

Newsletter

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Advertising ban among new measures to curb intake of high-sugar packaged drinks

On 10 October 2019, the Ministry of Health (“**MOH**”) announced that it will be introducing mandatory front-of-pack nutrition labels for less healthy pre-packaged sugar sweetened beverages (“**SSBs**”) alongside an advertising ban on the least healthy SSBs on local mass media channels. The introduction of these measures is in response to the feedback collected from public consultations conducted from 3 December 2018 to 25 January 2019.

SSBs are defined as drinks which contain added sugar, and juices which have naturally occurring sugars. The proposed measures are intended to cover Asian drinks, soft drinks, malted drinks, juice drinks and juices, cultured milk / yoghurt drinks, and 3-in-1 or 2-in-1 instant beverages. Drinks made on the spot (such as coffee, tea or bubble tea) are presently excluded from the new measures, although the MOH has indicated that such drinks may eventually come under its scrutiny too.

(i) Mandatory front-of-pack nutrition labels

MOH has announced that the front-of-pack nutrition labels which will be adopted are likely to be graded, colour-coded nutrient-summary labels. While such labels will only be made mandatory for less healthy SSBs, MOH encourages manufacturers of healthier SSBs to similarly label their products in order to aid consumer decision-making. Under the proposed labelling scheme, SSBs will be assigned a summary grade based on their nutritional quality, with sugar being a main, though not sole, determinant.

(ii) Advertisement ban for the least healthy SSBs

There will also be a prohibition on product advertisements for the least healthy SSBs, which refer to SSBs which receive the poorest front-of-pack label grade. This prohibition will extend to all local mass media platforms, including, broadcast, print, out-of-home and online channels. The aim behind such a measure is to reduce the influence of such advertisements on consumer preferences for SSBs.

Unlike existing regulations and guidelines on the advertising of SSBs, which are only limited to advertisements targeted at children, the proposed measures are not limited to any specific age group. The introduction of such a prohibition on advertising is in fact the first of its kind in the world, as no other country has gone beyond limiting advertisements which are shown on channels and time-belts that target children.

For more information, please contact:

Andy Leck
+65 6434 2525
andy.leck@bakermckenzie.com

Lim Ren Jun
+65 6434 2721
ren.jun.lim@bakermckenzie.com



Seen in light of MOH and HPB's recent plans to ban partially hydrogenated oils, this development is indeed consistent with MOH's increasingly robust approach towards promoting healthy lifestyles amongst Singaporeans. Further details on the above two measures and the criteria for the grading of SSBs will only be announced in 2020, after the MOH concludes further consumer focus group discussions and consultations with various industry stakeholders.

More information can be found in MOH's press release, accessible [here](#), and MOH's detailed report on the public consultation findings, accessible [here](#). Further information can also be obtained from TodayOnline's article, accessible [here](#).

Competition & Consumer Commission of Singapore proposes Guidelines on Price Transparency

On 30 September 2019, the Competition & Consumer Commission of Singapore (the "CCCS") released a set of guidelines it developed on price transparency, setting out the key "dos and don'ts" in the pricing practices of suppliers from all consumer-facing industries (the "Proposed Guidelines").

The Proposed Guidelines have come about following the findings from the CCCS's market study done on the online travel booking sector in Singapore. It expands on the meaning of "unfair practices" under Section 4 of the Consumer Protection (Fair Trading) Act (the "CPFTA") and further elaborates on a number of unfair practices listed in the Second Schedule of the CPFTA.

CCCS's market study on the online travel booking sector in Singapore uncovered four common practices of online travel booking providers which raised consumer protection concerns, namely:

- (i) The use of drip pricing, whereby mandatory and optional charges are not disclosed upfront to consumers. As a result, consumers are lured into making a purchase based on incomplete price information and competition is restricted as it becomes harder for consumers to compare product offerings across suppliers; and
- (ii) The use of pre-ticked boxes, which results in consumers buying unwanted add-on products when they fail to uncheck the pre-ticked boxes; and
- (iii) The use of strikethrough pricing, whereby consumers are misled into making a purchase based on a false or misleading comparison between a current and a crossed-out price; and

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- (iv) Pressure selling using false or misleading claims which create a false sense of urgency for consumers to make a purchase based on inaccurate information.

In response to the study, the CCCS's Proposed Guidelines have provided various factors and circumstances that will be considered when assessing if the displayed / advertised prices and pricing practices are sufficiently transparent, or potentially misleading. This is part of CCCS's aim to bring clarity on what constitutes as an infringement of the CPFTA and how suppliers should display and advertise prices in a clear manner.

Broadly, the Proposed Guidelines recommend the following:

- (i) Suppliers should ensure that all unavoidable or mandatory charges, such as taxes and surcharges, are included in the total headline price.
- (ii) Suppliers should try to refrain from using pre-ticked boxes to automatically include add-ons. Nevertheless, if pre-ticked boxes are used, suppliers must provide proper disclosures of the goods or services offered in a clear and prominent manner.
- (iii) Suppliers should ensure that any representations and price comparisons with other suppliers in terms of prices or use of terms like cost price are not false or misleading.
- (iv) Any reference to a previous price to indicate a discount should constitute an actual, *bona fide* previous price.
- (v) The term "free" should not be used in a false or misleading way and all qualifiers, terms and conditions, and subsequent or deferred charges must be stated upfront in a clear and prominent manner.

While the Proposed Guidelines do not have the force of law, it is indicative of the CCCS's approach towards classifying various pricing practices as "unfair practices". In this regard, it should be noted that under section 9 of the CPFTA, the CCCS is empowered to apply for a declaration or an injunction against a supplier who has engaged, is engaging or is likely to engage in an unfair practice. Compliance with the Proposed Guidelines by all suppliers in consumer-facing industries is therefore strongly encouraged.

The CCCS is inviting public feedback on the Proposed Guidelines and the closing date for submissions will be 21 October 2019. More information on the Proposed Guidelines can be found in the CCCS's press release, available [here](#).

www.bakermckenzie.com

Baker McKenzie Wong & Leow
8 Marina Boulevard
#05-01 Marina Bay Financial
Centre
Tower 1
Singapore 018981
Tel: +65 6338 1888
Fax: +65 6337 5100

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