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Info-Telecommunications watch: The revised Telecom Competition Code

by Florence Bok

The Infocomm Development Authority (IDA) of Singapore has amended the Telecom Competition Code after taking into account market developments as well as feedback from consumers and the industry. The amendments aim to increase consumer protection and promote competition in telecom markets in Singapore.

One of the significant changes to the code include a clause prohibiting telecom licensees from “cross-terminating” a consumer’s service agreement if the consumer violates the terms and conditions of another service agreement from an affiliated operator, or if the consumer is subscribed to a basic telephone service. Simply put, telecom operators cannot exert undue pressure on consumers to make payment of disputed charges by way of threatening to terminate services, unless the services are offered under the same service agreement. This will in effect strike a balance between protecting and ensuring fairness to consumers, while taking into account licensees’ needs to manage credit risks.

The new Code will no longer permit licensees to automatically charge consumers after a free trial of their service has ended unless express agreement is obtained. This will protect consumers from being bound by terms which they are unaware of. Consumers will now be fully informed of the terms, as well as when the services become chargeable.

In order to further promote competition, the revised code will allow IDA to apply a prohibition against abuse of dominant position to any licensees which possess significant market power even though they are not classified as Dominant Licensees. This change will place the Code in line with the principles in the Competition Act.

The revised Code was implemented on 21 January 2011, and IDA will continue to monitor developments as well as feedback from consumers.

If you would like to discuss the impact of these changes, please contact:

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