COMPETITION & CONSUMER COMMISSION | SINGAPORE

MEDIA RELEASE

27 July 2026

CCS Updates Passenger Airline Guidance Note for Alliance Agreements

1. The Competition and Consumer Commission of Singapore ("**CCS**") has updated its passenger airline guidance note for alliance agreements between airlines ("**PAGN 2026**"), which can be accessed on CCS's website here.

2. The amendments provide greater clarity and guidance to airlines on CCS's assessment framework, incorporating stakeholder feedback from a public consultation conducted from 25 February 2026 to 11 March 2026. Contributions from the business and legal community were generally supportive, while offering constructive feedback on certain aspects.

Key Amendments

3. The main amendments include:

   a. **A more streamlined review process for airline alliance notifications.** PAGN 2026 introduces a streamlined 3-step approach for all airline alliance notifications, with specific milestones on when airlines should initiate commitment discussions with CCS and when to finalise commitments for market testing. PAGN 2026 also provides greater clarity on the role of pre-notification discussions, state-of-play meetings and circumstances where CCS may pause the review timeline to facilitate a robust assessment.

   b. **More comprehensive guidance on commitments.** PAGN 2026 expands the guidance on commitments that airlines may offer to address competition concerns. This includes practical guidance on capacity commitments, capacity growth mechanisms, non-fulfilment allowances, as well as examples of other forms of pro-competitive commitments that CCS may consider on a case-by-case basis.

   c. **Expanded guidance on CCS's competition assessment framework.** PAGN 2026 provides more comprehensive guidance on CCS's substantive assessment of passenger airline alliance agreements, including counterfactual analysis, market definition, the treatment of differentiated airline products such as Full Service Airlines (“**FSAs**”) and Low Cost Carriers (“**LCCs**”), as well as CCS’s analytic approach towards metal-neutral alliances.

d. **Enhanced guidance on the assessment of Net Economic Benefit.** PAGN 2026 sets out CCS’s analytical framework for assessing whether an alliance qualifies for the Net Economic Benefit (“**NEB**”) exclusion under the Competition Act. It explains the evidential requirements for substantiating efficiency claims, provides examples of efficiencies previously accepted or rejected by CCS, and clarifies CCS’s approach to assessing benefits arising from closely related markets.

4. For more information, refer to **Appendix A** which summarises the key enhancements introduced in PAGN 2026. **Appendix B** sets out CCS’s responses to the feedback submissions.

Effective Date

5. The PAGN 2026 supersedes the previous guidance note with effect from 27 July 2026, and will be reviewed periodically to ensure its continued efficacy, taking into account insights from CCS’s cases and best practices from other competition jurisdictions.

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About the Competition and Consumer Commission of Singapore

The Competition and Consumer Commission of Singapore ("**CCS**") is a statutory board of the Ministry of Trade and Industry. Our mission is to make markets work well to create opportunities and choices for businesses and consumers in Singapore.

CCS administers and enforces the Competition Act 2004 and the Consumer Protection (Fair Trading) Act 2003, to guard against anti-competitive activities and unfair trade practices. Additionally, CCS ensures that businesses observe fair trade measurement practices by administering the Weights and Measures Act 1975, and ensures the supply of safe consumer goods by enforcing and implementing the Consumer Protection (Trade Descriptions and Safety Requirements) Act 1975 and its associated Regulations.

For more information, please visit www.ccs.gov.sg.

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Appendix A

Key changes introduced in PAGN 2026

Area	**Key Changes**	**Intended Outcome**
Review Process	Introduced a streamlined 3-step review process with defined milestones for commitment discussions, market testing and finalisation. Clarified the role of pre-notification discussions, state-of-play meetings and "stop-the-clock" arrangements.	Greater procedural certainty, earlier engagement with CCS and more efficient review of notifications.
Competition Assessment	Provided expanded guidance on counterfactual analysis, market definition, differentiated airline products, metal-neutral alliances and the factors considered in competition assessment beyond market shares.	Greater transparency of CCS's analytical framework and improved understanding of how airline alliances are assessed.
Net Economic Benefit (NEB)	Sets out a clearer analytical framework for assessing NEB claims, including evidential requirements, illustrative examples of accepted and rejected efficiency claims, and guidance on closely related markets.	Better guidance for airlines in substantiating efficiency claims and demonstrating compliance with the Competition Act.
Commitments	Provided more detailed guidance on capacity commitments, capacity growth mechanisms, non-fulfilment allowances, monitoring arrangements involving FSAs and LCCs, and examples of alternative commitments.	Facilitates earlier and more effective commitment discussions to address competition concerns.
Practical Guidance	Consolidated lessons from CCS's previous passenger airline alliance decisions and incorporated stakeholder feedback received during the public consultation.	Enhances regulatory certainty and provides clearer guidance to industry participants.

