

MEDIA RELEASE

20 December 2024

CCCS Penalises Contractors Specialising in Non-Residential Interior Fit-Out Tenders for Bid-Rigging

1. The Competition and Consumer Commission of Singapore (“CCCS”) has issued an Infringement Decision¹ today against Flex Connect Pte Ltd (formerly known as Facility Link Pte Ltd) (“FL”) and Tarkus Interiors Pte Ltd (“Tarkus”) (each a “Party” and collectively the “Parties”) for infringing the Competition Act 2004². FL and Tarkus provide interior decoration and finishing works and are amongst only a limited pool of firms able to undertake high value contracts.³ After extensive investigations by CCCS, the Parties have been found to have engaged in bid-rigging conduct relating to several tenders for interior fit-out construction services in non-residential properties across Singapore.

CCCS’s Investigations

2. CCCS’s investigations commenced in November 2020. A raid at the Parties’ business premises was subsequently conducted, during which digital evidence was seized, including images of hard disks and copies of WhatsApp chats. The investigations revealed numerous instances of bid-rigging conduct⁴ between the Parties in tenders called by project managers/consultants or end-customers.
3. Bid-rigging is one of the most serious infringements of competition law, both in Singapore as well as internationally. The bid-rigging conduct by the Parties affected 12 separate tenders across Singapore, involving different

¹ The Infringement Decision sets out the facts and evidence on which CCCS bases its assessment and the reasons for its decision.

² Section 34 of the Competition Act prohibits any agreements between undertakings, decisions by associations of undertakings or concerted practices which have as their object or effect the prevention, restriction or distortion of competition within Singapore. An undertaking means any person, being an individual, a body corporate, an unincorporated body of persons or any other entity, capable of carrying on commercial or economic activities relating to goods or services.

³ FL and Tarkus are registered at L6 under Building Construction Authority’s (“BCA”) Contractors Registration System which allows these businesses to tender for government projects which have an unlimited tender value for interior decoration and finishing works. Only 44 businesses are registered by BCA at this level.

⁴ The bid-rigging conduct consisted of agreements and/or concerted practices which infringed section 34 of the Competition Act. The key difference between a concerted practice and an agreement is that a concerted practice may exist where there is informal co-operation, without any formal agreement or decision. A concerted practice would be found to exist if parties, even if they did not enter into an agreement, knowingly substituted the risks of competition with co-operation between them.

establishments such as retail spaces, food and beverage outlets, and offices.⁵ The affected tenders were between \$187,000 and \$7,700,000 in value, with a total value of approximately \$34,110,000. The conduct occurred over a five-year period, from August 2016 to August 2021. The bid-rigging conduct typically involved one of the Parties, who was designated as the winner, providing bid pricing and other details to the other Party, who would then submit a bid at a higher price so as to give the designated winner a better prospect of winning the tender.

4. CCCS found that the bid-rigging conduct eliminated the competitive pressure between the Parties to submit their best offers to potential customers. As a result of the conduct, potential customers were not able to receive truly competitive offers from the Parties, thus potentially overpaying for these tenders. While the Parties sought to justify their bid-rigging conduct, for example, by claiming that they were at risk of being excluded from future tenders if they declined to participate in a tender, CCCS found this did not justify the Parties' collusive conduct. The Parties' collusive conduct effectively reduced the number of shortlisted tenderers genuinely competing and gave customers the false appearance of competition for their tenders.
5. As part of the legal process under the Competition Act 2004, CCCS issued a Proposed Infringement Decision⁶ to the Parties on 23 May 2024. CCCS received written representations from each of the Parties' lawyers, and carefully considered the Parties' representations before finally reaching CCCS's Infringement Decision.

Financial Penalties

6. In levying financial penalties, CCCS considered various factors, including each business' relevant turnover, the nature and seriousness of the infringement and aggravating and mitigating factors. As FL had in the course of the initial investigations applied for and was granted leniency, CCCS reduced its financial penalty by applying a leniency discount to its penalty. CCCS's leniency programme affords lenient treatment to businesses or individuals that are part of a cartel agreement or concerted practice, when they come forward early to CCCS with information on their cartel activities.

⁵ Premises that were affected by the bid-rigging conduct include the Pure Fitness centre at Ocean Financial Centre, Citibank's premise at Changi Business Park, Oracle's premise at Mapletree Business City, Ernst & Young's premise at 77 Robinson Road and Hans Im Gluck's premises at Boat Quay and Vivo City.

⁶ A Proposed Infringement Decision is a written notice setting out the basis for CCCS's decision. It is issued to the parties concerned, to give them an opportunity to make representations to CCCS, and provide any other information for consideration, before CCCS finalises its decision on whether there has been an infringement.

