercontinental travel and Europe-Singapore travel.

Case Team Members: Timothy Chew, Jonathan Chan, Stephanie Panayi

ACQUISITION SAVES FIRM, ENSURES MORE COMPETITION

Singapore Airlines Limited ('SIA') and Tiger Airways Holdings Limited ('Tigerair') compete for the supply of international, economy-class air passenger transport services for full-service airlines, and all classes of seats for low-cost carriers on routes operated by Tigerair Singapore, as well as SIA and its subsidiaries, namely SilkAir and Scoot, for origin-destination pairs that involve Singapore.



SIA's acquisition of new shares in Tigerair Holdings would increase its shareholding from 40% to approximately 56%, thus making Tigerair Holdings a subsidiary of SIA. In its competition assessment, CCS compared the effects of the acquisition with the exit of Tigerair Holdings from the market. It reviewed submissions from both parties, as well as feedback from competitor airlines, third-party channels for ticket sales, end customers, and relevant stakeholders, such as the Ministry of Transport, the Civil Aviation Authority of Singapore, and Changi Airport Group.

CCS studied the competition impact on the 41 affected routes arising from the acquisition. It found that there are two routes – between Singapore and Penang and Singapore and Dhaka – where competition concerns exist, although there is no regulatory constraint in terms of air traffic rights or airport slots for competitors to increase capacities by mounting new flights.

Having considered the financial position of Tigerair Holdings and feedback from industry stakeholders, CCS accepted the Parties' submission that, should the transaction fail to go ahead, Tigerair Holdings is likely to exit its current operations. On balance, CCS accepted that the transaction would be less detrimental to competition in Singapore when compared with a scenario where Tigerair was forced to exit operations. Its exit would have caused disruptions to passengers and connectivity for

the Singapore air hub. On 28th November 2014, CCS cleared the proposed acquisition.

Case Team Members: Terence Seah, Candice Lee

JOINT VENTURE PROMOTES COMPETITION FOR PILOT TRAINING SERVICES

A proposed joint venture ('JV') between Airbus Services Asia Pacific Pte. Ltd. ('Airbus Asia') and Singapore Airlines Limited ('SIA') with respect to the provision of Airbus aircraft pilot training services in the Asia-Pacific region would create a new entity, Airbus Asia Training Centre Pte. Ltd. ('AATC').

The relevant markets of concern were regional markets, for the provision of aircraft pilot training services, and the worldwide market for the provision of Full Flight Simulator ('FFS') software and data packages to FFS manufacturers and pilot training providers.

Following public consultation, and a review of submissions and feedback from customers and competitors, CCS concluded the transaction was unlikely to lead to substantial competition concerns in Singapore. AATC's market share for each of the Airbus aircraft types would not cross thresholds set out in the CCS Guidelines for the Substantive Assessment of Merger, nor would it gain an increase in market share. Also, the presence of an additional market player was more likely to increase the level of competition for Airbus aircraft pilot training services in the

region, and create significant countervailing buyer power.

With respect to the worldwide market, Airbus has an interdependent relationship with airlines that purchase aircraft; this forms the bulk of its business. It also has relationships with FFS manufacturers that supply Airbus with the software it needs to compete for aircraft pilot training services. In this regard, Airbus has limited incentive to discriminate against airlines and FFS manufacturers in its provision of FFS software and data packages. In addition, Airbus is openly committed to license FFS software and data packages to any provider of pilot training services, and to do so under non-discriminatory commercial conditions as part of Airbus's licensing policy.

After due considerations, CCS cleared the proposed joint venture on 16th February 2015.

Case Team Members: Soh Yan Wei,
Celestine Song, Jaime Pang

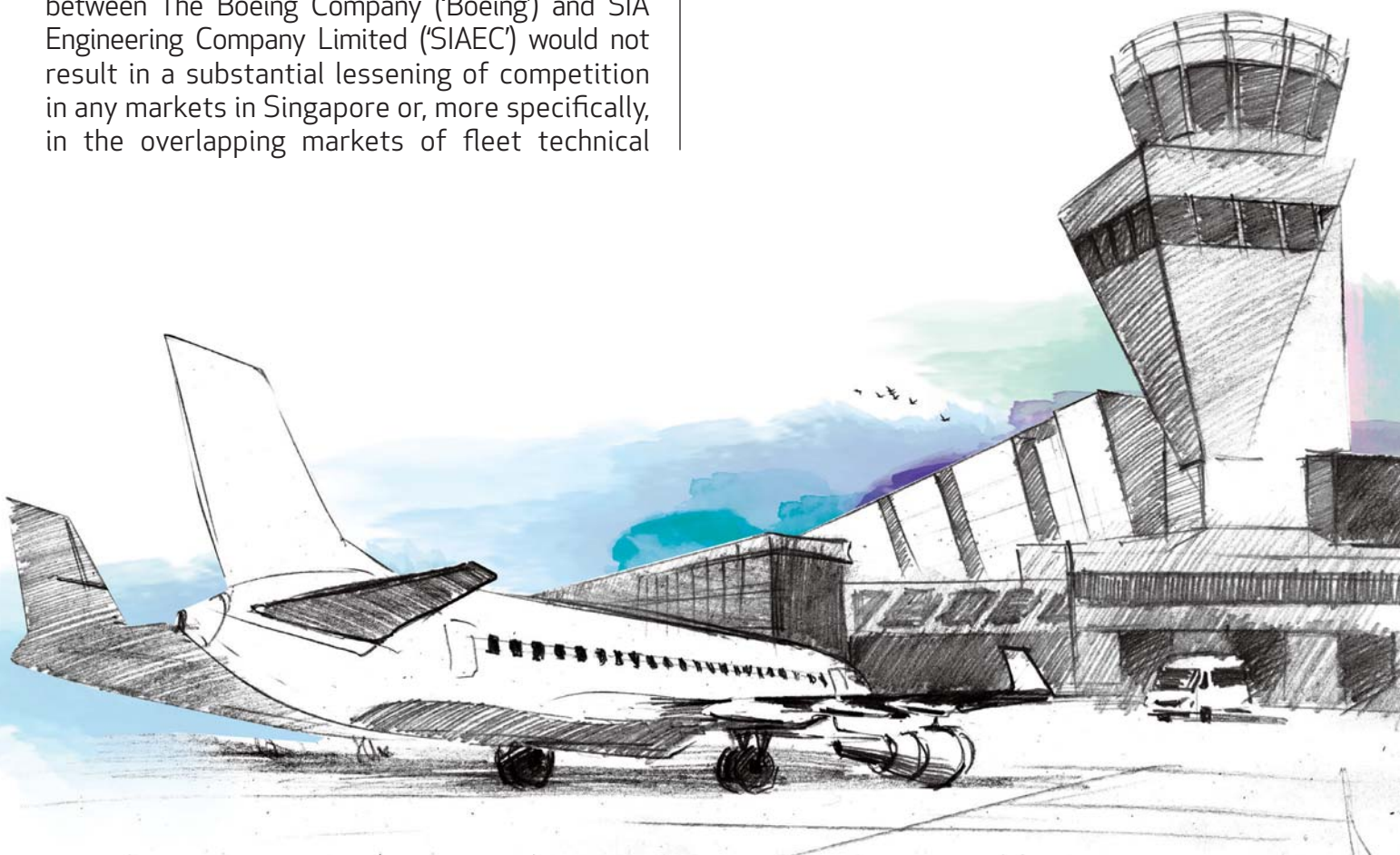
AIRLINE MAINTENANCE SERVICES REMAIN TOP-OF-MIND

CCS concluded that a joint venture ('JV') between The Boeing Company ('Boeing') and SIA Engineering Company Limited ('SIAEC') would not result in a substantial lessening of competition in any markets in Singapore or, more specifically, in the overlapping markets of fleet technical

management (FTM) and inventory technical management (ITM) services, and therefore did not infringe section 54 prohibition of the Competition Act.

Review of submissions and feedback from industry stakeholders revealed strong and viable alternative suppliers of local ITM and FTM services for Singapore customers, which act as competitive constraints to the JV, post-merger. There is also considerable countervailing buyer power from airlines, which have the ability to switch to other suppliers of FTM and ITM services. There is also no intention or ability for the JV to be used by either party to prevent or limit its competitors from competing effectively in any other related markets.

The newly formed JV offers a broad range of maintenance, repair and overhaul services, together with other related services for specific Boeing aircrafts. It will benefit customers, both in the SIA Group, as well as other third-party customers primarily based in the South Asia Pacific region. Boeing Singapore and SIAEC will merge for 51% and 49% respectively of the total JV share capital issued.



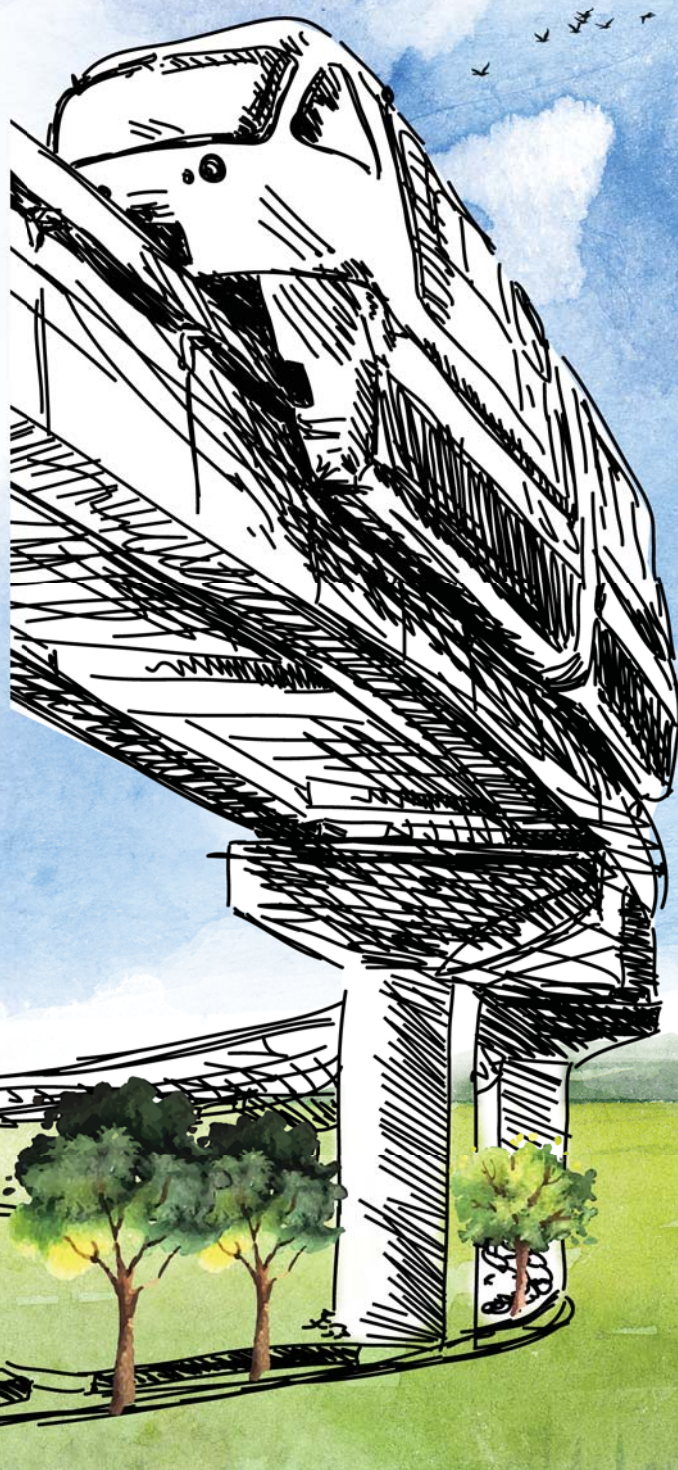
Case Team Members: Kong Weng Loong,
Celestine Song, Stephanie Panayi

METRO TRAIN MERGER ON TRACK TO SUPPLY SINGAPORE'S MRT NEEDS

The Land Transport Authority ('LTA') holds significant negotiating power as the primary purchaser of metro trains in Singapore. It is responsible for establishing the eligibility criteria for metro train suppliers, and for conducting open tenders for the procurement of new trains. All bidders that meet the tender requirements are eligible to participate and, to date, the tender process has attracted multiple bidders.

Both CSR Corporation Limited ('CSR') and CNR Corporation Limited ('CNR') are companies based in the People's Republic of China, involved in the supply of metro trains for the Mass Rapid Transit ('MRT') system in Singapore.

There is no local manufacturing or production of metro trains in Singapore, so the relevant product, and geographic market is global. After reviewing the parties' submissions and consulting with the industry, CCS cleared the merger between CNR and CSR since the incremental increase in market share would be very small and there is evidence of competition from other globally active manufacturers.





The growth of online advertising is generating a virtual rebirth in the recruitment industry, where both jobseekers and employers are reaping the benefits.

JOB RECRUITMENT SERVICES

Case Team Members: Stephanie Panayi, Loy Pwee Inn, Jayme Leong, Serene Seet

ONLINE RECRUITMENT DEAL GIVEN CONDITIONAL APPROVAL

The online recruitment advertising service industry runs on a two-sided platform where it must, at the same time, attract a significant number of job postings, as well as job seekers, to make it successful.

In this industry, there are general and specialist job portals, as well as aggregators that collect and display job advertisements from various online sources in one location. When aggregators display a job posting that originates from a different job portal, it enables smaller job portals to counteract potential indirect network effects, and compete more effectively with larger job portals. The willingness of jobseekers, employers and recruiters to use multiple platforms at one time, helps further reduce indirect network effects.

On 20th February 2014, CCS received a notification for decision on the proposed acquisition by SEEK Asia Investments Pte. Ltd. ("SEEK Asia Investments") of 100% of the issued share capital in certain business assets of JobStreet Corporation Berhad, including JobStreet.com Pte. Ltd. ('JobStreet'). The acquisition would bring together the two main online recruitment advertising service providers - SEEK Ltd's platform JobsDB.com.sg, and JobStreet's platform, JobsStreet.com.sg.

