

## **FACT SHEET (December 2009)**

### **OVERVIEW OF NEW GUIDELINES FOR TELECOMS CONTRACTS**

The new guidelines on contract periods and early termination charges for telecom services will help consumers to better take advantage of the competitive offerings from service providers. This is part of IDA's ongoing efforts to promote effective and sustainable competition in the telecoms sector. The new guidelines have been developed by IDA, in consultation with the industry and public, following consumers' feedback that contract periods may be becoming unduly long and that contract termination fees are too high.

#### **Key Changes At A Glance (From 1 March 2010)**

- Maximum contract period for consumer mobile, broadband and fixed line telecom services should not exceed 24 months
- Early termination charges to be graduated for contracts longer than 3 months. ie. The closer to the end of the contract period, the lower the penalty fee for cancellation of service

#### **Before Signing The Next Contract (From 15 December 2009)**

- Check the contract period. Most of the plans and promotions in the telecom market today already do not exceed more than 24 months
- While a longer contract period may offer a more attractive gift upfront, it may hinder choice and flexibility in taking up new promotions that may emerge later
- Clarify with service provider on early termination fees, if any
- Shop around – there are more than a hundred mobile and broadband plans in the market today!

### **FOR MORE INFORMATION**

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