Organisation for Economic Co-operation and Development

DAF/COMP/WD(2026)66

Unclassified

English - Or. English

25 November 2026

DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS
COMPETITION COMMITTEE

Competition and Agentic AI – Note by Singapore

8 December 2026

This document reproduces a written contribution from Singapore submitted for Item 4 of the 150th OECD Competition Committee meeting on 8-9 December 2026.

Antonio CAPOBIANCO
Antonio.Capobianco@oecd.org, +(33-1) 45 24 98 08

JT03599026

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Singapore

1. Introduction

1. Artificial Intelligence ("**AI**") has evolved rapidly in recent years, bringing with it a transformation in the way businesses operate, compete, and interact with consumers. The development of AI has gone from traditional rule-based algorithms, through predictive AI, to generative AI and, more recently, agentic AI.

2. Agentic AI brings about a further change in AI capabilities. Where conventional AI generally performs predefined tasks or generates output based on user instructions, agentic AI systems can independently make decisions and take action to achieve specified objectives. Agentic AI systems may also interact with other AI agents and applications to achieve the same results. These capabilities could fundamentally change how businesses make commercial decisions, interact with competitors, and engage consumers.

3. While such development presents opportunities for businesses to enhance productivity and innovation of goods and services, it also brings about a new set of challenges to grapple with, such that competition enforcement and consumer protection frameworks must evolve along with it.

4. In Singapore, the Competition and Consumer Commission of Singapore ("**CCS**") recognises the importance of ensuring that competition policy and enforcement remain responsive to the developments in the AI industry. This paper explores potential theories of harm arising out of AI and agentic AI, and CCS's multifaceted approach to ensure the AI landscape in Singapore remains open and competitive for businesses and consumers.

2. Theories of harm in the AI value chain and the implications of agentic AI

5. Given the pace of technological change in the AI industry, it is imperative for regulators to keep up with developments and changing market landscapes. In this regard, CCS has undertaken a market study to examine Singapore's AI landscape and any potential competition and consumer issues that may arise.[1] While the market study notes that competition remains healthy at present, continued monitoring and close engagement with industry stakeholders remain important to ensure a thriving AI market in Singapore.

6. The market study identified several potential competition issues and assessed the extent to which these issues were prevalent in Singapore. Some examples of the identified issues relate to (i) the market structure of the AI industry and (ii) the emergence of agentic AI. In relation to the market structure of the AI industry, potential competition concerns were identified across various layers of the AI value chain:

a. At the hardware/software layer, the technical tying of chips and proprietary software could prevent customers from switching between providers.

b. At the cloud services and AI model layers, partnerships involving preferential access to AI models, as well as the integration of AI applications into adjacent markets, could give rise to ecosystem lock-in effects.

[1] Please refer to https://www.ccs.gov.sg/case-register/public-register/market-studies/.

7. In relation to potential issues arising from the emergence of agentic AI, as AI agents become increasingly sophisticated, the risk of AI agents independently engaging in anti-competitive conduct, such as algorithmic collusion or algorithmic self-preferencing, increases as well. For example, the ability of AI agents to observe and monitor competitors' prices more rapidly and on a wider scale increases the risk of tacit and algorithmic collusion which could cause harm in the market before such conduct is detected by competition authorities. Further, as AI agents act autonomously without direct human intervention, competition authorities face the added complication of determining liability for the resulting anti-competitive conduct.

3. Singapore's multifaceted approach to competition enforcement and policy in the age of agentic AI

8. As AI advances, it is important for competition authorities to adopt approaches that are relevant and effective in addressing today's concerns, while at the same time, sufficiently innovative and forward-looking to anticipate and respond to emerging challenges. Singapore seeks to achieve this objective through various means, including conducting market studies (as mentioned above), voluntary compliance initiatives, inter-agency collaboration, international engagement, and the development of internal technological capabilities to support enforcement.

3.1. Promoting awareness and voluntary compliance amongst businesses

9. In September 2025, CCS launched the AI Markets ("**AIM**") Toolkit[2] in collaboration with Singapore's Infocomm Media Development Authority ("**IMDA**"). The AIM Toolkit is a voluntary self-assessment tool designed to assist AI developers and deployers in ensuring their AI models and business practices are in compliance with competition and consumer regulation in Singapore.