After studying submissions by the parties and the feedback from various industry stakeholders, CCS, in Phase Two of its review, concluded the parties were each other's closest competitors. There were concerns that the merger would give rise to non-coordinated effects, and substantially reduce competition in the market for online recruitment advertising services.





Even though the market is characterised by some degree of innovation and competition, CCS was unable to conclude that these features alone could pose sufficient competition constraints to the merged entity in the near term. However, it granted conditional approval of the merger on the basis of the behavioural and divestiture commitments offered by the merging entities as follows:

BEHAVIOURAL COMMITMENTS

- ✚ SEEK committed to not entering into exclusive agreements with employer and recruitment customers;
- ✚ SEEK committed to maintaining current pricing of services, subject only to Consumer Price Index variations; and
- ✚ The term of the commitments will be for a period of three years from the date of completion of the Proposed Acquisition.

DIVESTITURE COMMITMENTS

- ✚ SEEK is committed to divesting the complete assets of jobs.com.sg including the domain name, <http://www.jobs.com.sg>.

The decision was made after extensive consultation with third-party industry participants, as well as representatives of the Ministry of Manpower, and the Singapore Workforce Development Agency in relation to the launch of JobsBank.gov.sg during the review period. JobsBank, a new public portal facilitating online job matching between local jobseekers and employers is available free of charge to recruiters, employers, and jobseekers. It constitutes a new and timely entry into the market, but it is too early to assess its competition effect given this portal is in its infancy.



With a finite amount of land, global cooperation and international manufacturing partnerships remain integral to the growth of our businesses.





MANUFACTURING

Case Team Members: Loy Pwee Inn, Stephanie Panayi, Serene Seet, Lynette Chua, Soh Yan Wei, Lim Wei Lu

COVERT CONDUCT LEADS TO HEFTY PENALTIES FOR INTERNATIONAL BALL BEARING MANUFACTURERS

CCS faced its first international cartel case involving foreign-registered companies and their Singapore subsidiaries. It subsequently issued an Infringement Decision against four Japanese bearing manufacturers and their Singapore subsidiaries for contravening section 34 of the Competition Act. The companies were engaged in anti-competitive agreements and the unlawful exchange of information with respect to the pricing and sale of ball and roller bearings ('Bearings') sold to aftermarket customers in Singapore. Both the Japanese parent and Singapore subsidiary companies were found to be jointly and severally liable for the infringement.

Financial penalties totalling S\$9,306,977 were imposed on JTEKT Corporation and its Singapore subsidiary, Koyo Singapore Bearing (Pte.) Ltd. (collectively, referred to as 'Koyo'); NSK Ltd. and its Singapore subsidiary, NSK Singapore (Pte.) Ltd. (collectively, 'NSK'); NTN Corporation, and its Singapore subsidiary NTN Bearing-Singapore (Pte.) Ltd. (collectively, 'NTN'); and Nachi-Fujikoshi Corp., and its Singapore subsidiary, Nachi Singapore Private Limited (collectively, 'Nachi').

CCS's investigation revealed the parties were competitors that met regularly in both Japan and Singapore to exchange information, and to discuss and agree on sales prices for Bearings sold to customers. A minimum price agreement was created that included exchange rates to be applied, and when the price of steel began to increase, the parties agreed to apply a percentage increase to customers. The objective was to maintain each participant's market share and protect respective profits and sales.

The meetings in Japan that occurred from as early as 1980 and continued until 2011 were focused on overall strategies to be implemented by the Singapore subsidiary companies, among other things. At the meetings in Singapore, in the period from as far back as 1998 at least until March 2006, the Singapore subsidiary companies discussed the overall strategies that had been decided by the Japan parent companies and methods to execute them. When Singapore-based meetings ended in 2006, the meetings continued in Japan and were attended by representatives from the Japanese parent companies.

CCS concluded that the conduct of the parties, including the price-fixing agreements and exchanges of strategic information about future pricing intentions, amounted to a single overall infringement, by preventing, restricting and distorting competition. Without the agreements, the parties would have been forced to compete for market share via more competitive prices, or other non-price strategies.

In determining the penalties, CCS considered the nature of the infringement; the circumstances in which the infringement occurred; duration of the infringement; aggravating and mitigating factors, as well as representations made by the parties. Further reductions were applied to the three leniency applicants as part of CCS's leniency programme. The first undertaking to notify CCS was granted full immunity from the financial penalties and the subsequent leniency applicants were granted reductions of up to 50%.

FINANCIAL PENALTIES IMPOSED ON INFRINGING PARTIES

Undertaking	Financial Penalty
Koyo	Nil
Nachi	S\$7,564,950
NSK	S\$1,286,375
NTN	S\$455,652
Total	S\$9,306,977

Case Team Members: Terence Seah, Candice Lee

INTERNATIONAL MANUFACTURING COMPANIES CLEARED FOR MERGER

Applied Materials Inc. and Tokyo Electron Limited proposed an all-stock transaction involving worldwide business operations of the two companies that resulted in the creation of Eteris. The new company, incorporated in the Netherlands, is valued at US\$29 billion (approximately S\$36.5 billion), and is dual listed on the NASDAQ and Tokyo Stock Exchanges.

In Singapore, the overlapping product is for the manufacture and supply of dielectric etch (including bump) equipment. The relevant market of concern is the market for the worldwide manufacture and supply of dielectric etch (including bump) equipment to Singapore.

CCS noted there are larger players in the Singapore market for the supply of dielectric etch (including bump) equipment, and the combined market share of the merging parties would still be less than 20%. In addition, there are a number of alternative suppliers, worldwide, with the capacity to supply to Singapore, and switching to an alternative supplier can be done without substantial costs; this factor would help to constrain the merging parties in the

relevant market post merger. After reviewing submissions from the merging parties, as well as feedback from customers and competitors, CCS cleared the proposed merger.

Case Team Member: Poh Lip Hang

STRONG COMPETITION IN MATERIAL HANDLING INDUSTRY LEADS TO ACQUISITION APPROVAL

Daifuku Co. Ltd ("Daifuku"), together with its subsidiaries, designs, manufactures, installs, supplies, operates and maintains a range of automated material handling systems ("AMHS") across a range of global industries. BCS Group Limited ("BCS") and its subsidiaries design, build, operate and maintain AMHS, predominantly in the areas of baggage handling systems ("BHS") for airports, and courier sortation systems ("CSS") for logistics companies in Asia, the Middle East, Africa, Europe, North America and Mexico. Daifuku proposed to acquire 80% of the shares of BCS, and CCS was notified for decision on whether the proposed acquisition would pose any anti-competitive concerns.

CCS considered the submissions made by Daifuku and BCS, as well as third-party views and feedback. It found that the parties face relatively strong bargaining power from customers, and keen competition from existing and potential AMHS suppliers since the barriers to entry in the Singapore market are low. Consequently, CCS cleared the proposed acquisition.

Case Team Members: Terence Seah, Candice Lee

MARKET REMAINS COMPETITIVE DESPITE CONCRETE AND CEMENT MERGER

Holcim Singapore ("Holcim") manufactured and supplied ready-mix concrete, primarily to customers in the construction industry, for various types of building projects. It also imported grey cement, a raw material used for ready-mix concrete and dry-mix mortar production.

Similarly, Lafarge Singapore ("Lafarge") imported and supplied grey cement to third parties and through its subsidiary and joint venture partner,


manufactured and supplied ready-mix concrete. A proposed merger between Holcim and Lafarge worldwide would result in Holcim acquiring Lafarge's entire issued share capital and Holcim renaming itself LafargeHolcim. Both companies competed in the market for the manufacture and supply of ready mix concrete, and the market for the regional supply of grey cement.

There is no manufacturer of grey cement in Singapore, so almost 100% is sourced from other regions including Japan, China, Taiwan and Korea.

While the two parties were major players in overseas markets such as Europe, they were not the largest players in Singapore. CCS found there were alternative suppliers, and significant localised competition with the capacity to meet any additional demand and constrain any exercise of market power by the proposed merged entity. The nature of the local market, with multiple suppliers including smaller players, makes it more difficult to coordinate behaviour to raise prices, or to reduce quality or output. Customers are also able to switch to alternative suppliers without substantial switching costs, and are able to exercise countervailing buyer power due to the significant volumes purchased.

After reviewing the parties' submissions and feedback from customers and competitors following public consultation, CCS cleared the proposed merger on 4th September 2014.





Quality care and affordable access to services remain the hallmarks of Singapore's healthcare system.

HEALTHCARE

Case Team Members: Lynette Chua, Candice Lee, Loy Pwee Inn, Cindy Chang, Jonathan Chan, Nimisha Tailor, Toh Shihua

DIAGNOSTIC IMAGING ACQUISITION BLOCKED OVER COMPETITION CONCERNS

Focused on the Singapore market, Parkway Holdings Ltd ("Parkway") has a network of hospitals, primary care clinics, radiology and imaging service facilities, and laboratories. It is also a 33% shareholder in Positron Tracers Pte. Ltd. ("PTPL"), which owns a cyclotron machine, and holds a 30% shareholding in Parkway Group Healthcare. Its ultimate parent, IHH Healthcare Berhad Group, has a presence in several countries, including Singapore, Malaysia, Turkey, China and India.

RadLink-Asia Pte Limited ("RadLink"), founded in 2000, is a radio diagnostic imaging business that operates a small chain of general practitioner clinics and a cyclotron machine in Singapore. Its ultimate parent, Fortis Healthcare Limited ("FHL"), is a leading pan Asia-Pacific integrated healthcare provider that delivers services in India, Singapore, Dubai, Mauritius and Sri Lanka.

On 15th October 2014, CCS received a joint notification for decision on the acquisition of RadLink by Medi-Rad Associates Ltd. However, based on the information provided by the parties, relevant industry stakeholders and members of the public, CCS, in its phase one and two reviews, was unable to conclude the transaction would not raise competition concerns.

With respect to the provision of radiology and imaging services for private outpatients in Singapore, evidence suggested Parkway and RadLink are each other's closest competitors;

entry barriers in the market are moderate to high, and the bargaining power of customers is weak. The 100% acquisition of RadLink, combined with its 33% shareholding of PTPL, would give Parkway substantial market share as the only commercial supplier of radiopharmaceuticals in Singapore. Further investigation also suggested that no new radiopharmaceutical suppliers are expected to enter the market in the next two to three years, so the merged entity would have the power to restrict competition by controlling the supply, the prices and/or the range of radiopharmaceuticals available to downstream competitors.

On 11th March 2015, CCS issued letters to Parkway and Fortis Healthcare Singapore Pte. Limited ("Fortis Singapore") informing the parties that a provisional decision had been made to block the proposed acquisition of RadLink and its subsidiaries, by Medi-Rad Associates Ltd, an indirect wholly-owned subsidiary of IHH Healthcare Berhad. The letters stated that the proposed transaction would result in a substantial lessening of competition in the affected markets, and would infringe section 54 of the Competition Act.

On 13th March 2015, FHL shared details of the decision on the National Stock Exchange of India Ltd., and reported that FHL will "continue to explore alternative strategic opportunities related to RadLink".

On the same day, IHH Healthcare Berhad announced on Bursa Malaysia and the Singapore Exchange that the Sale and Purchase Agreement entered into between Medi-Rad Associates Ltd and Fortis Singapore in relation to the Proposed Transaction had lapsed and ceased to be in effect.



As a world leader in global logistics, Singapore remains vigilant in monitoring and enforcing industry regulations.



LOGISTICS

Case Team Members: Winnie Ching, Cindy Chang,
Terence Seah, Kong Weng Loong

CCS FINES 10 FREIGHT FORWARDERS FOR PRICE FIXING

An Infringement Decision was issued against 11 freight forwarders and their Singapore subsidiaries, for contravention of section 34 of the Competition Act. Collectively, the companies fixed certain fees and surcharges, and exchanged price and customer information, in the provision of air freight forwarding services for shipments from Japan to Singapore. Both the Japanese and related Singapore companies acted as a single economic entity, and were found to be jointly and severally liable. Financial penalties were imposed on 10 of the 11 companies and were calculated based on each party's turnover affected by the anti-competitive conduct. The one company that escaped penalty qualified for full immunity under CCS's leniency programme.

This was the second international cartel case involving foreign-registered companies and their Singapore subsidiaries or affiliates.

Investigations in the case commenced in December 2011 and revolved around anti-competitive agreements related to the Japanese Security Surcharge ("JSS"), the Japanese Explosives Examination Fee ("JEEF") (collectively, "Security Charges"), and the Japanese Fuel Surcharge ("JFS"). Discussions about Security Charges took place in meetings of the Japan Aircargo Forwarders Association ("JAFa") from November 2004 to November 2007, in response to new security requirements mandated by the Japanese Ministry of Land, Infrastructure and Transport from 1st April 2006. Under the new security requirements, all cargo freight was subject to a security inspection and all cargo from "unknown shippers" was required to undergo an explosives examination inspection. Discussions took place between September 2002 and November 2007, with respect to fuel surcharges. The parties to both infringements are the same.

'Price fixing among competitors (thus forming a cartel) is considered one of the most harmful types of anti-competitive conduct. It distorts the terms of trade between the cartelists and their customers, with the latter not being able to enjoy competitively determined rates. As an open economy, Singapore businesses are vulnerable to such international cartels.'

- MR. TOH HAN LI,
Chief Executive, CCS

CCS found the parties exchanged their views on the Security Charges and fuel surcharges; discussed the cost of security measures; decided collectively what action they would take; fixed the prices they would charge; set an implementation plan, and discussed how successful they were in collecting from customers. The discussions on Security Charges culminated in a consensus on 20th February 2006 to charge a minimum price of 300 JPY (approximately S\$3.31) for the JSS, and 1,500 JPY (approximately S\$16.57) per house airway bill on all outgoing cargo from Japan for the JEEF. There is further evidence pointing to a significant mark-up in some instances.

Following a rise in fuel prices, airlines began to levy a fuel surcharge on freight forwarders.

Given this additional cost, discussions commenced in September 2002 on how to mitigate the additional cost. It was agreed the parties would not use the fuel surcharge as a point of competition between themselves, but they would pass 100% of the cost to customers.