Appendix B

CCS's Responses to Consultation Feedback

1. After carefully considering all feedback received, CCS incorporated a number of suggestions that enhanced the clarity and comprehensiveness of the guidance, while retaining the flexibility and analytical framework underpinning the PAGN 2026. Overall, the consultation enabled CCS to further refine the PAGN 2026 by incorporating stakeholder feedback where appropriate, while retaining a balanced, principles-based framework for assessing airline alliance agreements.

<u>Suggestions accepted and changes made</u>

2. CCS accepted several suggestions from stakeholders to improve the clarity and usability of the PAGN 2026.

   a. To provide airlines with more comprehensive guidance throughout the notification process, CCS reinstated the provisions on pre-notification discussions from the previous airline guidance note, making clear that airlines are encouraged to engage CCS at the earliest possible stage.

   b. CCS also restored and expanded guidance on its competition assessment framework. This included reinstating the guidance on counterfactual analysis from the previous guidance note and clarifying its analytical approach to metal-neutral alliances to avoid ambiguity and reaffirm its existing position. CCS also clarified that market shares do not form the sole basis of its competition assessment. In addition to market shares, CCS considers other relevant factors, including closeness of the parties' business models and route-level operations, and other competitive dynamics, including market definition where differentiated airline products and services are involved.

   c. To provide greater clarity on the assessment of NEB, CCS expanded the guidance by including a non-exhaustive list of examples of efficiencies that may give rise to NEB, reinstated guidance on considering benefits arising from closely related markets, and clarified that a combined market share below 50% does not automatically qualify an alliance for the NEB exclusion with corresponding commitments.

   d. CCS also enhanced its guidance on commitments by clarifying that benchmark capacity should generally be based on normal demand periods rather than periods affected by exceptional circumstances. In addition, CCS included a non-exhaustive list of other forms of pro-competitive commitments that it may be prepared to consider, beyond capacity commitments, to assist airlines in developing commitments that are appropriate to the circumstance of each case.

3. Collectively, these accepted suggestions provide airlines with greater clarity on CCS's assessment framework while preserving CCS's flexibility to assess each alliance on its individual merits.

Suggestions considered but not adopted

4. CCS also carefully considered suggestions that may introduce more prescriptive procedural requirements or alter the existing analytical framework. However, CCS concluded that these changes were not necessary, as the existing framework already provides sufficient guidance while preserving CCS's flexibility to assess airline alliance agreements on a case-by-case basis.

    a. For example, CCS did not adopt suggestions that would make the streamlined notification process more prescriptive. This included suggestion to introduce a specific timeline for airlines to submit their initial draft commitments or to specify circumstance under which CCS may terminate the review process where airlines fail to cooperate or provide information promptly. CCS remains of the view that airlines are better placed to manage the timelines across the various stages of the streamlined approach and that a more prescriptive process may unnecessarily reduce flexibility.

    b. Similarly, while feedback suggested that CCS provide separate guidance on the standard of proof for efficiencies under the NEB assessment, CCS considers that the relevant principles are already adequately reflected in the PAGN 2026 and that additional guidance is therefore unnecessary.

    c. Feedback highlighted concerns about alliances involving full-service airlines (FSAs) and low-cost carriers (LCCs), for instance, the potential manipulation of market shares and seat capacities by intentionally reducing FSA flights and shifting them to the LCC. Accordingly, the impact on FSA-operated flights specifically be monitored as part of the alliance assessment. CCS recognises that the distinction between FSAs and LCCs is generally blurring and whether they compete in the same relevant market requires case-by-case assessment. Where they do, CCS will consider the combined market share of both FSAs and LCCs. Where capacity commitments are involved, airlines may wish to include certain safeguards to mitigate the risk of capacity manipulation between FSAs and LCCs that may compromise the objective of the commitments. One possibility is a monitoring mechanism on the operations data of both their FSAs and LCCs via trustee reports. Alternatively, airlines may implement a firewall or clean team between the FSAs and LCCs as part of their commitment obligations, to ensure that both operate independently. CCS also remains open to consider any other forms of commitments from airlines involved to address the concerns arising from such unique circumstances.

d. Feedback highlighted concerns about the non-fulfilment buffer, suggesting that prior approval should be required for any suspension or non-achievement, with strict evidence of genuine force majeure for urgent ex-post reporting. CCS clarifies that the buffer is intended to reduce administrative burden on both businesses and CCS, and afford airline reasonable commercial flexibility to respond to temporary changes in market conditions.