



**COVER NOTE ISSUED BY
THE INFO-COMMUNICATIONS MEDIA DEVELOPMENT AUTHORITY**

**POSTAL COMPETITION CODE 2017, POSTAL SERVICES OPERATIONS CODE
2017 AND POSTAL SERVICES (EXEMPTION FROM SECTION 26B) ORDER 2017**

29 MAY 2017

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In exercise of the powers conferred by sections 24(1) and 26C of the Postal Services Act (Cap 237A) (the “**Act**”), the Info-communications Media Development Authority (“**IMDA**”), hereby issues the revised Postal Competition Code 2017 (the “**Competition Code 2017**”) and the Postal Operations Code 2017 (the “**Operations Code 2017**”). The Minister for Communications and Information has also issued the Postal Services (Exemption from Section 26B) Order 2017 (the “**Exemption Order 2017**”). The Competition Code 2017 and Exemption Order 2017 both come into effect on 9 June 2017.

PART I: INTRODUCTION

1. In October 2016, the Info-communications Authority of Singapore merged with the Media Development Authority of Singapore to form the IMDA. Arising from IMDA’s formation, IMDA has made consequential editorial changes to the Postal Competition Code 2008 (the “**Competition Code 2008**”) and the Postal Operations Code 2008 (the “**Operations Code 2008**”). For neatness, IMDA is re-issuing the revised Competition Code 2008 and the revised Operations Code 2008 as the Competition Code 2017 and the Operations Code 2017 respectively.
2. Further, in the exercise of the powers conferred by section 60 of the Act, and as part of the procedural requirement under the Competition Code, the Minister for Communications and Information has issued the Exemption Order 2017 which would exempt (i) a DPL from the requirement to give notice in respect of any person who acquires 5% or more but less than 12% of the Voting Shares in the DPL, or controls 5% or more but less than 12% of the voting power in the DPL; or (ii) a person becoming a 12% Controller or 30% Controller of a DPL, or entering into a Consolidation, from the requirement to obtain prior written approval from IMDA, under Part IVA, Section 26B of the Act.
3. Unless otherwise defined, capitalised terms used herein shall have the same meanings assigned to them in the Act, the Competition Code 2017 and the Exemption Order 2017.

PART II: POSTAL COMPETITION CODE 2017

4. To ensure the smooth transition between the Competition Code 2008 and the Competition Code 2017, IMDA has drafted the necessary transitional provisions within the Competition Code 2017. The various transitional provisions make clear that all directions, notices, decisions etc do not become obsolete with the introduction of the Competition Code 2017. Similarly, consequential editorial changes have been made to the Postal Services Operations Code.
5. The Competition Code 2017 and the Operations Code 2017 are attached as Annex A and Annex B respectively of this cover note.

PART III: POSTAL SERVICES (EXEMPTION FROM SECTION 26B) ORDER 2017

6. Section 8.2.1 of the Competition Code 2017 makes reference to an Exemption Order, which would exempt pro forma transactions¹ from the notice/approval requirements under Part IVA, Section 26B of the Act. The Exemption Order 2017 specifies that a pro forma transaction means a transaction which:
 - (a) does not result in any change in the percentage of the voting power in the DPL controlled by any person who controlled any voting power in the DPL immediately before the transaction; or
 - (b) results in the transfer of voting shares in a DPL –
 - (i) from any person to a corporation, any shares in which are owned or any voting power in which is controlled by that person, without any change in the percentage of the voting power in the DPL controlled by that person;
 - (ii) from a corporation to any shareholder of the corporation, without any change in the percentage of the voting power in the DPL controlled by that shareholder;
 - (iii) from a corporation to its wholly owned subsidiary, or to a corporation from its wholly owned subsidiary, whether or not the subsidiary is a direct subsidiary of the corporation; or

¹ Pro-forma transactions are transactions that do not alter the economic relationship among the owners (i.e., does not result in any change in the ultimate owners) of a DPL, and are unlikely to have any adverse effect on competition or public interest.

- (iv) from one corporation, any shares in which are owned or any voting power in which is controlled by any person, to another corporation, any shares in which are owned or any voting power in which is controlled by that person, without any change in the percentage of the voting power in the DPL controlled by that person.
7. Notwithstanding the exemptions under the Exemption Order 2017, please note that under section 8.2.5 of the Competition Code 2017, a DPL must provide written notification to IMDA within 5 Working Days of becoming aware of an acquisition of voting shares or control of voting power that constitutes a pro forma transaction under the Exemption Order 2017. The notification must include a brief description of the transaction and the basis on which the Licensee believes the transaction constitutes a pro forma transaction.
 8. The Exemption Order 2017 is attached as Annex C of this cover note.

PART IV: CONCLUSION

9. The Exemption Order 2017, which is published in the *Gazette* on 29 May 2017, will come into operation on 9 June 2017.
10. The Competition Code 2017 and the Operations Code 2017 will come into effect on 9 June 2017.
11. In addition, IMDA has issued the “Notice – Consequential Amendments to Postal Services Operations Code Arising from the Issuance of Postal Competition Code 2017” (the “**Notice**”) which makes clear that any reference made to the Competition Code 2008 and/or to any specific provision in the Competition Code 2008 shall instead refer to the Competition Code 2017 and/or to the corresponding provision in the Competition Code 2017. The Notice can be found on IMDA’s website at www.imda.gov.sg.