Information was exchanged about their respective collection ratios (i.e. the proportion of fuel surcharge costs they were able to pass on to customers), and their efforts to maintain a high ratio. Encouragement for this was given in JAFa meetings, where discussions included identifying customers from whom they were unable to collect the JFS, and assigning freight forwarders to negotiate with these customers.

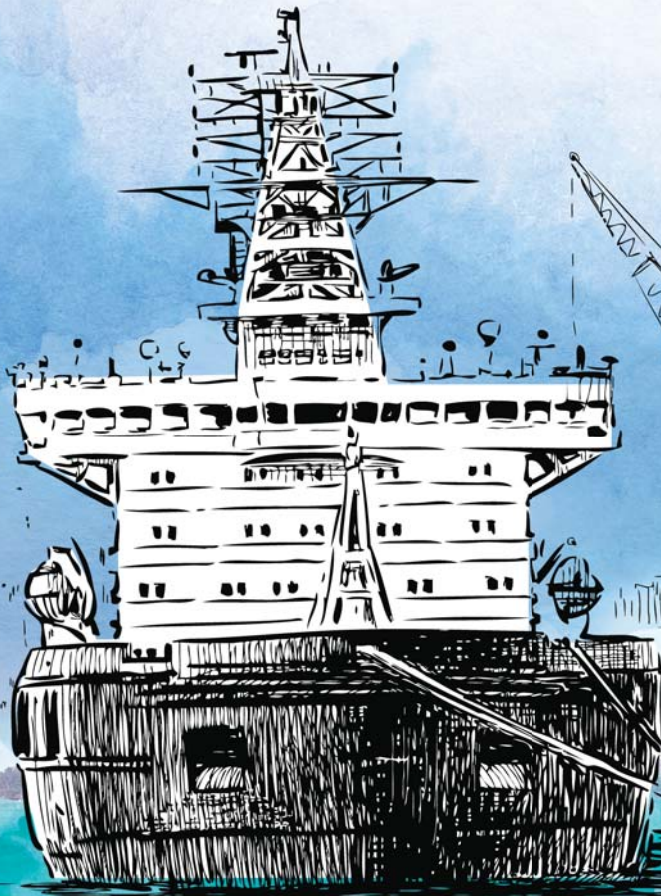
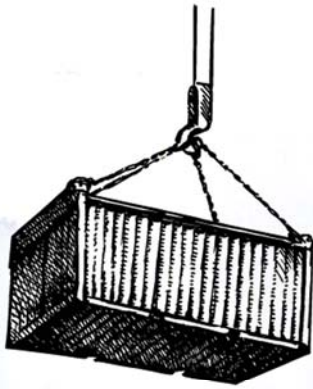
Although CCS found through its investigations that discussions on the JFS and Security Charges started in September 2002 and November 2004 respectively, and ended on 12th November 2007,

the infringement was calculated as starting from 1st January 2006 onwards, after section 34 prohibition of the Singapore Competition Act came into effect.

The Infringement Decision was issued on 11th December 2014, and the financial penalties took into account the nature of the infringement; the circumstances in which the infringement was committed; aggravating and mitigating circumstances (including whether the parties had cooperated with CCS); whether the Parties had applied for leniency; as well as representations made to CCS by the parties. Five of the parties received a discount under the leniency programme.

**FINANCIAL PENALTIES IMPOSED ON
INFRINGING PARTIES**

Party	Financial Penalty
DHL Global Forwarding	\$0
Hankyu Hanshin	S\$662,142
"K"Line Logistics	S\$828,200
Kintetsu World Express	S\$771,497
MOL Logistics	S\$77,887
Nippon Express	S\$2,072,386
NNR	S\$330,551
Nissin	S\$64,283
Vantec	S\$154,249
Yamato	S\$153,662
Yusen	S\$2,035,995
Total	S\$7,150,852





Responsible pet owners are focused on the well-being of their adorable furry friends, which continues to drive attention toward pet care initiatives.



PET CARE

Case Team Members: Soh Yan Wei, Candice Lee

GLOBAL PLAYERS UNLEASH PET FOOD DEAL

The proposed acquisition by Ridgeback Acquisition LLC ("Ridgeback"), a wholly-owned subsidiary of Mars, Inc ("Mars"), of The Procter and Gamble Company's ("P&G") pet care business was given the go-ahead by CCS.

Mars and P&G compete in the Singapore market for the global supply of dry dog and cat food for general diets; the supply of dry dog and cat food for animals with specific medical conditions that is only sold in veterinary clinics when prescribed by veterinarians, and the supply of dog treats.

Mars' pet care business includes brands for dogs and cats such as Pedigree, Whiskas, Royal Canin, Cesar, Sheba, Greenies, and Nutro, while P&G's business includes brands such as Iams, Eukanuba and Natura.

After reviewing the parties' submissions and feedback from retailers, veterinary clinics, distributors, and competitors, CCS concluded that the proposed acquisition is unlikely to lead to substantial competition concerns as there are multiple players in the global supply of general dry dog and cat foods, and dog treats. In fact, the

post-acquisition market share for dog treats was reported to be quite small.

In the supply of dry dog and cat food for general diets, the loss of competition resulting from the acquisition would be limited due to the fact that Mars' Pedigree and Whiskers brands, and P&G's Eukanuba and Iams brands, target different customer segments. Since they do not compete aggressively with each other, and because there are other strong competing brands, these factors offset any potential loss of competition.

With respect to the supply of prescription dry dog and cat food, the potential loss of competition is limited due to the fact that Eukanuba does not have a significant presence in the Singapore market, and the presence of another strong competing brand is likely to offset any potential loss of competition between Mars' Royal Canin brand and P&G's Eukanuba brand.

Similarly, the risk of anti-competitive coordination between the remaining firms is low since pet care products are differentiated by nature; the entry barriers into Singapore are not high; and there is evidence of aggressive marketing efforts by Royal Canin and Hill's, while Eukanuba has shown weaker efforts to compete.



Competition plays an important role alongside other policy considerations in government agencies' policy-making process.



GOVERNMENT ADVOCACY



CCS stepped up its engagement with government agencies in 2014 to ensure the agencies are giving due consideration to competition issues arising from government policies. One of the ways CCS engages with government agencies is through the Community of Practice (Competition and Economic Regulations) or COPCOMER which was established in December 2013. COPCOMER is an inter-agency platform for CCS, other government agencies and sectoral regulators to share interesting case studies and relevant competition and regulatory matters. In addition, as part of its ongoing efforts against cartels, CCS conducted training for government procurement officers to sharpen their abilities to detect and prevent bid-rigging activities.

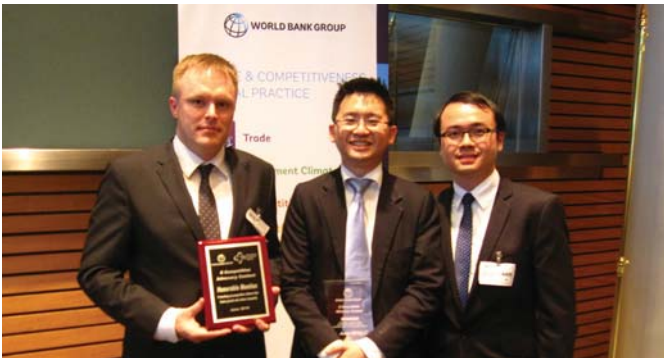
CCS COMPETITION ADVISORIES AND MARKET STUDY

CCS worked closely with various Ministries and statutory boards to gain a better understanding of the markets they regulate, and to provide advice on competition issues covering a wide range of activities within these markets. In 2014, there was a significant increase in requests from government agencies for CCS's advice on issues relating to third-party taxi booking mobile applications, online recruitment portals, the construction sector, the leasing market, and the process maintenance sector.

Besides providing advice on competition matters to other government agencies, CCS also proactively conducts in-depth market studies to

better understand the structure and dynamics of the markets, and to identify areas where competition can be improved to benefit both consumers and businesses. Through the years, CCS has conducted studies on various key markets in Singapore, including the retail mall rental space market, the airline market, the retail petrol market and the industrial property market. Specific examples of CCS's competition advisories and market studies are provided below.

CCS WINS INTERNATIONAL COMPETITION ADVOCACY AWARD



Mr Ng Ming Jie and Mr Lim Wei Lu, received the award for CCS in Washington, D.C. They are seen here with Mr Teemu Karttunen from the Finnish Competition and Consumer Authority.

In 2014, CCS worked with the Land Transport Authority (LTA) to facilitate the entry of third-party taxi booking applications ("third-party apps") while ensuring that taxi commuters' interests were safeguarded, regardless of whether a booking was made through a taxi company or a third-party taxi booking service provider.

Third-party apps such as MoobiTaxi, GrabTaxi, Easy Taxi, UberTAXI and Hailo first appeared in Singapore in late 2013. These apps help to improve the matching of taxi supply and demand, especially during peak hours. Taxi drivers also benefit by being able to get passengers from varied sources of taxi booking. CCS undertook a market study of the taxi industry to better understand the competitive landscape and the competition issues faced by different stakeholders as they operated in this market. CCS shared its assessment on the competition impact of these third-party apps with LTA as it formulated its regulatory approach to encourage innovation in the market while preserving the fundamental tenets of LTA's taxi regulatory

policies. In 2015 LTA introduced a regulatory framework for third-party apps in Singapore to harness the benefits brought about by such new technologies and business models while, at the same time safeguarding commuters' safety and interests.

In June 2015 Singapore was named a winner at the 2014 Competition Advocacy Contest for CCS's work in promoting competition in the taxi industry.

Case Team Members: Stephanie Panayi, Lim Wei Lu

ADVICE TO MOM AND WDA ON JOBS BANK

In April 2014, the Ministry of Manpower ("MOM") and the Singapore Workforce Development Agency ("WDA") consulted CCS in relation to the proposed new Jobs Bank web portal ("Jobs Bank"), particularly with respect to whether the creation of Jobs Bank would lead to competition concerns. Jobs Bank, administered by WDA, is a free service provided to all Singapore-registered employers and local individuals to make job vacancies more visible to job seekers. It also provides employers with access to a larger pool of candidates. The Jobs Bank supports MOM's Fair Consideration Framework which requires employers to consider Singaporeans fairly for job opportunities.

CCS worked closely with MOM and WDA to better understand the design of Jobs Bank. It conducted a competition impact assessment to determine how Jobs Bank would affect competition in the online recruitment portal market in Singapore. In its assessment, CCS noted the potential benefits that Jobs Bank would bring. It also provided MOM and WDA with several recommendations aimed at maintaining competition in the market, including how information relating to Jobs Bank should be disseminated to the industry so that no interested party might be unintentionally left out.

Case Team Members: Lim Wei Lu

ADVICE TO MND ON LEVEL OF CONSULTANCY FEES IN THE BUILT ENVIRONMENT SECTOR

Between the period February 2014 and January 2015, CCS advised the Ministry of National Development ("MND") about industry player

feedback on declining consultancy fees in the built environment sector. Industry players suggested reinstating fees guidelines for consultancy services to address the issue of declining consultancy fees.

CCS took the view that fees guidelines established by industry associations are generally harmful to competition as they are likely to lead to fees clustering around the recommended level, irrespective of the members' individual business costs, service standards and target customers. CCS therefore recommended that consultancy firms in the built environment sector consider differentiating themselves by offering higher quality services in order to improve their business propositions.

Case Team Members: Lim Wei Lu, Candice Lee

ADVICE TO MTI ON SBF'S FAIR TENANCY FRAMEWORK

In response to concerns raised by small businesses looking to rent premises for commercial, industrial, retail and food and beverage activities, the Singapore Business Federation ("SBF") led the industry effort to develop a Fair Tenancy Framework ("FTF"). This framework aims to establish a set of clear leasing guidelines and negotiation principles to assist businesses. Specifically, the FTF seeks to help tenants and landlords understand the key terms and conditions of a lease agreement, the respective roles and responsibilities, and the implications of prevalent industry lease clauses. It also serves as a checklist for negotiations between tenants and landlords. Ultimately, the FTF encourages both parties to conduct open, transparent and fair negotiations.

MTI sought CCS's comments on whether any recommendations within the FTF would raise competition concerns. CCS supported the promotion of clear contractual terms in tenancy agreements between landlords and tenants and was of the view that the FTF does not raise competition concerns. At the same time, CCS recommended that SBF members should be allowed to independently decide if they want to follow the recommendations within the FTF. The FTF was launched by SBF in January 2015.

Case Team Members: Loy Pwee Inn

ADVICE TO EDB ON AN AGGREGATED DATA SHARING PORTAL

On 24th January 2014, the Economic Development initiative proposed the development of an aggregated data sharing portal for the Process Maintenance ("PM") sector that provides maintenance services for manufacturing plants operating in the Energy & Chemicals industry. The aim of the portal is to reduce overlaps in project scheduling among Energy & Chemicals companies, which would in turn help to smooth out the manpower peaks and troughs, and make better use of the labour employed in the PM sector.

