Frequently Asked Questions on Consumer Protection (Fair Trading) Act

INJUNCTION ORDERS AND ADDITIONAL MEASURES THAT THE COURTS MAY IMPOSE ON ERRANT RETAILERS UNDER INJUNCTION

1. There have been reports of errant retailers who have side-stepped injunction orders by closing down and opening up new shops. How will the proposed amendments address this loophole?

When issuing injunction orders, the courts may make accompanying orders which are additional measures that a retailer must comply with. These measures include requiring retailers under injunction to publish the injunction order. This raises consumer awareness of errant businesses and individuals who are under injunction orders.

The Consumer Protection (Fair Trading) Act will also empower SPRING to take injunction action against individuals such as partners, directors and shareholders including those who knowingly instigate and help errant retailers to engage in unfair practices.

Taken together, the amendments make it harder for errant retailers to side-step injunction orders by closing the business, setting up new ones under another person's name and persisting in unfair practices.

2. What are the penalties for non-compliance with injunction orders?

If the retailer does not comply with the injunction order, the administering agency may take the retailer to court for contempt of court. This is a criminal offence which could result in a fine and/or imprisonment. The administering agency can also make applications with the courts to increase the duration of the injunction order.

APPOINTMENT OF SPRING AS THE ADMINISTERING AGENCY FOR THE CPFTA

3. What is the role of the appointed administering agency?

As the administering agency, SPRING Singapore would investigate cases of persistent errant retailers surfaced by CASE, file injunction applications with the courts and take enforcement action to ensure compliance with the injunction orders.

4. Why is SPRING Singapore the proposed administering agency and not CASE?

SPRING Singapore is an existing statutory board under MTI whose mandate is to oversee the growth of enterprises in Singapore. The role of the administering agency for the CPFTA is an extension of its mandate which already includes aspects of consumer protection such as product safety. As the administering agency, SPRING Singapore would investigate cases of persistent errant retailers surfaced by CASE, file injunction applications with the courts and take enforcement action to ensure compliance with the injunction orders.

CASE will focus on being the first point of contact for consumers by assisting consumers with their complaints/feedback, and engaging retailers to address/resolve consumers' concerns/obtain compensation through negotiations, mediation and/or obtaining voluntary compliance agreements. CASE will also continue to educate consumers and raise their awareness on consumer rights under the CPFTA.

CASE and SPRING Singapore will work closely to deal with errant retailers so that consumers can shop with confidence in Singapore.

5. Why is the administering agency provided with investigation and enforcement powers? What are some of these powers?

Empowering the administering agency with investigation and enforcement powers would enable it to effectively carry out its role to take timely action against errant retailers that persist in unfair practices. These powers include requiring the production of documents/information, inspecting/searching premises, seizing/detaining goods relevant to the investigation and taking necessary photographs/recordings.

UNFAIR PRACTICES IN SECOND SCHEDULE OF THE CPFTA

6. Why has MTI proposed changes to the unfair practices in the Second Schedule of the CPFTA?

The aim of the changes is to provide more clarity to businesses and consumers on what constitutes unfair practices. The changes take into account the practice in other jurisdictions such as Hong Kong and Australia, as well as CASE's feedback.

Examples of changes include:

- #1A. Representing that the supplier has a sponsorship, approval or affiliation with respect to the supply of goods or services that the supplier does not have.

- #1B. Making a false or misleading representation concerning the need for any good or services.

- #21. Accepting payment or other considerations for the supply of goods or services when the retailer knows or ought to know that the suppler will not be able to supply the goods or services within the period specified by the retailer (or within a reasonable period).