
PRESS RELEASE
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PCC appoints int'l audit firm Smith & Williamson as independent monitor in Grab case

The Philippine Competition Commission (PCC) has appointed Smith & Williamson as the independent 3rd party monitor trustee to track and audit Grab Philippines for 12 months in complying with the Commission's Commitment Decision on the ride-hailing app.

The PCC considered candidates for appointment as monitor, including two nominees submitted by Grab. The selection process considered knowledge in competition law, expertise, years in practice, and familiarity with the relevant market, among others.

After thorough evaluation, S&W was determined as the most suited to conduct monitoring compliance with the parties' voluntary commitments in the Grab case. Their track record on competition cases includes the most recent task of monitoring Grab-Uber on the Interim Measures Directions in Singapore.

Smith & Williamson, a top 10 UK firm with global reach (including the Philippines), has over 100 years' experience as an audit firm and 13 years of reporting to various competition authorities across jurisdictions.

S&W's other monitoring portfolio include other high profile competition cases such as the CCCS' Singapore Airlines / Lufthansa case in the aviation sector, CCCS' SEEK / Jobstreet case in the online recruitment market, Times Publishing Limited / Penguin case in the publishing industry, China State Administration for Market Regulation's Broadcom / Brocade case in the semiconductor sector, UK Competition and Markets Authority's Mastercard / Vocalink case in the network access market, and Brazil Administrative Council for Economic Defense's Syniverse / MACH case in the telecommunications industry.

The monitoring group shall audit Grab Philippines to ensure compliance with the undertakings detailed in the "Commitment Decision" issued last August 10. The following commitments include:



- **Service Quality Commitment:** Grab shall commit to bring back market averages for acceptance and cancellation rates before the transaction, and response time to rider complaints. The most notable effect should be reduced cancellation rates and shorter waiting time for riders, among others.
- **Fare Transparency Commitment:** Grab will revise its trip receipt to show the fare breakdown per trip, including distance, fare surges, discounts, promo reductions, and per-minute waiting charge (if reinstated by LTFRB).
- **Commitment on Pricing:** Grab shall not have prices that have an “extraordinary deviation” from the minimum allowed fares. Grab will be penalized equivalent to 5% of Grab’s commissions, or up to P2 million, in the identified trips with extraordinary deviation that do not have sufficient justification. This translates to better fare predictability based on pre-determined factors like distance and travel time. This also shields the riding public from fare shocks.
- **Removal of “See Destination” Feature:** Grab will remove “See Destination” feature for drivers with low ride acceptance rate. This means drivers cannot discriminate among passengers based on their destination.
- **Driver/Operator Non-Exclusivity Commitment:** Grab shall not introduce any policy that will result in drivers and operators being exclusive to Grab. Current Grab drivers/operators are allowed to register/operate under other Transport Network Companies (TNCs) through a multi-homing scheme. This means Grab may not use its incentives policy to prevent incoming TNCs from tapping into Grab’s pool of drivers.
- **Incentives Monitoring Commitment:** Since incentives may result in drivers remaining exclusive to Grab, and thus affect its competitors’ conditions of entry and the ability to expand, the Commission shall monitor and evaluate Grab’s incentives on the basis of mandatory quarterly reports.
- **Improvement Plan Commitment:** Grab will implement the following: (1) enhance driver performance standards, (2) adopt a Driver Code of Conduct, (3) establish a Grab Driver Academy; (4) adopt an emergency SOS feature, help center, and passenger no-show feature; (5) adopt a Passenger Code of Conduct; (6) maintain dedicated service lines subject to prevailing labor regulations; (7) adopt a Driver Welfare Program; and (7) implement a Driver Rewards Program.

The public is encouraged to report any violation or incident inconsistent with the abovementioned commitments to queries@phcc.gov.ph.

The PCC will remain vigilant towards any breach of the conditions that will subject Grab to fines of up to P2 million per breach, or unwinding of the transaction. Violations or arrangements intended to circumvent the application of the commitments by parties may likewise result in appropriate penalties.

“It is one thing to pledge and another thing to carry out the voluntary commitments that bind Grab Philippines to address the competition concerns. Smith & Williamson as the independent monitoring group will serve as our eyes and ears on the ground. Their reports or recommendations will be evaluated but PCC will still ultimately determine any possible transgressions,” said PCC Chairman Arsenio M. Balisacan.

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ABOUT PCC

The Philippine Competition Commission is a national government agency and independent quasi-judicial body established by the Philippine Competition Act (Republic Act No. 10667) to review mergers and acquisitions for possible substantial lessening of competition in the market and investigate anti-competitive conduct by businesses across all sectors. Through its legal mandate, PCC aims to ensure that businesses compete and consumers benefit from fair market competition.

ABOUT VOLUNTARY COMMITMENTS

Voluntary commitments are pledges or conditions tendered by firms that are deemed acceptable and sufficient by the PCC to address identified competition concerns raised during a merger review. Voluntary commitments may result in a Commitment Decision that enumerates conditions for the approval of the transaction in question. Unlike other courts or quasi-judicial bodies, Commitment Decisions are unique to competition authorities around the world, including the PCC.

The antitrust commission adopts a Commitment Decision only when the proposed commitments of the parties directly address the competition concerns. Alternatively, once the Commitment Review Period expires without PCC's acceptance of the proposed commitments, the review shall resume where a ruling may impose remedies and/or penalties.

For more information, please visit <https://www.phcc.gov.ph>.

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REFERENCE:

**Penelope P. Endozo
publicaffairs@phcc.gov.ph
Public Affairs Division
Philippine Competition Commission**