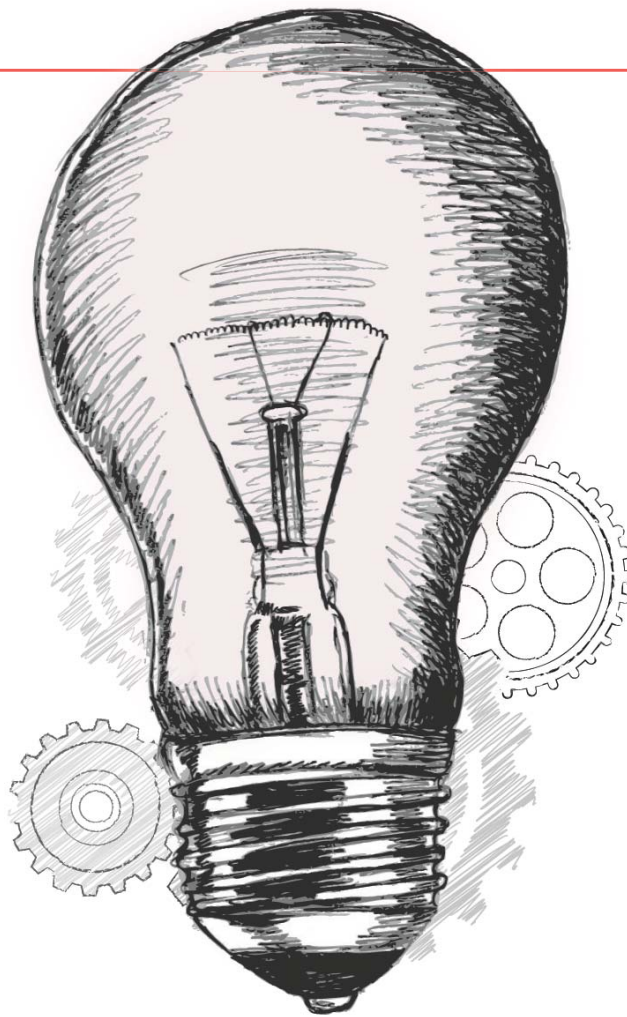
Working closely with EDB, CCS met several Energy & Chemicals companies to better understand the competition impact of the aggregated data sharing portal, the benefits of the initiative and any potential competition concerns that might arise. In its assessment, CCS recognised the potential benefits and recommended a number of safeguards to ensure that such benefits could be realised while mitigating any potential competition risks. EDB incorporated CCS's recommendations, and will monitor the impact of the initiative on market competition in Singapore.

Case Team Members: Ng Ming Jie, Justina Sim

MOTOR INSURANCE MARKET STUDY

In July 2014, CCS concluded its market study regarding the provision of motor insurance products for private and commercial motor vehicles in Singapore. The objective of the study was for CCS to understand the state of competition within the market, review existing industry agreements and practices, and assess the potential effects on competition. CCS worked closely with the Monetary Authority of Singapore ("MAS") to analyse the information provided by the motor insurance providers and their association. It reviewed the information and determined that the motor insurance market in Singapore is generally competitive. In addition, CCS discussed possible ways to safeguard and enhance competition in the market with MAS. CCS will continue to monitor this market to ensure that it remains competitive.

KEEPING PACE WITH COMMUNITY AND INDUSTRY



43

**MAKING STRIDES
TO BUILD
STRONGER TIES**

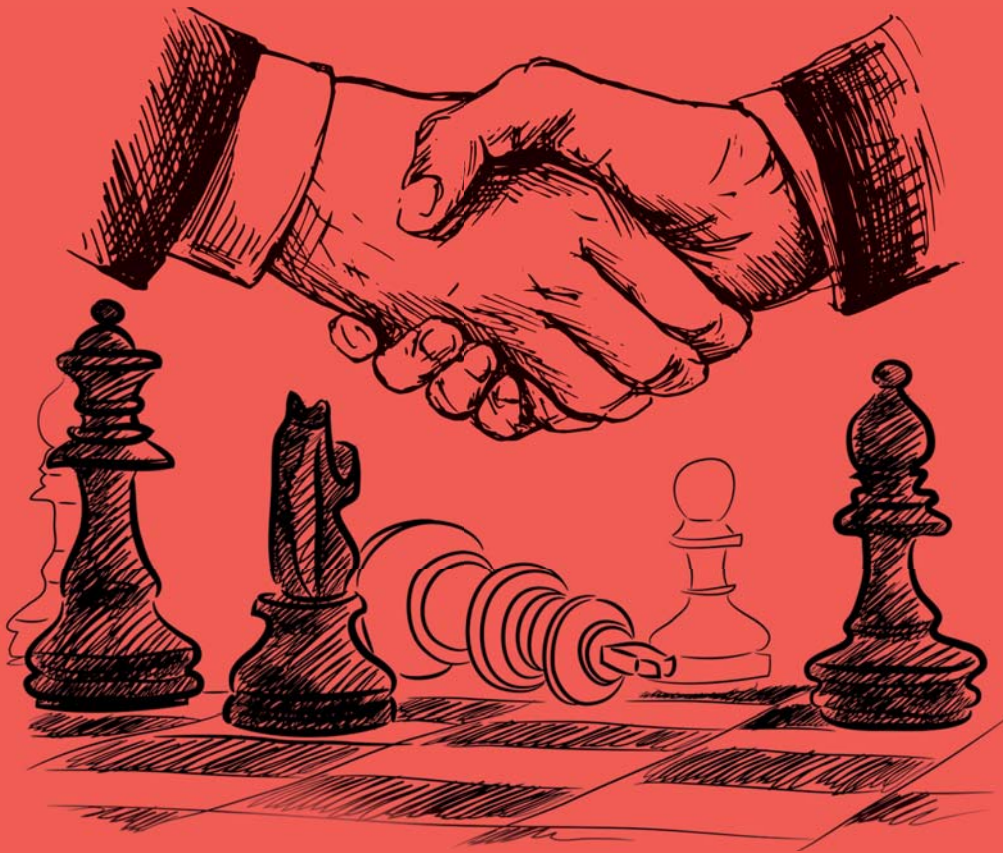
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OUTREACH

- Public
- Businesses
- Competition Practitioners

50

**CCS IN
NEWS &
PUBLICATIONS**



MAKING STRIDES TO BUILD STRONGER TIES

CCS's goal is to promote understanding of and compliance with the Competition Act by our key stakeholders - government agencies, the private sector, as well as the general public. CCS's approach is to complement advocacy efforts with those of enforcement.

CCS engages several ministries and statutory boards to increase awareness and understanding of how government activities can impact competition. CCS also collaborates with the Civil Service College and conducts outreach activities to equip public officers with the knowledge and skills important for identifying cartel and bid rigging activities.

CCS makes the effort to reach out to Small and Medium Enterprises (SMEs), which make up 99% of Singapore's companies. While SMEs may

be concerned with rising costs and improving productivity, it is essential that they, like any other business, comply with competition law. Businesses with at least a basic understanding of how competition law affects their business will stand in good stead when they expand overseas.

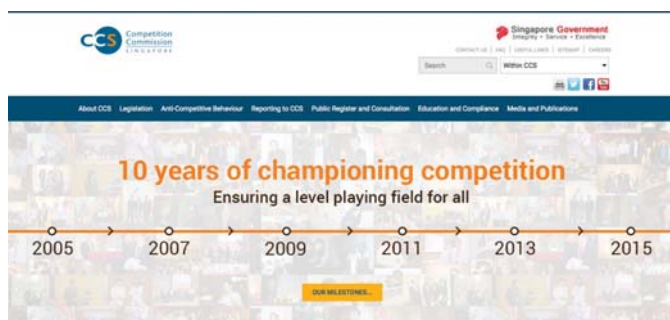
Competition is the impetus to a vibrant economy where businesses are able to grow and innovate, and where consumers can benefit from more choice and competitive prices. CCS is constantly looking for ways to engage with members of the public. One of its outreach activities was the inaugural essay competition held in collaboration with the Economic Society of Singapore in 2014. It attracted a total of 66 entries, of which more than half came from the pre-tertiary category.

OUTREACH: PUBLIC



CCS CORPORATE CALENDAR 2015

As a tool for public outreach, the corporate calendar for 2015 commemorated CCS's 10 years of championing competition by featuring a milestone event from the same month it occurred in the past. The calendars were distributed to key stakeholders, including heads of government agencies, organs of state, as well as competition practitioners in Singapore and beyond.



NEW LOOK FOR CCS'S WEBSITE

To mark CCS's 10th anniversary, a revamped corporate website was launched in December 2014 to augment the celebrations as well as emphasise a new chapter in CCS's corporate development. A review done on the infrastructure architecture of the website has also provided users with an enhanced browsing experience.

CCS ANIMATION CONTEST AWARD CEREMONY 2014

The 2014 CCS Animation Contest concluded with the presentation of prizes on 9th July 2014 in a ceremony attended by almost 130 people. This year, the contest attracted a total of 31 entries, compared with 19 the previous year. The biggest increase in entries came from the pre-tertiary category. It was encouraging to see these young students attempt to explain the Competition Act in a creative way.

Entries consisted of a wide range of stories that explained the three key prohibitions in the Competition Act, namely price-fixing, abuse of dominance, and anti-competitive mergers and acquisitions. CCS's Leniency Programme and Reward Scheme were also featured in the submissions.

130 PEOPLE
attended this
ceremony

31 ENTRIES
submitted for
the 2014 CCS
Animation Contest



GRAND PRIZE WINNER

Mr Woo Huey Yong



OPEN CATEGORY WINNERS

Mr Amirul Afifi & Ms
Nur Shahirah Bte Ismail



PRE-TERTIARY WINNERS

Balestier Hill
Secondary School



TERTIARY WINNERS

Ms Dionnis Lim,
Ngee Ann Polytechnic

HIGHLIGHTS FROM THE INAUGURAL CCS-ESS ESSAY COMPETITION

The inaugural CCS-ESS Essay Competition themed, "Competition Policy and Law in Singapore: Opportunities and Challenges Ahead", aimed to promote the awareness and understanding of competition law, and encourage debate on competition policy and issues.

An international panel of competition practitioners, from both legal and economic fields, judged the shortlisted essays based on

conceptual accuracy, substantiation of concepts, clarity of expression, and use of language. The essays within each category, that earned the highest scores emerged as winners and were announced during the Economic Society of Singapore (ESS) Annual Dinner on 7th August 2014 at the Mandarin Orchard Hotel. Each awardee received recognition from Guest-of-honour, Mr Chan Chun Sing, Minister for Social and Family Development. Notably, Mr Tang Zi Yang, 1st prize winner in the university category, was also offered an internship with the Legal & Enforcement division at CCS.

THE WINNING ENTRIES FOR THIS YEAR'S CONTEST ARE AS FOLLOWS:

Prize	Pre-University	University	Open
1 st	Chua Cheng Xun (RI) & Ren Zhaolin (RI)	Tang Zi Yang (SMU)	Wee Jun Kai (Senior Analyst, Compass Lexecon, London)
2 nd	Daniel Tay Zhi Jian (RI) & Tay Yiyan (RI)	Daniel Yeang (NUS)	Tay Li Hang (Associate, Allen & Gledhill)
3 rd	Benny Chee Jian Li (HCI)	Samuel Kwek (NUS)	Steven Wong (Trainee, Rajah & Tann)



PRE-UNIVERSITY CATEGORY WINNERS

From left to right: Prof Euston Quah (ESS President), Benny Chee (3rd prize winner), Daniel Tay & Tay Yi Yan (2nd prize winner), Mr Chan Chun Sing (Minister for Social and Family Development), Ren Zhaolin & Chua Cheng Xun (1st prize winner)



UNIVERSITY CATEGORY WINNERS

From left to right: Prof Euston Quah (ESS President), Samuel Kwek (3rd prize winner), Mr Chan Chun Sing (Minister for Social and Family Development), Tang Zi Yang (1st prize winner), Daniel Yeang (2nd prize winner)



OPEN CATEGORY WINNERS

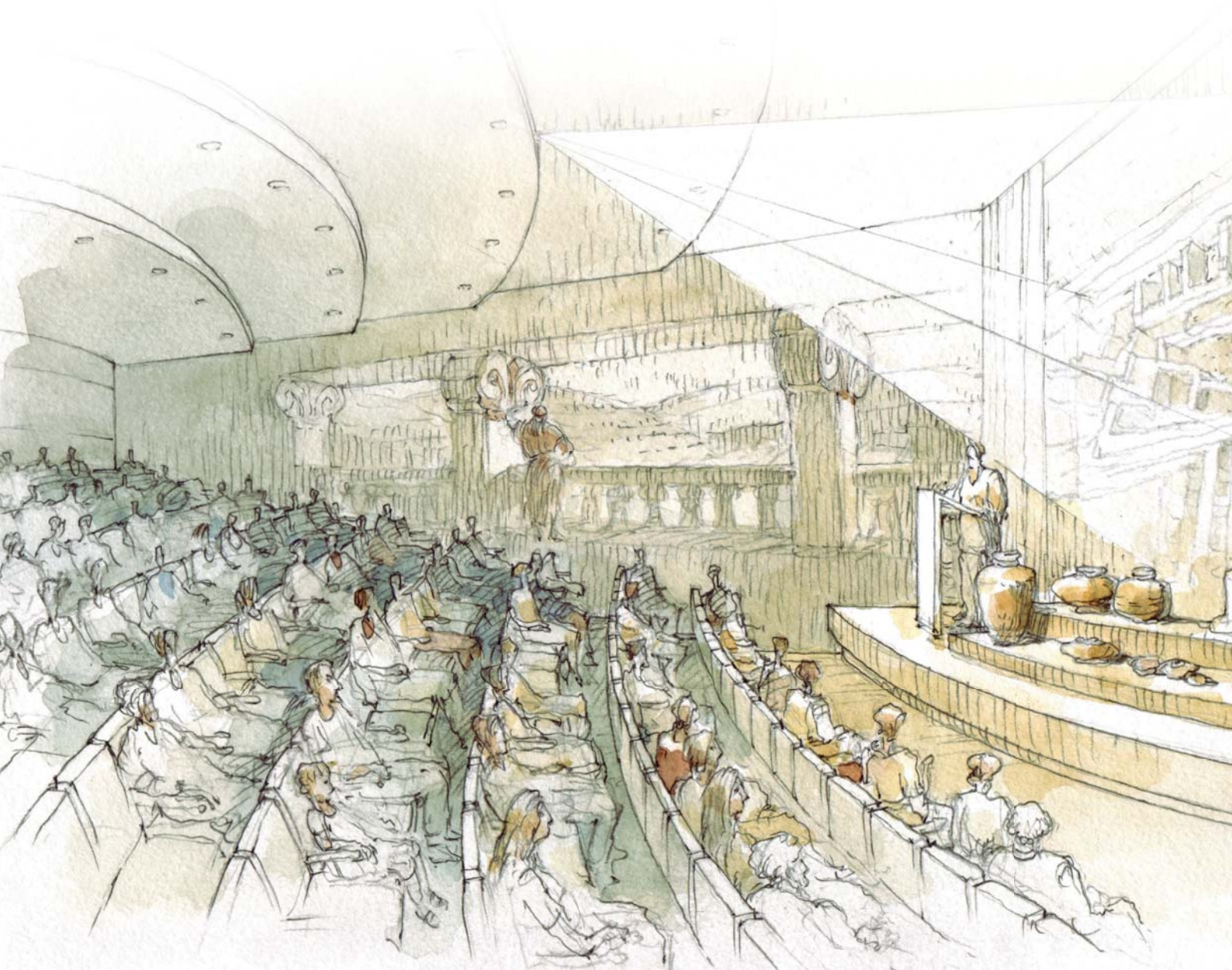
From left to right: Prof Euston Quah (ESS President), Steven Wong (3rd prize winner), Mr Chan Chun Sing (Minister for Social and Family Development), Wee Jun Kai (1st prize winner), Tay Li Hang (2nd prize winner)

OUTREACH: BUSINESSES

16TH ANNUAL SMEs CONFERENCE & SME EXPO 2014

The Singapore Chinese Chamber of Commerce and Industry's 16th SME conference, and the 17th Infocomm Commerce Conference took place from 20th - 21st August 2014 at Suntec City Convention Centre.

