

Contact Person:

2 APRIL 2018

Regulatory & Compliance

Adlin Abdul Majid
Partner
DID: +603 6208 5816
Fax: +603 6201 0122
Email: aam@lh-ag.com

The Grab-Uber Deal: Car-ing for Competitive Cab Fares

| by Thong Xin Lin and Kelly Yeo Chei Jun |

Grab recently made headlines when it announced the acquisition of Uber's business in the Southeast Asia region. This deal has attracted the attention of competition authorities, particularly within the region. In jurisdictions such as Singapore and the Philippines, parties to a merger are statutorily required to notify the relevant competition authority of the anticipated merger. There are reports that the Competition Commission of Singapore has commenced investigations into the deal and proposed interim measures that will require Uber and Grab to maintain their independent pricing during this period.

Unlike competition laws in other jurisdictions, the Malaysian Competition Act 2010 does not require any merger notification to be made to or approval to be obtained from the Malaysia Competition Commission, or MyCC. With the enormity of this deal, it is likely that Grab will emerge as the largest e-hailing giant in Malaysia, if not the region, leading to legitimate concerns of fare hikes and lack of choice for consumers. With no merger regulation provisions in the Competition Act, it may not be possible for MyCC to control or prevent a merger that occurs within Malaysian shores.

Notwithstanding this, consumers can allay their concerns as there are some avenues for intervention by the authorities, including MyCC. Under the Competition Act, an enterprise would be prohibited from any conduct that results in an abuse of dominant position; for example, if a dominant enterprise imposes excessive pricing on consumers, such conduct would potentially fall foul of the Competition Act.

Other authorities also have the capacity to address concerns of fare hikes. Following the passing of amendment Acts to land transport laws — the Land Public Transport Act 2010 (Peninsular Malaysia) and the Commercial Vehicle Licensing Board Act 1987 (East Malaysia) — the Land Public Transport Commission and the Commercial Vehicle Licensing Board are empowered to license and regulate e-hailing businesses such as Grab or Uber, which previously did not fall within the land public transport licensing regime (see our alert, [Regulating Disruptive Technology: The Case of Uber and Grab](#)). At present, both amendment Acts have yet to come into effect. When these amendment Acts are enforced, the Commission and the Board will be in the position to impose maximum passenger fares which are chargeable by an e-hailing business.

Based on the above, consumers can rest assured that our laws will still be able to mitigate any implications the deal may have, even if it is not likely that it can be prevented.

Thong Xin Lin (txl@lh-ag.com) and **Kelly Yeo Chei Jun** (ycj@lh-ag.com)

If you have any queries, please contact the authors or their team partner Ms **Adlin Abdul Majid** (aam@lh-ag.com).

Lee Hishammuddin Allen & Gledhill

Level 6, Menara 1 Dutamas
Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
Malaysia

T +603 6208 5888
F +603 6201 0122/0136
E enquiry@lh-ag.com
W www.lh-ag.com

Published by the Regulatory & Compliance Practice Group

© Lee Hishammuddin Allen & Gledhill. All rights reserved. The views and opinions attributable to the authors or editor of this publication are not to be imputed to the firm, Lee Hishammuddin Allen & Gledhill. The contents of this publication are intended for purposes of general information and academic discussion only. It should not be construed as legal advice or legal opinion on any fact or circumstance.

[Feedback](#)

[Unsubscribe](#)