7. CCCS has imposed the following financial penalties on the Parties:

Party	Financial Penalty
Flex Connect Pte Ltd (formerly known as Facility Link Pte Ltd)	\$4,885,263
Tarkus Interiors Pte Ltd	\$5,113,918
Total:	\$9,999,182

8. Chief Executive of CCCS, Mr. Alvin Koh said: “Bid-rigging is a serious infringement of Singapore’s competition laws that harms both businesses and consumers. It distorts the competitive bidding process, drives up prices and deprives customers from getting the best value for their tenders. Ultimately, the Singapore consumer and society pays. To ensure our markets work well, CCCS will take firm action if we find that tenderers are colluding or participating in any anti-competitive discussions.”
9. “CCCS advises any businesses approached to participate in anti-competitive agreements to immediately refuse and publicly distance itself from such discussions. For businesses currently involved in a cartel, CCCS’s leniency programme⁷ offers an opportunity for businesses to come forward to receive a full waiver or reductions of the financial penalty,” he added.
10. Further information on the investigation, analysis of the case and the calculation of financial penalties imposed on the Parties are set out in the Infringement Decision [here](#).

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- Encl. Infographic: What Is Bid Rigging?

⁷ Under the Fast Track Procedure, parties admit liability and CCCS achieves procedural efficiencies and resource savings through a streamlined procedure. For more details, refer to the CCCS Practice Statement on the Fast Track Procedure found [here](#).

About the Competition and Consumer Commission of Singapore (CCCS)

The Competition and Consumer Commission of Singapore (“CCCS”) is a statutory board of the Ministry of Trade and Industry. CCCS administers and enforces the Competition Act 2004 which empowers CCCS to investigate and adjudicate anti-competitive activities, issue directions to stop or prevent anti-competitive activities and impose financial penalties. CCCS is also the administering agency of the Consumer Protection (Fair Trading) Act 2003 which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for business and consumers in Singapore.

For more information, please visit www.cccs.gov.sg.

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Appendix 1 – Report useful information on bid rigging or other cartel activities⁸ to CCCS

CCCS is interested in hearing from persons with useful information on cartel activity in Singapore. Persons who are aware of cartel activities and wish to provide the information may write, email or call the CCCS hotline at 1800 325 8282 to provide such information. Examples of useful information include:

- Companies/businesses who are part of the cartel;
- Origins of the cartel;
- The nature of the industry where the cartel is operating;
- Documents or other information evidencing the agreements, decisions or practices of the cartel.

Under the CCCS Reward Scheme, depending on the circumstances and in appropriate cases, a monetary reward can be paid to informants for information that leads to infringement decisions against cartel members. The informant's identity and any information that may lead to his/her being identified will be kept strictly confidential.

Business owners who are involved in cartel activities are not eligible for a reward – they should apply for leniency under CCCS's Leniency Programme. For more information, please refer to the CCCS's website [here](#).

⁸ Cartel conduct includes price fixing, bid rigging, market sharing and production control.

Appendix 2 – Apply for leniency if you have engaged in bid rigging

CCCS's Leniency Programme affords lenient treatment to businesses that are part of a cartel agreement or concerted practice (or trade associations that participate in or facilitate cartels), when they come forward to CCCS with information on their cartel activities.

Due to the secret nature of cartels, businesses participating or which have participated in cartel activities are given an incentive to provide CCCS with information and evidence of the cartel's activities. The policy of granting lenient treatment to these businesses which co-operate with CCCS outweighs the policy objectives of imposing financial penalties on such cartel participants.⁹

Where eligible for lenient treatment, businesses can be granted total immunity or be granted a reduction of up to either 100% or 50% in the level of financial penalties, where applicable. For more information, please refer to the CCCS Guidelines on Lenient Treatment for Undertakings Coming Forward with Information on Cartel Activity 2016 which can be found on CCCS's website [here](#).

⁹ Due to the secret nature of cartels, an incentive for cartel participants to come forward to inform CCCS of the cartel's activities can be a more effective enforcement tool than simply imposing financial penalties.

Bid-rigging is a serious infringement that harms businesses and consumers



The Competition and Consumer Commission of Singapore (“CCCS”) has penalised Flex Connect Pte Ltd (“FL”) and Tarkus Interiors Pte Ltd (“Tarkus”) for bid-rigging in high-value non-residential interior fit-out tenders. Almost \$10 million in financial penalties have been imposed on the two companies.