CCS, as an exhibitor in the government pavilion section, provided conference participants with information and collateral on the roles and functions of CCS, as well as prohibitions under the Competition Act. Approximately 4,700 visitors attended the event, and a sizeable number visited the CCS booth to engage staff on competition issues.





SAICSA'S CORPORATE LEGISLATION AND REGULATIONS UPDATE FORUM 2014

The annual forum is organised by the Singapore Association of the Institute of Chartered Secretaries and Administrators ("SAICSA"), the association for company secretaries and other compliance professionals. CCS made the opening presentation at this year's forum on 20th September, which was attended by 240 participants.

OUTREACH TO THE SINGAPORE AIRCARGO AGENTS ASSOCIATION ("SAAA")

The SAAA Forum is a trade forum where players in the freight forwarding and logistics industry learn about government initiatives to boost productivity, as well as developments in regulations affecting the industry. CCS participated in the trade forum on 22nd September 2014 and spoke to an audience of 60 people.



START-UP ENTERPRISE CONFERENCE 2014

On 22nd September 2014, CCS addressed an audience of 300 regarding the ways competition compliance can help businesses achieve a higher standard of corporate governance. There was also interest in CCS's Leniency Programme and Reward Scheme. The annual Start-Up Enterprise Conference brings together start-up owners, entrepreneur-enabling agencies, private providers, government agencies and other supporting organisations to share information and to network.



QUICK LOOK

APPROXIMATELY
5,300
people participated in four
conferences in September 2014



Around **4,700** visitors
attended the 16th Annual
SMEs Conference & SME
Expo 2014.

240 participants attended
SAICSA's annual forum

60 people participated in
trade forum by SAAA

300 audience members benefited
from the Start-Up Enterprise
Conference

OUTREACH: COMPETITION PRACTITIONERS

CLIFFORD CHANCE COMPETITION LAW SEMINAR

Mr Lee Cheow Han, Assistant Chief Executive (Legal & Enforcement), gave a keynote address, at the seminar "Handling Regulatory Investigations in APAC: What you need to know", to an audience of 30 participants on 4th March 2015. The participants consisted of corporate/in-house legal counsels from various multinational corporations.

CCS COMPETITION ECONOMICS ROUNDTABLE

The CCS Competition Economics Roundtable 2015, held on 21st January, was attended by 79 economists, competition practitioners, and policymakers from the public, private and academic sectors. The Roundtable provides a platform for economists and competition practitioners to discuss the latest developments in competition policy and economics.



LEGAL ROUNDTABLES

As part of CCS's on-going efforts to improve and streamline various work processes, the Legal & Enforcement Division held a roundtable discussion with competition law practitioners in Singapore to understand the needs of interested stakeholders, and to obtain feedback on current practices. A total of 15 competition law practitioners attended the event on 27th June 2014. A second roundtable was held on 20th March 2015 with 19 participants.



CCS-SAL COMPETITION LAW CONFERENCE 2014

The CCS-SAL Competition Law Conference 2014 was held on 21st and 22nd August 2014 at the Supreme Court Auditorium.

This was the third time CCS partnered with the Singapore Academy of Law (SAL) to bring international and local competition experts together to discuss the latest developments in competition policy and law, as well as best practices in competition compliance.

CCS's Chief Executive, Mr Toh Han Li, delivered the welcome remark and elaborated on the conference's theme, "CCS@10: Reflecting on the Past and Looking Ahead", which marked the beginning of CCS's 10th year anniversary celebration.

Mr Lee Yi Shyan, Senior Minister of State for Trade and Industry and National Development, was the guest-of-honour and gave the opening address. He highlighted the fact that the Competition Act and CCS had helped foster innovation and the development of a vibrant marketplace, while also breaking up price-fixing

"As a free market champion, CCS intervened to improve the functioning of a free market. It did so however, with a pro-enterprise mindset."

- MR LEE YI SHYAN,

Senior Minister of State for Trade & Industry and National Development

cartels, and halting anti-competitive activities over the past decade.

Unlike previous years where lawyers were invited as keynote speakers, Dr David Evans, Chairman of Global Economics Group, was asked to deliver the keynote address. A respected economist and one of the world's leading authorities on platform-based ("two-sided market") businesses, Dr Evans gave an insightful lecture on the relationship between competition policy and economic development.



About 250 competition policy and law practitioners, academics, and students attended the conference, which featured in-depth discussions on competition subjects ranging from the nuances of multi-jurisdictional leniency applications, and the finer points of market regulation in promoting competition, to navigating competition laws overseas, amongst many other topics.

CCS IN NEWS & PUBLICATIONS

The awareness created through local and international media channels has been an indispensable benefit to the growth and success of CCS. As the network of competition and compliance authorities grows, so does access to information and reports about enforcement policies and laws. The conversation is strong and the sharing of articles such as the following, will continue to highlight competition matters in Singapore and abroad.

01 —————

THE GCR NEWS: AN INTERVIEW WITH TOH HAN LI

On the 10th Anniversary of CCS, Mr Toh shares his observations about the industry, the evolution of enforcement practices, and what to expect going forward.

02 —————

THE GCR NEWS: A WINNING FORMULA

From leadership and political stability to a strong open economy, the decade-old competition regime in Singapore is a thriving success.

03 —————

BT VIEWS FROM THE TOP: TAPPING INTO AEC'S FREE FLOW OF RESOURCES

The ASEAN Economic Community will provide the foundation for member countries to operate as a single economy. Senior business leaders weigh in on what this means and how it will impact the ten nations.

04 —————

BT VIEWS FROM THE TOP: RAISING SERVICE STANDARDS

Quality of service can make or break a business. Business leaders discuss where Singapore fits on the spectrum of service excellence, and what can be done to further improve its position.

05 —————

BT VIEWS FROM THE TOP: FOSTERING GROWTH IN ECOMMERCE

Whether the retail landscape is shrinking or expanding is a matter of perspective. Will clicks replace bricks as the growth of e-commerce simplifies access to global markets?

06 —————

BT VIEWS FROM THE TOP: FLEXI-WORK: WILL IT WORK?

Employee engagement, trust, productivity, and retention are just a few of the HR issues being addressed with flexible work programmes. Companies across multiple industries openly discuss the shifting culture that's driving work-life balance.

07 —————

BT VIEWS FROM THE TOP: FINDING GOOD PARTNERS

Understanding foreign markets is an obvious starting point, but collaboration with a country's government agencies, coupled with clear marketing, communication and investment strategies, will help propel Singapore's expansion abroad.

08 —————

BT VIEWS FROM THE TOP: EVERYONE MUST PLAY A PART

CCS is continuing to fulfil its pledge toward increasing compliance levels and accountability in Singapore's marketplace. We offer tools for businesses to adopt and adapt in developing sound Corporate Governance policies.

theantitrustreview • www.theantitrustreview.com • 10 JAN 2015

Interview with Han Li Toh, Chief Executive and Commissioner, Competition Commission of Singapore

EDITOR'S NOTE: Han Li Toh is the Chief Executive and a Commissioner of the Competition Commission of Singapore. He also serves on the Advisory Board of the Singapore School of Law and is currently the Assistant Chief Executive (Legal & Enforcement) of the Competition Commission. Before joining the Competition Commission, he served as a Law Clerk to the Chief Justice of Singapore, Deputy Public Prosecutor and Clerk of the Attorney-General's Chambers, Senior Assistant Registrar of the Supreme Court and as an Assistant and Deputy Judge of the District Courts. He served his last stint at Cambridge University, where he was a Fellow of the University of Cambridge and a Member of Public Management from the Lee Kuan Yew School of Public Policy. He is admitted to practice law in Singapore, England, and New York.

He was interviewed for The Antitrust Review on April 16, 2015, by John Bading.

THE ANTITRUST REVIEW: As a city state, Singapore is a relatively small country in the context of the global economy. Can you comment on the challenges for small jurisdictions seeking enforcement action or remedies in countries such as innovative cartels or mergers affecting multiple jurisdictions?


HAN LI TOH: Let me talk a bit about international cartels first. Yes, we are a small state, but we have a lot of trade flows. Indeed, our GDP is larger than a number of medium-sized countries. We are a major financial center. We are a major shipping center, one of the largest ports in the world. We are a major aviation hub. So there is a lot of impact of commerce that passes through Singapore. During an open economy, we are open to good things and also bad things, so whether it can be an innovation or an innovation, it can happen to us. (Then the interview program was held in a very effective in international enforcement. One of the requirements of the interview program, which is quite similar to the interview program in jurisdictions such as the EU or the US, is that you have to open yourself to the jurisdiction. There have been cases where we've had, for example, the flight fix-ware cartel, where there were five applicants for leniency. So you actually have a lot of assistance coming in to help with the enforcement action. In fact, after we imposed the penalties on the flight fix-ware cartel, there were no appeals. That was a good outcome. Leniency is important for international cartels. It helps in the cases where we have, for example, foreign whistleblowers. In the flight fix-ware cartel, the Japanese companies which were leniency applicants had to secure the attendance of the key witnesses to provide evidence, and that was the condition under the program to receive a discount of up to 100 percent, depending on where you were in the queue. Can mergers, and we mentioned about Singapore since we've started. We are a relatively small country, which is quite unusual in the context of merger control regimes. There are only a few voluntary regimes in the world, such as the UK, Singapore, Australia, and New Zealand. Basically cartels do a self-assessment in deciding whether to notify CCI, and factors considered would include

01

GCR | NEWS
GLOBAL COMPETITION REVIEW

A winning formula

9 February 2015



The Competition Commission of Singapore enters its 10th year in 2015, yet it has a global reputation well above its size and age. What are the key ingredients to its success and can it be replicated elsewhere? *Frank Samuelli reports*

Over the past decade, the Competition Commission of Singapore has been held up as an example of how to give a competition regime in a new jurisdiction. Particularly in comparison with the other Association of Southeast Asian Nations members and more widely across Asia, Singapore takes significant plaudits from the global antitrust community for its approach to competition law. How has the country created such a system? From speaking to the competition bar and the enforcement itself, it seems a few fundamental factors, both external and competition-specific, have come together in harmony.

CCS leadership

A constant refrain from speaking to the competition bar is the praise and respect lawyers have for the CCS staff, in particular for the current chief executive, Toh Han Li. "The CCS is now more mature, with very good quality people across the board and excellent leadership," says Kala Aandanderugh at Rajah & Tann. "The management is great to deal with and Han Li is involved in all matters."

Taking over as chief in October 2014, Toh has overseen arguably the most significant year in the CCS's short history, with 2014 accounting for the enforcement's first two international cartel cases and a record number of merger filings. For an agency that has in the past been criticized for taking too long to get after the big-ticket matters, this has been a monumental step that, as with all CCS matters, has been carefully considered and planned before being executed.

"We've made sure that decisions are carefully thought through and executed. These measures are made public to show that our interventions are not taken lightly," says Toh. "A strong intervention is a bad thing for the market, so it's important to get it right."

First published in the Global Competition Review website, 9 February 2015
www.globalcompetitionreview.com

02

14 VIEWS FROM THE TOP

Tapping into AEC's free flow of resources

What would be the impact of an ASEAN Economic Community in 2015 on your market? How is your organization going to be in the ASEAN region?



15 JAN 2015

03

10 VIEWS FROM THE TOP

Raising service standards

What would you see as the biggest challenge in Singapore? What can be done to improve the service standards in Singapore? How is your organization going to be in the ASEAN region?



15 JAN 2015

04

8 VIEWS FROM THE TOP

Fostering growth in e-commerce

What potential does e-commerce have in Singapore and what would be its impact? How is your organization going to be in the ASEAN region?



15 JAN 2015

05

10 VIEWS FROM THE TOP

Flexi-work: will it work?

What has been your organization's experience with flexi-work? How is your organization going to be in the ASEAN region?



15 JAN 2015

06

10 VIEWS FROM THE TOP

Finding good partners

How successful is Singapore for overseas? What do the firms need to have good when venturing abroad?



15 JAN 2015

07

THE BUSINESS TIMES
CORPORATE GOVERNANCE

Everyone must play a part

THIS WEEK'S TOPIC: Who ultimately is responsible for good corporate governance? How can we encourage the various stakeholders to play their role?



13 OCT 2014

08

SPRINTING BEYOND BORDERS



54

**INTERNATIONAL
RELATIONS
AND COOPERATION**

64

**STEPPING UP, GOING
FURTHER**



The road to establishing strong cross-border cooperation has been a steady and unwavering path for CCS. Since our inception in 2005, we have worked towards creating a highly competent, professional agency that is keeping pace with the best competition regulators in the world. Our relationships and cooperation with overseas competition authorities and international competition networks have been further strengthened through visits, meetings, conferences, and joint events.

All of these activities and efforts have helped place Singapore on the world map and we continue to demonstrate our depth and still burgeoning potential.

