

13 September 2016

Amended Consumer Protection (Fair Trading) Act (CPFTA) Passed in Parliament to Better Protect Consumers

1. The Consumer Protection (Fair Trading) Act (CPFTA)¹ has been amended to strengthen the measures that may be taken against errant retailers who persist in unfair practices. The enhanced consumer protection framework aims to better safeguard consumers' interest. The majority of businesses which engage in responsible trading practices will not be affected.

SPRING Singapore appointed as administering agency for CPFTA

2. Under the amended CPFTA, SPRING Singapore (SPRING) will be the administering agency for the CPFTA and will have investigative and enforcement powers to take timely actions against recalcitrant retailers. This is targeted to be effective by end 2016.

3. SPRING will look into cases of errant retailers who persist in unfair trade practices. Specifically, it will be able to:

- Gather evidence against persistent errant retailers;
- File timely injunction applications with the courts; and
- Enforce compliance with injunction orders issued by the courts.

¹ The CPFTA was introduced in March 2004 to protect consumers against errant retailers who engage in unfair practices. It allows for civil actions to be taken against errant retailers who persist in unfair practices.

Other key amendments to the CPFTA

4. The amended CPFTA also enables the courts to impose additional requirements on errant retailers. The courts may require an errant retailer (entity or individual) to publicise that it is under injunction and notify SPRING of any changes to its entity and/or employment status. This will raise consumers' awareness of a retailer that is under an injunction order as well as allow SPRING to monitor the retailer's compliance with the injunction order. The list of unfair practices in the Second Schedule of the CPFTA has also been clarified to make it clear to businesses and consumers on what constitutes unfair practices. (Refer to Annex A)

CASE and STB remain the first points of contact

5. The Consumers Association of Singapore (CASE) and the Singapore Tourism Board (STB) remain the first points of contact for local consumers and tourists respectively to handle complaints. They will assist in obtaining redress and/or compensation through negotiation and/or mediation. Errant retailers may enter into a Voluntary Compliance Agreement (VCA) with CASE or STB, where they will agree in writing to stop the unfair practice, and compensate affected local consumers or tourists. Errant retailers who persist in unfair trade practices will be referred to SPRING for investigation and follow-up actions.

6. CASE and SPRING will work together to raise awareness among consumers and businesses on the amendments to the CPFTA. CASE and STB will also continue consumer education and outreach efforts to enable consumers and tourists make informed purchasing decisions.

7. The finalisation of the changes to the CPFTA followed a review of the Act by the Ministry of Trade and Industry (MTI) and a public consultation conducted from 16 May to 15 June this year. More details on the amended CPFTA can be found at <u>www.spring.gov.sg/cpfta</u>.

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About Ministry of Trade and Industry

The Ministry of Trade and Industry seeks to promote economic growth and create jobs through the development of industry sectors and international trade interests. Our vision is to transform Singapore into a leading global city of talent, enterprise and innovation. Our strategies are derived from Singapore's general philosophy of economic management: strong adherence to a free market economic system and active pursuit of outward-oriented economic policies. For more information on the ministry, please visit www.mti.gov.sg.

About SPRING Singapore

SPRING Singapore is an agency under the Ministry of Trade and Industry responsible for helping Singapore enterprises grow and building trust in Singapore products and services. As the national standards and accreditation body, SPRING develops and promotes an internationally-recognised standards and quality assurance infrastructure. SPRING also oversees the safety of general consumer goods in Singapore. As the enterprise development agency, SPRING works with partners to help enterprises in financing, capability and management development, technology and innovation, and access to markets. Please visit <u>www.spring.gov.sg</u> for more information about SPRING Singapore.

About Consumers Association of Singapore

The Consumers Association of Singapore (CASE) is a non-profit, non-governmental organisation that is committed towards protecting consumers' interest through information and education, and promoting an environment of fair and ethical trading practices. One of their key achievements is in advocating for Consumer Protection (Fair Trading) Act (CPFTA), which came into effect on March 1, 2004. Please visit <u>www.case.org.sg</u> for more information about CASE.

About Singapore Tourism Board

The Singapore Tourism Board (STB) is a leading economic development agency in tourism, one of Singapore's key service sectors. Known for partnership, innovation and excellence, STB champions tourism, making it a key economic driver for Singapore. We aim to differentiate and market Singapore as a must-visit destination offering a concentration of user-centric and enriching experiences through the "YourSingapore" brand. For more information, visit www.stb.gov.sg or www.yoursingapore.com or follow us on Twitter @STB_sg (https://twitter.com/stb_sg).