

FACTSHEET: CONSUMER PROTECTION (FAIR TRADING) (AMENDMENT) BILL 2016

The Consumer Protection (Fair Trading) (Amendment) Bill 2016 was introduced for First Reading in Parliament today.

Background

2. The Consumer Protection (Fair Trading) Act (CPFTA) provides for civil actions which may be taken against errant retailers who persist in unfair practices. Singapore adopts a balanced approach to consumer protection. The majority of retailers in Singapore are legitimate businesses and overly onerous measures can impose unnecessary costs which would ultimately be passed on to consumers.

Key Amendments

3. The Ministry of Trade and Industry (MTI) has proposed two key amendments to the CPFTA to strengthen the civil measures that may be taken against errant retailers who persist in unfair trading practices and side-step injunction orders.

(a) Appointment of an administering agency

4. MTI proposes to appoint SPRING Singapore (SPRING) as the administering agency for the CPFTA. SPRING's mandate is to oversee the development of enterprises in Singapore, including aspects of consumer protection such as standards and product safety. As such, administering the CPFTA is an extension of its existing role.

5. SPRING will be empowered to gather evidence to file timely injunction applications and ensure that errant retailers comply with the injunction orders issued by the courts. These include power to enter premises under and without warrant, require the production of documents and seize goods. SPRING may also take errant retailers who do not comply with injunction orders to court for contempt of court.

(b) Additional measures to be imposed by the courts

6. In addition to requiring the errant retailer to cease its unfair practice, the courts may also require the errant retailer to publicise that it is under injunction. This helps ensure that consumers are aware that the retailer is under an injunction order.

7. The Courts may also require an individual or entity under injunction to notify SPRING of any changes to their employment status and/or entity (e.g. changes to the address or number of premises, internet address or number of internet addresses, and/or conversion from a firm/company to a limited liability partnership).

Other amendments

8. The Amendment Bill also includes refinements to the definitions of unfair practices in the Second Schedule of the CPFTA. Some of these were from feedback provided by CASE and respondents to the public consultation exercise, such as

clarifying that it is an unfair practice to refuse the consumer's request for a copy of the applicable agreement if none had been previously given.

Feedback from stakeholders and public

9. MTI had consulted industry stakeholders including CASE, Singapore Retailers Association (SRA), Sim Lim Square Management Committee (SLSMC) and individual retailers on the proposed amendments to the CPFTA. Industry stakeholders were generally supportive and indicated that they would work closely with SPRING as the appointed administering agency on taking actions against errant retailers.

10. A public consultation was also held over four weeks from 16 May to 15 June 2016. The respondents expressed support for the proposed amendments.

Ministry of Trade and Industry
15 August 2016