A glance at the milestones achieved by CCS highlights our growth and development over the past 10 years.



INTERNATIONAL RELATIONS AND COOPERATION

CHAIR FOR THE WORKING GROUP ON COMPETITION FOR THE REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP

In February 2014, CCS was appointed Chair for the Working Group on Competition for the Regional Comprehensive Economic Partnership (RCEP). RCEP involves 10 ASEAN member states and six of ASEAN's dialogue partners – Australia, China, India, Japan, New Zealand and South Korea. It accounts for a collective market of more than three billion people and a combined GDP of about US\$20 trillion. To date, the Working Group has made good progress by concluding negotiations on certain substantive provisions in the Competition Chapter for RCEP.



AEGC WORKSHOP PROMOTES COMPETITION COMPLIANCE IN ASEAN

On 20th August 2014, CCS hosted an ASEAN Experts Group on Competition (AEGC) workshop. The workshop provided authorities with guidance on designing effective outreach programmes within the business community, and explored possible strategies and approaches to encourage competition in law compliance.

Several established overseas and local competition experts/practitioners were invited

to speak at the workshop, including Professor Michal Gal (University of Haifa), Dr Stanley Wong (SW Law Corporation), Ms Anny Tubbs (Unilever Group), Mr Lim Chong Kin (Drew & Napier LLC), and Mr Daren Shiau (Allen & Gledhill LLP).

The workshop spawned a lively exchange amongst experts and participants alike, about their experiences and insights, as well as possible approaches of and best practices to increase awareness and compliance with competition law.



MEETING OF ASEAN EXPERTS ESTABLISHES POST-2015 COMPETITION ACTION PLAN

On 9th and 10th September 2014, the ASEAN Experts Group on Competition (AEGC) met at the ASEAN Secretariat in Jakarta to discuss a regional plan of action with respect to competition policy and law. This meeting initiated the process for the ASEAN to develop a post-2015 Competition Action Plan, given that the current goals under the ASEAN Economic Community (AEC) Blueprint were only set for the period up to the end of 2015.



PROGRAMME FOR THAI JUDGES AND COURT ADMINISTRATORS

CCS was invited to speak at a programme for senior judges and court administrators that was jointly organised by the Civil Service College ("CSC") and the State Courts of Singapore from 8th to 17th September 2014. Twenty-six officials from Thailand's Office of Judiciary were given detailed insights into Singapore's competition law regime, as well as CCS's ASEAN engagements in the area of competition policy and law.

EAST ASIA TOP LEVEL OFFICIALS' PARTICIPATE IN ASIAN ENFORCERS ROUNDTABLE JOINT SESSION

The 10th East Asia Top Level Officials' Meeting (EATOP) was held in Tokyo, Japan, alongside the annual conference for the International Bar Association ("IBA") from 19th to 24th October 2014. The Asian Enforcers Roundtable ("AER"), one of the working sessions of the IBA conference, was conducted as a joint session with the 10th EATOP on 20th October 2014.

During the AER, competition issues were discussed, including topics related to international enforcement cooperation, and how to effectively facilitate coordination amongst different authorities.

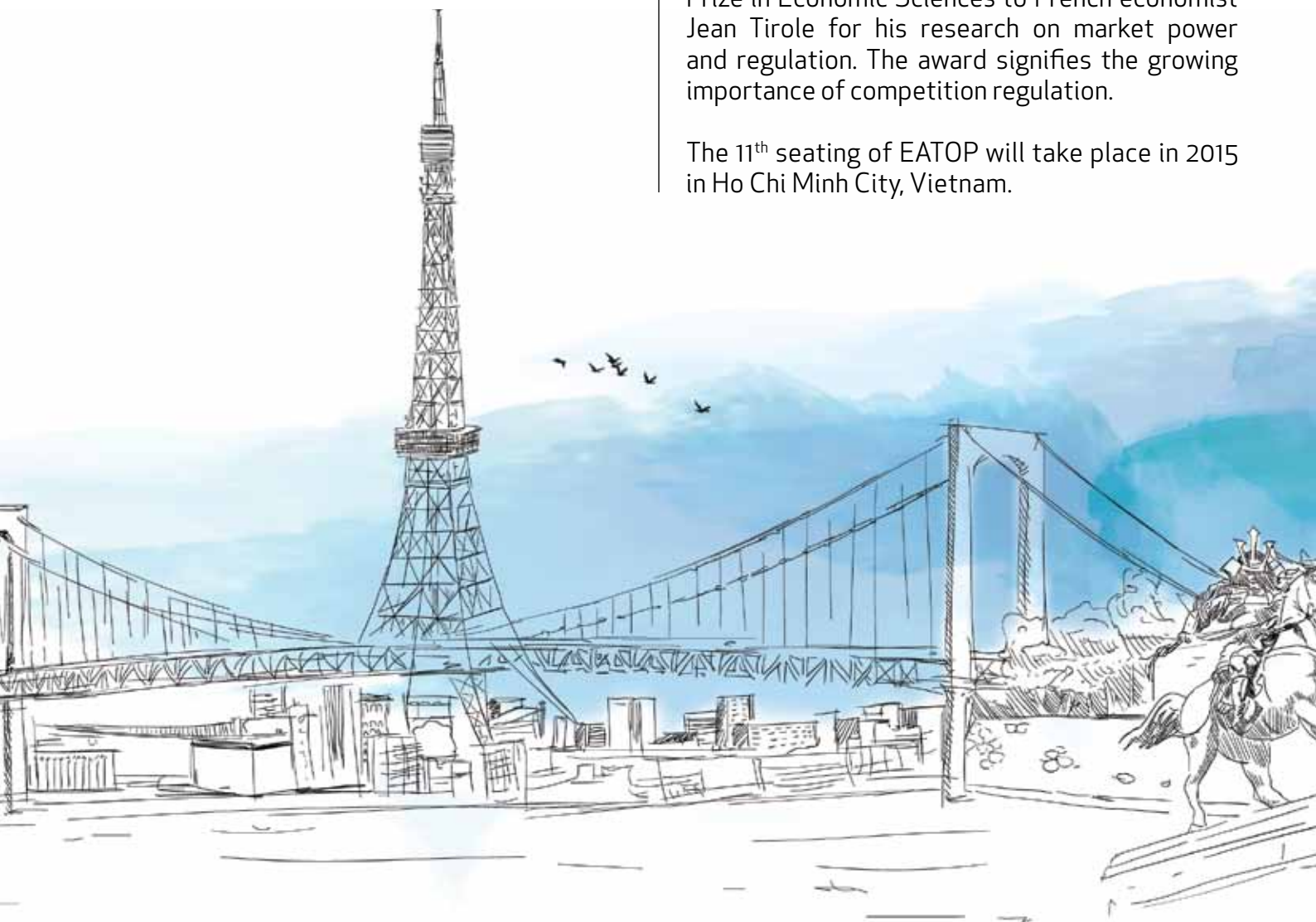
As 2014 marked the 10th year of EATOP collaboration, participants shared insights, spanning the decade since inception, about competition policy and law developments

within their respective member economies. They exchanged views on future challenges and directions for competition policy and law in East Asia, and welcomed the Hong Kong Competition Commission, established in June 2012, at the meeting.

CCS actively contributed to discussions in both meetings, and Mr Lee Jwee Nguan, Director of the Legal and Enforcement division, shared background information about the introduction and development of competition law in Singapore, as well as highlighted the noteworthy cases since 2005.

During the AER, Chief Executive Mr Toh Han Li spoke about CCS's experience working with the Land Transport Authority (LTA), with respect to the market for third-party taxi applications. He discussed the possibility of further competition cooperation amongst EATOP nations in the face of increasing cross-border transactions. He also highlighted the award of the 2014 Nobel Prize in Economic Sciences to French economist Jean Tirole for his research on market power and regulation. The award signifies the growing importance of competition regulation.

The 11th seating of EATOP will take place in 2015 in Ho Chi Minh City, Vietnam.







ASEAN COMPETITION EXPERTS GROUP MEET IN BANGKOK

The 14th Meeting of the ASEAN Experts Group on Competition (AEGC) and its related meetings were held from 17th to 21st November 2014 in Bangkok, Thailand. Participants discussed the status of cooperation activities/projects amongst ASEAN member states, as well as engagements with external institutions. The group also continued discussions related to the post-2015 ASEAN Competition Action Plan.



PHILIPPINE AND SINGAPORE AGENCIES COLLABORATE ON COMPETITION INDUSTRY MATTERS

On 26th February 2015, CCS visited the Office for Competition of the Philippines. Mr Toh Han Li, CCS's chief executive, met with Mr Geronimo L. Sy, Assistant Secretary of the Department of Justice and Head of the Office for Competition, as well as Ms Heiddi Venecia R. Barrozo, Director of the Office for Competition. The two agencies exchanged updates and experiences related to recent competition policy and law developments in their respective jurisdictions, as well as activities in the region. With the recent establishment of the ASEAN Economic Community, CCS looks forward to even greater collaboration on competition law enforcement.

CAPACITY-BUILDING-WORKSHOPS IN CAMBODIA & MYANMAR

CCS was invited to speak at two capacity-building-workshops in Cambodia and Myanmar on 29th - 30th January and 2nd - 3rd February 2015 respectively. The two workshops were held at the national level and were organised under the AANZFTA Competition Law Implementation Programme with the aim of building institutional capacities of ASEAN Member States, particularly those without competition laws in place. Each workshop was attended by approximately 100 participants from various government agencies. Cambodia and Myanmar had specifically identified Singapore's experiences to be useful in assisting them in the development of their respective competition law frameworks. Dr. Tan Hi Lin, Deputy Director (Business & Economics) and Principal Economist represented CCS to share Singapore's experience in implementing competition law, as well as to discuss the linkages between competition law and policy, and its benefits to the economic development of a country.



13TH JUNE 2014: Visit by the India Competition Appellate Tribunal and Justice Vinodh from the Supreme Court



9TH DECEMBER 2014: Visit by members of the Australian Senate Standing Committee



18TH DECEMBER 2014: Visit by Mr Lee Kyeoung Man, outgoing Director-General of the OECD Korea Policy Centre



19TH - 21ST JANUARY 2015: CCS participated in an AEGC Workshop in Jakarta, Indonesia, on competition issues in manufacturer-distributor-retailer restraints



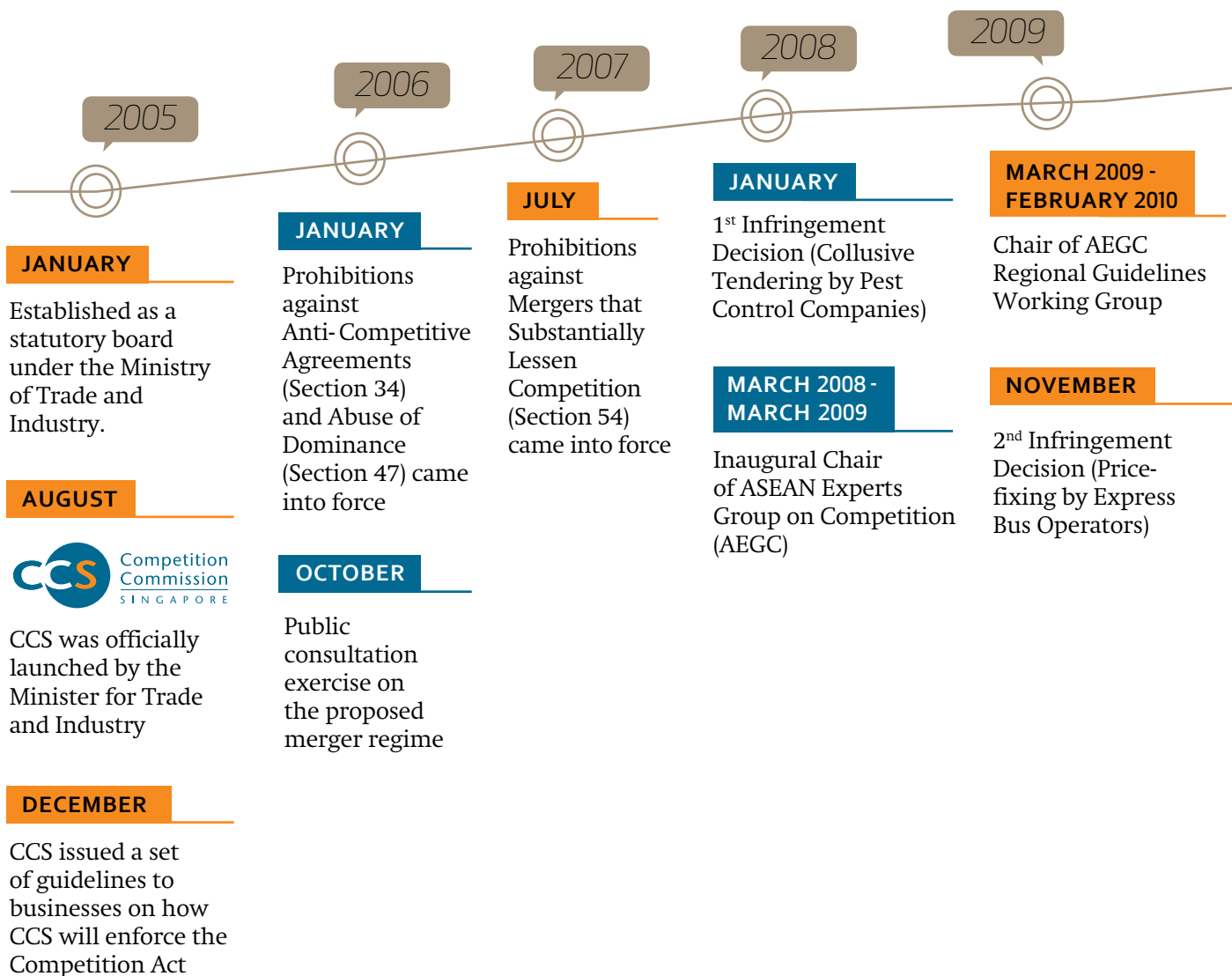
2ND - 3RD FEBRUARY 2015: CCS participated in APEC's Competition Policy and Law Group meeting in Clark, the Philippines



