

MEDIA RELEASE

25 October 2024

CCCS Issues Proposed Infringement Decision to Two Construction Companies for Rigging Bids in Public Sector Tenders

The Competition and Consumer Commission of Singapore ("CCCS") has issued a Proposed Infringement Decision ("PID") ¹ against Hunan Fengtian Construction Group Co., Ltd and Trust-Build Engineering & Construction Pte Ltd (collectively, the "Parties") on 25 October 2024 for infringing section 34 of the Competition Act 2004 ².

- 2. Based on evidence obtained during investigations, CCCS is of the provisional view that the Parties had, between August and October 2022, engaged in bid-rigging conduct relating to three invitations to tender ("ITT") called by the People's Association ("PA") for upgrading works at the Bukit Batok, Cheng San, and Eunos Community Clubs.³ Such bid-rigging conduct undermined the competitive processes that the PA ITTs were meant to achieve.
- 3. The Parties now have the opportunity to make their individual representations to CCCS regarding the PID. CCCS will carefully consider any representations received and the evidence obtained in the course of the investigation, before making its final decision.

- End -

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¹ The PID is a legal notice setting out the facts on which CCCS makes its assessment and its reasons for arriving at the proposed decision. It is issued to Parties confidentially to assist them to make representations and provide any other information in support of their representations for CCCS's consideration.

² Section 34 of the Competition Act 2004 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 These ITTs were not awarded to the Parties. The Bukit Batok and Cheng San Community Club ITTs were awarded at \$17,590,072 and \$21,000,000, respectively, while the Eunos Community Club ITT was discontinued for reasons unrelated to the Parties' conduct.

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 businesses and consumers in Singapore.

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

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Appendix - CCCS's Leniency Programme

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 them are given an incentive to come forward and inform CCCS 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.

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, depending on whether CCCS has already begun an investigation and the timing of the leniency application. 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.