



MEDIA RELEASE

23 May 2024

CCCS issues Proposed Infringement Decision against companies for bid-rigging tenders for interior fit-out construction services

The Competition and Consumer Commission of Singapore (“CCCS”) has issued a Proposed Infringement Decision (“PID”)¹ against two companies on 23 May 2024 for infringing section 34 of the Competition Act 2004². The companies engaged in bid-rigging conduct in the supply of interior fit-out construction services for non-residential properties in Singapore. The affected tenders were procured for between \$150,000 and \$7,700,000 in value and involved twelve properties including offices, retail spaces and food and beverage (“F&B”) establishments.

2. The two companies, namely Tarkus Interiors Pte Ltd (“Tarkus”) and Flex Connect Pte. Ltd. (formerly known as Facility Link Pte. Ltd.) (“FL”) (each a “Party” and together the “Parties”) provide interior fit-out construction services that can include the construction of interior partitions, mechanical, electrical and plumbing works and finishings.

CCCS’s Investigation

3. Investigations revealed that there were anti-competitive agreements and/or concerted practices between Tarkus and FL to collude by bid-rigging tenders.

4. CCCS found that, with bid-rigging arrangements³ between the Parties in tenders, this removed competitive pressure between them to submit their best offers to customers. As a result, customers suffered as they were unable to obtain offers that could provide the best value. The tenders affected by the bid-rigging arrangements between Tarkus and FL were called from August 2016 to August 2021.

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 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 A Party would request a supporting quotation from the other Party which it believed to be higher than its own. The other Party would then provide this higher quotation to the customer. At times, a Party would specify a price for the other Party to use in the supporting quotation.

5. The Parties (including those who have applied for leniency treatment under CCCS's Leniency Programme)⁴ have six weeks from the receipt of the PID to make their individual representations. CCCS will consider the representations, as well as all available information and evidence, before making its final decision.

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⁴ Please refer to the Appendix for more information on CCCS's Leniency Programme.

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 and/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](#).