8TH - 13TH FEBRUARY 2015: 4th RCEP Working Group on Competition in Bangkok, Thailand

CCS MILESTONES: INTO AND BEYOND OUR 10TH YEAR

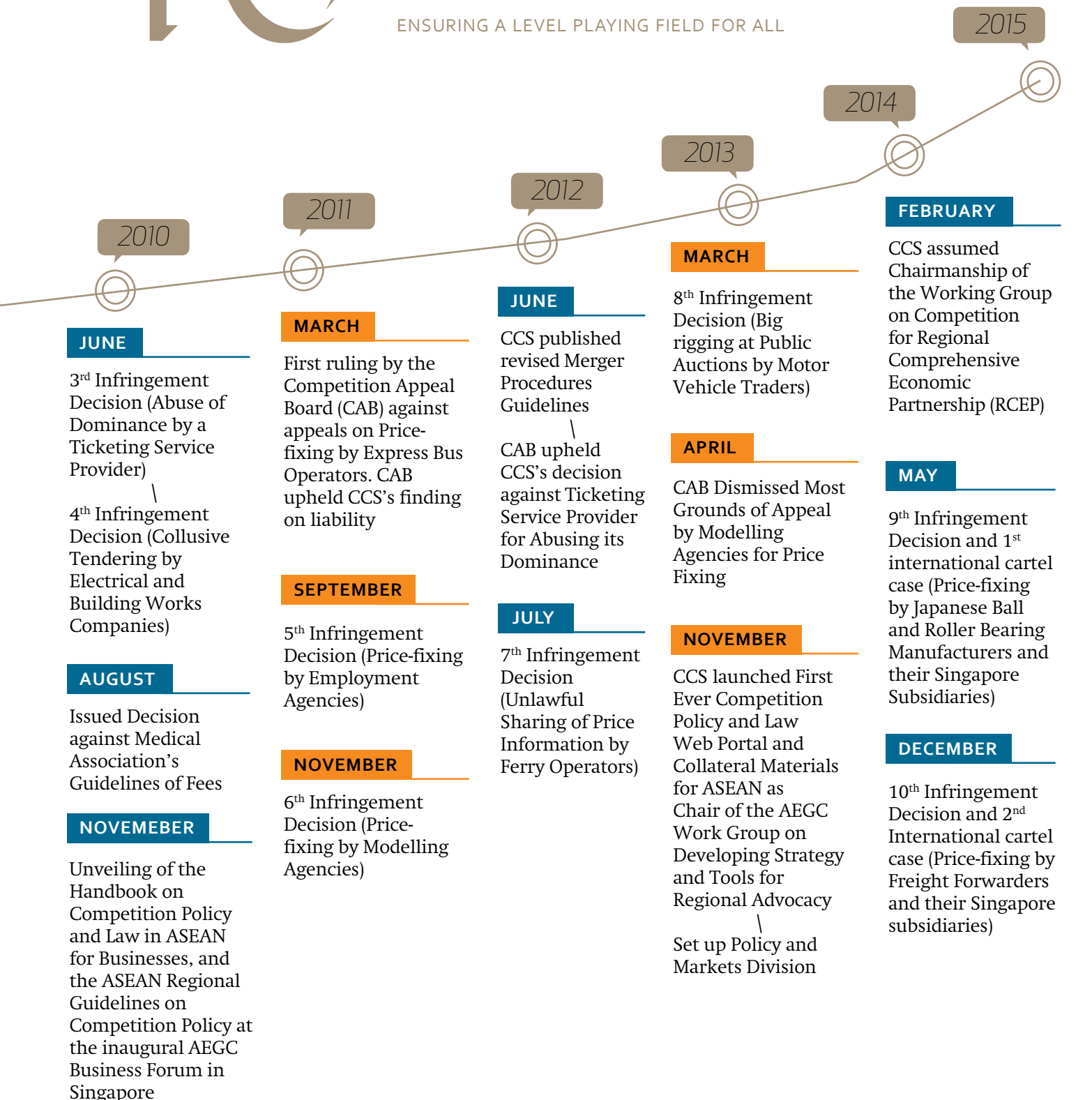
CCS will continue to remain highly relevant by creating choices for consumers, by capitalising on its achievements, by developing from its experiences, by delivering value to its stakeholders, and by fostering well-functioning markets that bring greater prosperity to Singapore.



10

YEARS OF ACHIEVEMENTS & MILESTONES

ENSURING A LEVEL PLAYING FIELD FOR ALL



STEPPING UP, GOING FURTHER

ADVANCING KNOWLEDGE

Given the dynamic business operating environment and the increasingly complex competition landscape, CCS continues to stay ahead by equipping our officers with the skills and resources essential to advance their domain knowledge and careers.

Some of the key study trips and training programmes attended by our officers in FY2014/15 were:

22nd – 25th April 2014	International Competition Network (ICN) Annual Conference, Marrakech, Morocco
19th – 22nd May 2014	Computer and Enterprises Investigations Conference 2014, Las Vegas, USA
3rd – 5th June 2014	OECD/ Korea Policy Centre Competition Programme – Workshop on Evidentiary Issues in Establishing Abuse of Dominance
16th – 17th July 2014	4 th ASEAN Competition Conference, Manila, The Philippines
17th – 18th June 2014	Investigation and Case-Handling Training for Members of the ASEAN Experts Group on Competition (AEGC)
24th – 25th September 2014	AEGC Workshop on Advices for Drafting Competition Law in ASEAN Member States, Bali, Indonesia
1st – 3rd October 2014	ICN Cartel Workshop, Taipei, Taiwan
6th – 7th November 2014	ICN Advocacy Workshop, Mauritius
25th – 26th November 2014	Advanced EU Competition Law 2014, Brussels, Belgium
10th – 21st January 2015	Workshop on Competition Issues in Manufacturer-Distributor-Retailer Restraints: a Comparison and Hypothetical Application of Different Approaches in ASEAN Member States & U.S, Jakarta, Indonesia
27th March 2015	17 th International Conference on Competition, Berlin, Germany



CCS WORK PLAN SEMINAR 2015

On 16th January 2015, CCS held its Work Plan Seminar at Changi Cove. The event was significant in that it marked the beginning of CCS's 10th year of existence, and celebrated the past nine years of championing competition in Singapore.

Over the next 10 years, CCS will continue to create choices for consumers, build on its achievements, and learn from its experiences to deliver stakeholder value. It will also identify and emphasise areas that will help foster well-functioning markets, and bring further benefit to Singapore.

In embarking on this new milestone, CCS offered staff an opportunity to discuss, share and illustrate their aspirations for CCS over the next 10 years. All of the submissions were creatively articulated, with thoughts transferred into images on mural paintings.

The 10th year anniversary is a great time for CCS not only to take stock of its journey from a fledgling agency into a competent and professional competition authority, but also to chart its future direction as it enters a new chapter of corporate development. It will also be important to

remain relevant by adapting to a changing and increasingly complex operating environment.

For this reason, CCS embarked on an organisation-wide scenario planning exercise in 2014 to map future operations and consider different options. From there, it generated a set of corporate strategies that form a five-year (2016-2020) strategic framework. CCS also recrafted its mission and vision statements to more accurately align with the strategic framework, as well as with MTI's new mission and vision statements.

The recrafted statements capture the objective of the Competition Act, and of CCS's work, as well as define CCS's purpose of existence. They serve to articulate the benefits of CCS's efforts for all business and consumer stakeholders.



STATEMENT BY COMPETITION COMMISSION OF SINGAPORE

In our opinion,

- A** the accompanying financial statements of the Competition Commission of Singapore (the “Commission”), set out on pages 69 to 89 are properly drawn up in accordance with the provisions of the Competition Act, Chapter 50B (the “Act”) and Singapore Statutory Board Financial Reporting Standards (“SB-FRS”) so as to give a true and fair view of the state of affairs of the Commission as at 31st March 2015, and of the results, changes in equity and cash flows for the financial year ended on that date;
- B** 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 Act; and
- C** proper accounting and other records have been kept, including records of all assets of the Commission whether purchased, donated or otherwise.

On behalf of the Commission



MR AUBECK KAM TSE TSUEN

Chairman



MR TOH HAN LI

Chief Executive

Singapore
Date: 10th June 2015

INDEPENDENT AUDITORS' REPORT TO THE COMMISSION MEMBERS OF COMPETITION COMMISSION OF SINGAPORE

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the Competition Commission of Singapore (the "Commission") which comprise the statement of financial position of the Commission as at 31st March 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 69 to 89.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Competition Act, Chapter 50B (the "Act") and Singapore Statutory Board Financial Reporting Standards ("SB-FRS"), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and SB-FRS so as to present fairly, in all material respects, the state of affairs of the Commission as at 31st March 2015 and the results, changes in equity and cash flows of the Commission for the year ended on that date.

REPORT ON THE OTHER LEGAL AND REGULATORY REQUIREMENTS

MANAGEMENT'S RESPONSIBILITY 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 Act. This responsibility includes implementing accounting and internal controls as management determines are necessary to enable compliance with the provisions of the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We conducted our audit in accordance with Singapore Standards on Auditing. 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 Act.

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 entity's internal control. Because of the inherent limitations in any accounting and internal control system, non-compliances may nevertheless occur and not be detected.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on management's compliance.

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 Act; and*

B *proper accounting and other records have been kept, including records of all assets of the Commission whether purchased, donated or otherwise.*

Deloitte & Touche LLP

**PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS**

Singapore
Date: 10th June 2015

STATEMENT OF FINANCIAL POSITION

31st March 2015

	Note	2015 \$	2014 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	19,603,508	19,968,979
Other receivables	7	139,014	46,219
Prepayments		90,213	109,232
Total current assets		19,832,735	20,124,430
Non-current assets			
Plant and equipment	8	1,669,457	2,245,089
Intangible assets	9	721,410	516,974
Total non-current assets		2,390,867	2,762,063
Total assets		22,223,602	22,886,493
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	10	1,354,376	1,743,684
Provision for contribution to consolidated fund	11	-	-
Total current liabilities		1,354,376	1,743,684
Non-current liabilities			
Deferred capital grants	12	1,227,907	1,171,401
Provision for reinstatement costs		287,301	287,301
Total non-current liabilities		1,515,208	1,458,702
Equity			
Share capital	13	2,097,892	2,097,892
Accumulated surplus		17,256,126	17,586,215
Total equity		19,354,018	19,684,107
Total liabilities and equity		22,223,602	22,886,493

See accompanying notes to financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31st March 2015

	Note	2015 \$	2014 \$
Revenue	14	729,819	121,979
Interest income		184,090	93,930
Application fee income		535,000	3,000
Other operating income		10,729	25,049
Expenditure		(15,723,629)	(14,501,904)
Depreciation of plant and equipment	8	(600,541)	(573,592)
Amortisation of intangible assets	9	(95,393)	(39,193)
Salaries, wages and staff benefits	15	(9,475,351)	(8,940,666)
Staff training and development costs		(492,763)	(507,080)
Information technology expenses		(1,331,684)	(973,664)
Operating lease expenses	15	(1,316,420)	(1,127,554)
Other operating expenses		(2,411,477)	(2,340,155)
Deficit before government grants		(14,993,810)	(14,379,925)
Government grants		14,663,721	14,329,922
Operating grants	16	14,395,489	14,145,926
Deferred capital grant amortised	12	268,232	183,996
Deficit before contribution to consolidated fund	15	(330,089)	(50,003)
Contribution to consolidated fund	11	-	-
Net deficit, representing total comprehensive income for the year		(330,089)	(50,003)

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN EQUITY

Year ended 31st March 2015

	Share Capital \$	Accumulated surplus \$	Total \$
Balance as at 1 st April 2013	2,097,892	17,636,218	19,734,110
Net deficit for the year, representing total comprehensive income for the year	-	(50,003)	(50,003)
Balance as at 31 st March 2014	2,097,892	17,586,215	19,684,107
Net deficit for the year, representing total comprehensive income for the year	-	(330,089)	(330,089)
Balance as at 31 st March 2015	2,097,892	17,256,126	19,354,018

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

Year ended 31st March 2015

	2015 \$	2014 \$
Operating activities		
Deficit for the year	(330,089)	(50,003)
Adjustments for:		
Depreciation of plant and equipment (Note 8)	600,541	573,592
Amortisation of intangible assets (Note 9)	95,393	39,193
Loss on disposal of plant and equipment	-	27,752
Government grants	(14,395,489)	(14,145,926)
Deferred capital grant amortised (Note 12)	(268,232)	(183,996)
Interest income (Note 14)	(184,090)	(93,930)
Operating cash flows before working capital changes	(14,481,966)	(13,833,318)
Changes in working capital:		
Other receivables	(29,484)	12,859
Prepayments	19,019	(9,445)
Trade and other payables	(422,137)	136,795
Net cash used in operations	(14,914,568)	(13,693,109)
Contribution to consolidated fund	-	(329,720)
Net cash flows used in operating activities	(14,914,568)	(14,022,829)
Investing activities		
Purchase of plant and equipment (Note 8)	(3,082)	(46,090)
Acquisition of intangible assets (Note 9)	(267,000)	(330,215)
Proceeds from disposal of plant and equipment	-	450
Interest received	120,779	86,466
Net cash flows used in investing activities	(149,303)	(289,389)
Financing activity		
Government grants received, representing net cash flows from financing activity	14,698,400	14,560,400
Net (decrease) increase in cash and cash equivalents	(365,471)	248,182
Cash and cash equivalents at the beginning of the financial year	19,968,979	19,720,797
Cash and cash equivalents at the end of the financial year	19,603,508	19,968,979

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

31st March 2015

1. GENERAL

The Competition Commission of Singapore (the “Commission”) was established as a statutory board in Singapore under the provisions of the Competition Act, Chapter 50B (the “Act”). The principal place of business and registered office is located at 45 Maxwell Road, #09-01, The URA Centre, Singapore 069118. The financial statements are expressed in Singapore dollars, which is the functional currency of the Commission and the presentation currency for the financial statements.

