

Competition (Block Exemption for Liner Shipping Agreements) Order

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**COMPETITION ACT
(CHAPTER 50B, SECTION 36)**

**COMPETITION
(BLOCK EXEMPTION FOR LINER SHIPPING AGREEMENTS)
ORDER**

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G.N. No. S 420/2006

REVISED EDITION 2006

(31st August 2006)

[1st January 2006]

Citation

1. This Order may be cited as the Competition (Block Exemption for Liner Shipping Agreements) Order.

Duration

2. Unless earlier varied or revoked in accordance with the Act, this Order shall continue in force until 31 December 2024.

[S 768/2010 wef 16/12/2010]

[S 718/2015 wef 25/11/2015]

[S 705/2020 wef 26/08/2020]

[S 867/2021 wef 15/11/2021]

Definitions

3.—(1) In this Order, unless the context otherwise requires —

“feeder service” means a liner shipping service provided to a liner operator operating a liner shipping service on a route between Singapore and another port outside of Southeast Asia or South Asia, where a vessel is used to transport containers owned by the liner operator on a route between Singapore and another port in Southeast Asia or South Asia;

[S 867/2021 wef 01/01/2022]

“liner operator” means an undertaking which —

- (a) provides liner shipping services; and
- (b) is a vessel operating carrier;

[S 867/2021 wef 01/01/2022]

“liner shipping agreement” means an agreement between 2 or more liner operators pursuant to which the parties agree to co-operate in the provision of liner shipping services in respect of one or more of the following:

- (a) technical, operational or commercial arrangements;
- (b) price;
- (c) remuneration terms;

[S 867/2021 wef 01/01/2022]

“liner shipping services” —

- (a) means the transport of goods on a regular basis on any particular route between ports and in accordance with timetables and sailing dates advertised in advance and made available, even on an occasional basis, by a liner operator to any transport user against

payment; and

- (b) includes any inland carriage of goods occurring as part of through transport;

“market” means any market for liner shipping services in which the parties to a liner shipping agreement operate under the agreement;

“price” —

- (a) means the price for which a liner operator performs or offers to perform liner shipping services; and
- (b) includes any charge, other than the base freight rate, that is incidental to or reasonably connected with the provision of liner shipping services, whether arising by reason of the provision of the liner shipping services or by reason of the occurrence of an uncertainty;

“price discussion agreement” means an agreement between 2 or more liner operators pursuant to which the parties to the agreement discuss commercial arrangements relating to the provision of liner shipping services, including prices and remuneration terms offered to third parties;

[S 867/2021 wef 01/01/2022]

“remuneration term” means any term affecting payment or the amount of the price in relation to the provision of liner shipping services (including a reduction thereof);

“service arrangement” means an agreement concluded between one or more transport users and a liner operator under which, in return for an undertaking from the transport user to commission the transportation of a certain quantity of goods over a given period of time, a transport user receives an individual undertaking from the liner operator to provide an individualised service which is of a given quality and specially tailored to the needs of the transport user;

“tariff” —

- (a) means a list of prices and remuneration terms for which, pursuant to a liner shipping agreement, liner operators agree they may offer liner shipping services to transport users; but
- (b) does not include prices and remuneration terms under a service arrangement;

“through transport” means continuous transportation by a combination of sea and inland carriage from a point of origin to a destination —

- (a) which is undertaken by a liner operator;
- (b) which is performed by the liner operator undertaking the transportation —
 - (i) on its own;
 - (ii) partly on its own and partly through one or more other carriers; or
 - (iii) through one or more other carriers, at least one of which is a liner operator; and
- (c) for which a single amount is charged by the liner operator undertaking the transportation;

“transport user” means —

- (a) an undertaking which has entered into, or demonstrates an intention to enter into, a contractual or other arrangement with a liner operator for the shipment of goods; or
- (b) an association of shippers;

[S 867/2021 wef 01/01/2022]

“vessel sharing agreement” means an agreement between 2 or more liner operators pursuant to which the parties to the agreement agree on operational arrangements relating to the provision of liner shipping services, including the coordination or joint operation of vessel services, and the exchange or charter of vessel space, and that does not include any discussion or agreement on prices or remuneration terms offered to third parties.

[S 867/2021 wef 01/01/2022]

(2) Where any provision of this Order is applicable to an agreement, such provision shall also be applicable, with the necessary modifications, to any decision that is made by an association of undertakings or a concerted practice.

Market share limit

4.—(1) For the purpose of this Order, the parties to a liner shipping agreement do not exceed the market share limit if they hold, in a market, an aggregate market share of not more than 50% calculated by reference to —

- (a) the volume of goods carried; or
- (b) the aggregate cargo carrying capacity of the vessels operating in the market measured by freight tonnes or 20-foot equivalent units.