Financial Penalties Imposed:

Flex Connect Pte Ltd - \$4,885,263

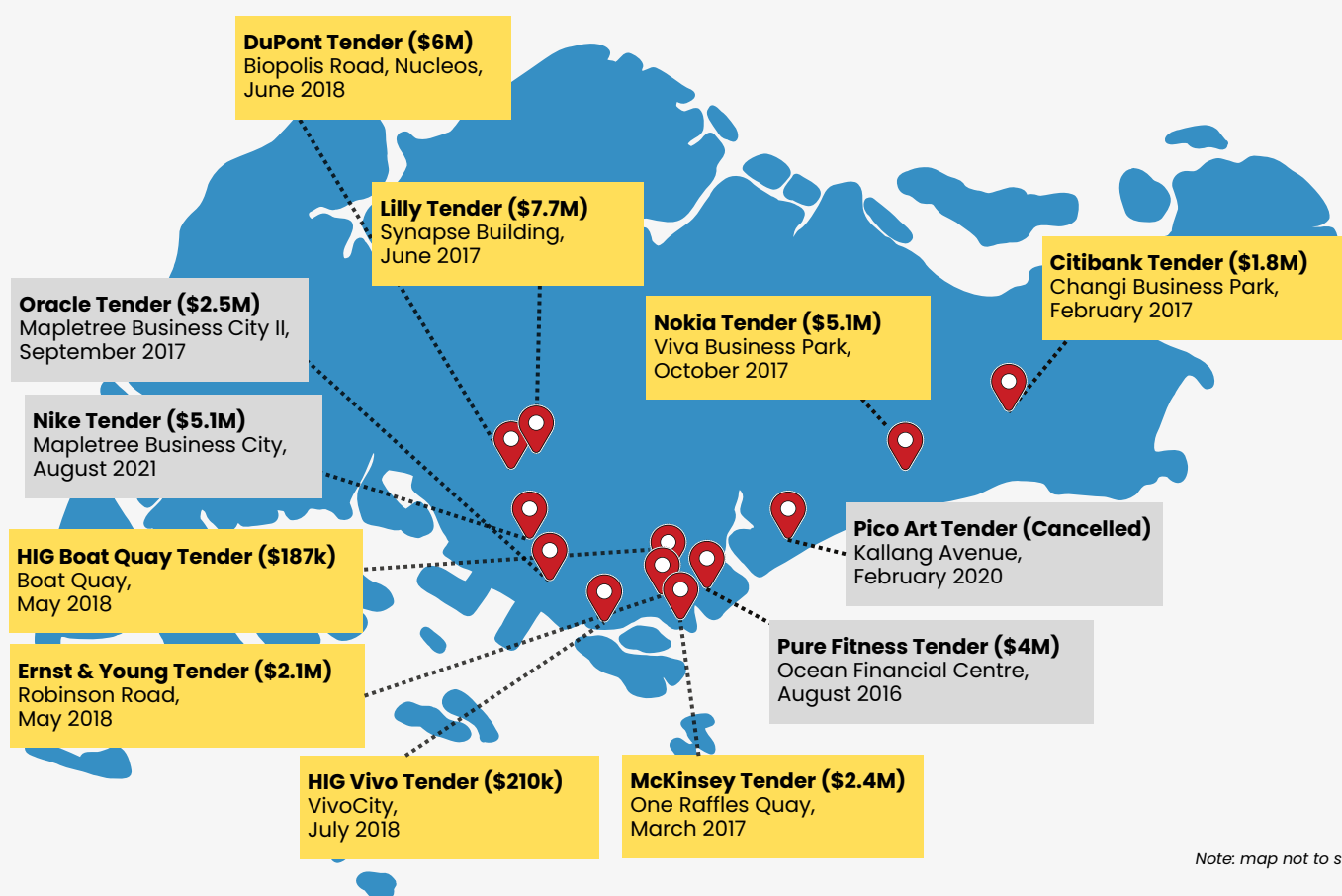
Tarkus Interiors Pte Ltd - \$5,113,918

12 Affected Tenders (August 2016 – August 2021)

Affected Market: Interior fit-out construction services in non-residential properties across Singapore

Affected Tender Value Range: between \$187,000 and \$7,700,000

Approx. Total Affected Tender Value: \$34,110,000



Note: map not to scale

7 tenders won by Tarkus:

- Citibank’s office at Changi Business Park
- McKinsey’s office at One Raffles Quay
- Nokia’s office at Viva Business Park
- Ernst & Young’s office at 77 Robinson Road
- Hans Im Gluck’s premises at Boat Quay and VivoCity
- DuPont’s office at Nucleos South Tower

1 tender won by FL:

- Lilly’s clinical facility at Synapse Building

3 tenders not awarded to either FL or Tarkus:

- Pure Fitness gym at Ocean Financial Centre
- Oracle’s Singapore Hub Office at Mapletree Business City
- Nike’s offices at Mapletree Business City

1 tender involving Pico Creative Centre was cancelled.

Bid-rigging distorts the competitive bidding process, drives up prices and deprives customers from getting the best value for their tenders. To ensure our markets work well, CCCS will take firm action against such anti-competitive practices.