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 practices having adverse effect on competition in Singapore;*
- C** *promote and sustain competition in markets in Singapore; and*
- D** *promote a strong competition culture and environment throughout the economy in Singapore.*

The financial statements of the Commission for the financial year ended 31st March 2015 were authorised for issue by members of the Board on 10th June 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A BASIS OF ACCOUNTING - The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Act and the Singapore Statutory Board Financial Reporting Standards ("SB-FRS"), including INT SB-FRS and Guidance Notes.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Commission takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this set of financial statements is determined on such a basis.

B ADOPTION OF NEW AND REVISED STANDARDS - On 1st April 2014, the Commission adopted all the new/revised SB-FRSs, INT SB-FRS and SB-FRS Guidance Notes that are effective from that date and are relevant to its operations. The adoption of these new/revised SB-FRSs, INT SB-FRS and SB-FRS Guidance Notes do not result in changes to the Commission's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following new/revised SB-FRSs, INT SB-FRS and Amendments to SB-FRS that are relevant to the Commission were issued but not effective:

- Improvements to Statutory Board Financial Reporting Standards (January 2014)⁽¹⁾ (February 2014)⁽¹⁾

⁽¹⁾ Applies to annual periods beginning on or after 1st July 2014, with early application permitted.

Consequential amendments were also made to various standards as a result of these new/revised standards.

Management has considered and is of the view that the adoption of the SB-FRSs, INT SB-FRSs and Amendments to SB-FRSs that were issued as at the date of authorisation of these financial statements but not effective until future periods will have no material impact on the financial statements in the period of their initial adoption.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Commission's statement of financial position when the Commission becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments.

FINANCIAL ASSETS

Other receivables

Other receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in income or expenditure.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Derecognition of financial assets

The Commission derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Commission neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Commission recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Commission retains substantially all the risks and rewards of ownership of a transferred financial asset, the Commission continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Classification as debt or equity

Financial liabilities and equity instruments issued by the Commission are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Commission after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of significant direct issue costs.

Pursuant to the Finance Circular Minute ("FCM") No. 26/2008 on Capital Management Framework ("CMF"), equity injection from the Government is recorded as share capital.

Other financial liabilities

Trade and other payables and amount are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest method except for short-term balances when the recognition of interest would be immaterial.

Derecognition of financial liabilities

The Commission derecognises financial liabilities when, and only when, the Commission's obligations are discharged, cancelled or they expire.

D

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Commission as lessee

Rentals payable under operating leases are charged to income or expenditure on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

E PLANT AND EQUIPMENT - These are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of plant and equipment, over their estimated useful lives, using the straight-line method, on the following bases:

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

The estimated useful lives, residual values and depreciation method of plant and equipment are reviewed at the end of each reporting period with the effect of any changes in estimates accounted for on a prospective basis. Development work-in-progress is not depreciated.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset is recognised in income or expenditure.

F INTANGIBLE ASSETS - The acquired computer software licenses are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable cost of preparing the asset for its intended use. Costs associated with maintaining the computer software are recognised as an expense when incurred.

Computer software is subsequently carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated based on the cost of the asset, less its residual value. Amortisation is recognised in income and expenditure 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. Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the Commission reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Commission estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in income or expenditure.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

H

PROVISIONS - Provisions are recognised when the Commission has a present obligation (legal or constructive) as a result of a past event, it is probable that the Commission will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

I

GOVERNMENT GRANTS - Government grants are recognised when there is a reasonable assurance that the Commission will comply with the conditions attached to them, and that the grants will be received.

Government grants for the purchase of depreciable assets are taken to the Deferred Capital Grants account. Deferred capital grants are recognised in the statement of profit or loss and other comprehensive income over the periods necessary to match the depreciation of the assets financed with the related grants. On disposal of the assets, the balance of the related grants is recognised in the statement of profit or loss and other comprehensive income to match the net book value of assets disposed.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

J REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable.

Application fees

Application fees income is recognised when the service is 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.

K FINANCIAL PENALTIES - Financial penalties are imposed on undertakings found to have infringed the prohibitions under the Competition Act, Chapter 50B. The financial penalties collected are transferred to the Consolidated Fund upon receipt and are not included in the financial statements of the Commission.

L RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Commission's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

M 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.

N CONTRIBUTION TO CONSOLIDATED FUND - Under Section 13(1)(e) and the First Schedule of the Singapore Income Tax Act, Chapter 134, the income of the Commission is exempted from income tax.

In lieu of income tax, the Commission is required to make contribution to the Government 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.

O CASH AND CASH EQUIVALENTS - Cash and cash equivalents comprise cash balances, bank deposits and deposits placed with the Accountant-General's Department.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Commission's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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.

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

A CATEGORIES OF FINANCIAL INSTRUMENTS

The following table sets out the financial instruments as at the end of the reporting period:

	2015 \$	2014 \$
Financial assets		
Loans and receivables:		
Cash and cash equivalents	19,603,508	19,968,979
Other receivables	139,014	46,219
Total	19,742,522	20,015,198
Financial liabilities		
At amortised cost:		
Trade payables	-	46,585
Accrued staff costs	716,000	786,706
Accrued operating expenses	583,376	770,393
Total	1,299,376	1,603,684

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

B

FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Commission is exposed to financial risk arising from its operations which include interest rate risk, credit risk and liquidity risk. The Commission has policies and guidelines, which set out its general risk management framework as discussed below.

There has been no change to the Commission's exposure to these financial risks or the manner in which it manages and measures the risk.

[i] Interest rate risk management

Surplus funds in the Commission are placed with Accountant-General's Department as disclosed in Note 6. Interest rate sensitivity analysis has not been presented as management do not expect any reasonable possible changes in interest rates to have a significant impact on Commission's operations and cash flows.

[ii] Credit risk management

Credit risk, or the risk of counterparties defaulting are controlled by the application of regular monitoring procedures. The extent of the Commission's credit exposure is represented by the aggregate balance of cash and bank balances and receivables.

[iii] Liquidity risk management

Liquidity risk arises in the general funding of the Commission's operating activities. It includes the risks of not being able to fund operating activities in a timely manner. To manage liquidity risk, the Commission places surplus funds with the Accountant-General's Department which are readily available where required.

[iv] Fair values of financial assets and financial liabilities

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.

[v] Capital risk management policies and objectives

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 ("MTI") is made through 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 consist of accumulated surplus and share capital. The Commission's capital structure remains unchanged since 31st March 2014.

5. RELATED PARTY TRANSACTIONS

Some of the Commission's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Nature and amount of individually significant transactions

During the year, the Commission leases an office premise from Urban Redevelopment Authority ("URA"). In addition, the Commission obtains information technology services from Infocomm Development Authority of Singapore ("IDA").

	2015 \$	2014 \$
Ministries and Statutory Boards		
Operating grants received from government	14,696,100	14,560,400
Other grants received	2,300	-
Transfer of plant and equipment from other government agency	21,827	-
Computer and IT related expenses	141,284	282,865
Office premises lease	1,245,557	1,101,614

COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of key management personnel during the financial year were as follows:

	2015 \$	2014 \$
Short-term benefits and salaries paid to directors and above	2,383,318	2,291,770
Allowances paid to non-executive Commission Members	72,359	65,111
	2,455,677	2,356,881

6. CASH AND CASH EQUIVALENTS

	2015 \$	2014 \$
Cash with Accountant-General's Department ("AGD")	18,044,689	18,312,820
Deposits with AGD	1,558,819	1,656,159
	<u>19,603,508</u>	<u>19,968,979</u>

Cash and cash equivalents are denominated in Singapore dollars. The weighted average effective interest rates range between 0.74% to 0.99% (2014 : 0.54% to 0.70%) per annum.

With effect from April 2010, cash is placed with AGD under the Centralised Liquidity Management ("CLM") scheme. This scheme involves placing funds directly with the AGD for cost efficiency and better credit risk management.

7. OTHER RECEIVABLES

	2015 \$	2014 \$
Interest receivable	109,474	46,163
Other receivables	29,540	56
	<u>139,014</u>	<u>46,219</u>

8. PLANT AND EQUIPMENT

	Furniture, fixtures and equipment \$	Office equipment \$	Computer equipment \$	Development work-in- progress \$	Total \$
Cost:					
At 1 st April 2013	1,349,744	889,004	1,316,970	423,196	3,978,914
Additions	44,726	1,364	-	-	46,090
Disposals	(39,815)	(1,098)	(29,746)	-	(70,659)
Transfers	-	-	423,196	(423,196)	-
At 31 st March 2014	1,354,655	889,270	1,710,420	-	3,954,345
Additions	2,534	-	22,375	-	24,909
Disposals	-	-	(11,235)	-	(11,235)
At 31 st March 2015	1,357,189	889,270	1,721,560	-	3,968,019
Accumulated depreciation:					
At 1 st April 2013	421,427	243,060	513,634	-	1,178,121
Depreciation	164,222	95,476	313,894	-	573,592
Disposals	(11,613)	(1,098)	(29,746)	-	(42,457)
At 31 st March 2014	574,036	337,438	797,782	-	1,709,256
Depreciation	164,256	94,684	341,601	-	600,541
Disposals	-	-	(11,235)	-	(11,235)
At 31 st March 2015	738,292	432,122	1,128,148	-	2,298,562
Carrying amount:					
At 31 st March 2015	618,897	457,148	593,412	-	1,669,457
At 31 st March 2014	780,619	551,832	912,638	-	2,245,089

Included in additions during the year are plant and equipment transferred from Infocomm Development Authority of Singapore, amounting to \$21,827 (2014 : \$Nil).

9. INTANGIBLE ASSETS

	Acquired computer software \$	Development work-in- progress \$	Total \$
Cost:			
At 1 st April 2013	259,326	74,211	333,537
Additions	-	368,384	368,384
Transfers	190,845	(190,845)	-
At 31 st March 2014	450,171	251,750	701,921
Additions	299,829	-	229,829
At 31 st March 2015	750,000	251,750	1,001,750
Amortisation:			
At 1 st April 2013	145,754	-	145,754
Amortisation	39,193	-	39,193
At 31 st March 2014	184,947	-	184,947
Amortisation	95,393	-	95,393
At 31 st March 2015	280,340	-	280,340
Carrying amount:			
At 31 st March 2015	469,660	251,750	721,410
At 31 st March 2014	265,224	251,750	516,974

During the financial year, the Commission acquired computer software with aggregate cost of \$299,829 (2014 : \$368,384). Cash payment of \$267,000 (2014 : \$330,215) were made to purchase computer software and \$32,829 (2014 : \$38,169) remains unpaid at the end of the reporting period.

Development work-in-progress relates to Knowledge Management System.

10. TRADE AND OTHER PAYABLES

	2015 \$	2014 \$
Trade payables	-	46,585
Accrued staff costs	716,000	786,706
Accrued operating expenses	583,376	770,393
Deferred income	55,000	140,000
	<u>1,354,376</u>	<u>1,743,684</u>

The average credit period is 30 days (2014 : 30 days). No interest is charged on outstanding balances.

11. 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% (2014 : 17%) of the net surplus of the Commission, after netting off the prior year's accounting deficit.

12. DEFERRED CAPITAL GRANTS

	2015 \$	2014 \$
At the beginning of financial year	1,171,401	940,923
Transfer from operating grants (Note 16)	302,911	414,474
Transfer from other government agency	21,827	-
Transfer to statement of profit or loss and other comprehensive income	(268,232)	(183,996)
At the end of financial year	<u>1,227,907</u>	<u>1,171,401</u>

13. SHARE CAPITAL

	2015 Number of shares	2014 Number of shares	2015 \$	2014 \$
Issued and fully paid up:				
Balance at beginning and end of financial year	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 for Finance, a body corporate incorporated by the Minister for Finance (Incorporation) Act (Chapter 183). The holder of these shares, which has no par value, is entitled to receive dividends from the Commission.

14. REVENUE

	2015 \$	2014 \$
Interest income on cash and bank balances placed with the Accountant-General's Department	184,090	93,930
Application fee income	535,000	3,000
Other operating income	10,729	25,049
	<u>729,819</u>	<u>121,979</u>

Included in other operating income is an amount of \$8,492 (2014 : \$Nil) relating to recovery of legal costs incurred in the previous year.

15. DEFICIT BEFORE CONTRIBUTION TO CONSOLIDATED FUND

Deficit for the year has been arrived at after charging:

	2015 \$	2014 \$
Operating lease expenses	1,316,420	1,127,544
Salaries, wages and other allowances	8,654,632	8,183,733
Contribution to defined contribution plans, included in salaries, wages and staff benefits	820,719	756,933

16. OPERATING GRANTS

	2015 \$	2014 \$
Grants received from government during the year	14,696,100	14,560,400
Other grants received during the year	2,300	-
Transfer to deferred capital grants (Note 12)	(302,911)	(414,474)
	14,395,489	14,145,926

17. FINANCIAL PENALTIES

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. The following financial penalties collected during the financial year are not included in the financial statements of the Commission.

	2015 \$	2014 \$
Financial penalties collected	9,028,520	462,777

18. CAPITAL COMMITMENTS

CAPITAL COMMITMENTS

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

	2015 \$	2014 \$
Capital commitments in respect of computer systems	13,250	51,419

OPERATING LEASE COMMITMENTS

	2015 \$	2014 \$
Minimum lease payments under operating leases recognised as an expense	1,316,420	1,127,554

Minimum lease payments under operating leases recognised as an expense represent rentals payable by the Commission for its office premises of \$1,245,557 (2014 : \$1,101,614); office equipment of \$26,322 (2014 : \$25,940) and lease of laptops under operating leases of \$44,541 (2014 : \$Nil).

At the end of the reporting period, the Commission has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2015 \$	2014 \$
Not later than one year	1,657,836	1,563,968
Later than one year but not later than five years	685,061	2,282,635
	2,342,897	3,846,603

Operating lease payments represent rentals payable by the Commission for its office premises, office equipment under operating leases and facility management services for infocomm technology. Leases are negotiated and rentals are fixed for an average of 1 to 5 years with renewal options included in the contracts.

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