10. The AIM Toolkit adopts a two-pronged approach, integrating both process checks and technical testing. The process checks comprise self-assessment questions that guide businesses in evaluating their practices against relevant competition and consumer protection principles. These are complemented by technical tests (namely explainability and fairness tests) which could be conducted on the business's AI models. Upon completion, the toolkit can generate a customised report containing recommendations based on the business's responses and technical test results. This provides businesses with practical guidance to identify potential risks and implement appropriate improvements.[3]

11. Importantly, the AIM Toolkit forms part of CCS's voluntary competition and consumer compliance programme for businesses. To incentivise businesses to use the AIM Toolkit, CCS has indicated that voluntary use of the AIM Toolkit may be considered a mitigating factor in the calculation of financial penalties where a competition or consumer infringement has been established. While this does not confer immunity from enforcement action, it recognises the efforts undertaken by businesses to proactively ensure compliance with competition and consumer regulation. To date, the AIM Toolkit has attracted interest from domestic and overseas stakeholders, reflecting the growing recognition of the importance of addressing competition risks alongside other AI governance considerations.

[2] CCS AI Markets Toolkit

[3] CCS AI Markets Toolkit Fact Sheet

12. Building on CCS and IMDA's collaboration on the AIM Toolkit, CCS is extending its work into the generative AI space by developing novel competition and consumer protection benchmarks under IMDA's Project Moonshot framework ("**Moonshot Toolkit**"). Similar to the AIM Toolkit, the Moonshot Toolkit will help AI developers and deployers test Large Language Models ("**LLMs**") for biases, safety issues and other unintended behaviours.

13. The Moonshot Toolkit features red-teaming and benchmarking tools and operates like a test bank for LLMs. It feeds questions to an LLM, records its responses, and scores them against expected outputs. The benchmarks CCS is developing will assess whether LLMs produce outputs that could raise anti-competitive, unfair trading or product safety concerns. As with the AIM Toolkit, the Moonshot Toolkit will be open-sourced and available for public use. The Moonshot Toolkit will also form part of CCS's voluntary competition and consumer compliance programme for businesses where voluntary usage of the CCS benchmarks may be considered as a mitigating factor by CCS where a competition or consumer infringement is established.

14. Looking ahead, CCS recognises that existing assessment tools must continue to evolve alongside developments in AI capabilities. As the AIM Toolkit focuses on traditional AI models and the Moonshot Toolkit addresses generative AI, the natural progression would be for the next iteration of these toolkits to address the challenges arising from agentic AI. Such developments would build upon CCS's existing suite of tools available to businesses and equip them with the means to assess risk while promoting innovation. This would also create a regulatory environment where businesses retain accountability in their conduct despite the increased autonomy of the technologies they deploy.

3.2. Adopting a whole-of-government approach to AI governance

15. Singapore recognises that the implications of agentic AI extend beyond just competition law and encompass a broad range of regulatory considerations. Hence, Singapore has adopted a whole-of-government approach to AI governance, which involves collaboration between government agencies to develop complementary regulatory and policy initiatives.

16. A key example is IMDA's Model AI Governance Framework for Agentic AI ("**MGF for Agentic AI**").[4] The framework provides organisations with practical guidance on the responsible development and deployment of agentic AI systems. Recognising that such systems may undertake actions with limited human intervention, the framework emphasises the importance of establishing appropriate safeguards throughout the AI lifecycle. It identifies four principal dimensions for responsible agentic AI governance:[5]

a. Assessing and bounding risks upfront;

b. Ensuring that humans remain meaningfully accountable upon deployment of agentic AI;

c. Implementing technical controls and processes across the AI lifecycle; and

[4] *IMDA (June 2026), Model AI Governance Framework for Agentic AI*

[5] IMDA (June 2026), *Model AI Governance Framework for Agentic AI*, https://www.imda.gov.sg/-/media/imda/files/about/emerging-tech-and-research/artificial-intelligence/mgf-for-agentic-ai.pdf, Page 13.

d. Enabling end-user responsibility by equipping users with information to use agents appropriately and maintain effective oversight.

17. On top of the MGF for Agentic AI, IMDA has also developed the Starter Kit for Testing Agentic Systems for Safety and Reliability[6] (the "**Starter Kit**"). The Starter Kit provides practical guidance for businesses seeking to evaluate whether their agentic AI systems are safe and reliable. It recommends a four-step approach to agentic testing:[7]

1. Identify the relevant risks for testing;
2. Create realistic and robust tests;
3. Running tests and analysing logs; and
4. Continuously monitor and re-test.

18. Although the MGF for Agentic AI and Starter Kit are not specifically directed at competition law, the underlying principles remain aligned with CCS's management of potential competition risks arising from agentic AI. CCS was afforded the opportunity to contribute its perspectives and feedback during the development of these guides which exemplifies the continued collaboration across various government agencies. Through this inter-agency engagement, CCS is able to align priorities across agencies and ensure that competition and consumer protection considerations remain integral to Singapore's wider approach to AI adoption.

3.3. Strengthening international cooperation and engagement

19. The implications of AI are not confined by geographical boundaries. As AI is frequently developed and deployed across multiple jurisdictions, it is of utmost importance that there is a shared understanding on the emerging competition risks arising from agentic AI, and AI generally, as well as the corresponding development of regulatory responses.

20. CCS actively participates in international discussions concerning the intersection of AI and competition policy. In particular, CCS co-chairs the AI Interest Group under the International Competition Network's Technologist Group which concerns the use of AI, including AI governance and agentic workflows. This provides a platform for competition authorities to exchange perspectives relating to the common opportunities and challenges arising from developments in technology and AI.

21. At the regional level, CCS is leading an ASEAN[8]-wide market study[9] examining the impact of AI on competition and consumers. The study seeks to support national authorities in identifying AI-related theories of harm and appropriate enforcement approaches that safeguard competition and consumer welfare without unnecessarily constraining innovation.

22. Such engagement is particularly valuable given the speed at which AI technologies advance. Participation in international discussions and research allows CCS to strengthen

[6] *IMDA (October 2026), Starter Kit for Testing Agentic Systems for Safety and Reliability*

[7] IMDA (October 2026), *Starter Kit for Testing Agentic Systems for Safety and Reliability*, https://www.imda.gov.sg/assets/603572eb-724a-46cf-ac12-14fe38e1558c.pdf , Page 12.

[8] Association of Southeast Asian Nations.

[9] International Trade Centre, "Southeast Asia examines AI effect on competition", https://www.intracen.org/news-and-events/news/southeast-asia-examines-ai-effect-on-competition, 8 May 2026.

its understanding of emerging agentic AI issues in other jurisdictions and the potential implications in Singapore. This enables Singapore to stay at the forefront of policy developments and ensure that Singapore's competition enforcement remains robust and responsive to emerging challenges.

3.4. Leveraging agentic AI to strengthen CCS's enforcement capabilities

23. Beyond addressing the risks associated with agentic AI and its implications in the market, CCS also recognises the opportunity to strengthen its own enforcement capabilities using the same technologies. As traditional monitoring methods may not be as efficient in detecting anti-competitive conduct arising from agentic AI, CCS is exploring the development of an agentic AI use case involving web crawling to identify potentially anti-competitive and unfair trading practices online. Unlike traditional automated monitoring tools that depend on pre-defined rules, an agentic AI system would be able to adapt and make autonomous context-dependent decisions to detect new and emerging forms of anti-competitive business practices, as well as adapt to changing online environments as needed. With the appropriate safeguards in place, such advancements could significantly improve the efficiency and scope of CCS's monitoring capabilities, allowing CCS to focus its resourcing on aspects that require further scrutiny.

24. CCS's exploration of agentic AI for enforcement purposes reflects a broader recognition that competition authorities must continue to develop their technological capabilities alongside the markets they regulate. By leveraging emerging technologies responsibly, authorities may be better equipped to identify evolving business practices and respond effectively to potential competition and consumer protection concerns.

4. Conclusion

25. Agentic AI brings with it the ability to transform the commercial decision-making process for businesses. However, such transformative capabilities give rise to its own set of challenges and risks to competition. CCS's multifaceted approach recognises that these challenges cannot be dealt with in isolation, and that continued collaboration on a domestic and international level is essential to building long-lasting and effective responses. CCS remains committed to monitoring developments in the agentic AI space and will continue to strengthen its capabilities to ensure that Singapore's competition enforcement and policy frameworks remain effective in an increasingly AI-driven landscape.