



MEDIA RELEASE

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Competition Appeal Board Dismisses Water Feature Maintenance Contractor's Appeal Against CCCS's Financial Penalty for Bid-rigging

1. The Competition Appeal Board ("**CAB**")¹ has published its decision dismissing the appeal by CU Water Services Pte. Ltd. ("**CU Water**") against the penalty of \$308,680 imposed by the Competition and Consumer Commission of Singapore ("**CCCS**") for CU Water's bid-rigging conduct which spanned close to a decade.

Background

2. CCCS issued an infringement decision on 14 December 2020, where it found that CU Water engaged in a record 521 instances of bid-rigging in tenders for the provision of maintenance services for swimming pools, spas, fountains and water features. CU Water was involved with two other parties in a systemic pattern of requesting support quotations from one another, where the support quotation was intentionally priced higher to increase the requesting party's chances of winning the tender. The infringing conduct was a breach of section 34 of the Competition Act 2004 (the "**Competition Act**")² and affected at least 220 privately-owned property developments in Singapore, including condominiums and hotels.
3. CCCS imposed the maximum allowable financial penalty on CU Water³ while lower penalties were imposed on the other two parties⁴ as they had, amongst other things, applied for leniency under CCCS's Leniency Programme⁵ and participated in

¹ Under the Competition Act 2004, the CAB will hear appeals against the decisions of the Competition and Consumer Commission of Singapore. The CAB is an independent body comprising members appointed by the Minister for Trade and Industry.

² Section 34 of the Competition Act prohibits anti-competitive agreements between businesses.

³ The amount of financial penalty which may be imposed is at CCCS's discretion. However, section 69(4) of the Competition Act provides that the maximum amount of penalty that may be imposed is 10 percent of the turnover of the business of the entity in Singapore for each year of infringement, up to a maximum of 3 years.

⁴ Please refer to CCCS's media release on the Infringement Decision issued on 14 December 2020 [here](#).

⁵ Information on CCCS's Leniency Programme can be found in **Appendix 1**.

CCCS's Fast Track procedure⁶. Only CU Water appealed against the quantum of its financial penalty.

CAB's Decision

4. In its decision, the CAB noted the anti-competitive harm that bid-rigging has on markets, which includes giving customers a false sense of competition in their procurement process and reducing the number of competitive bids received by the customers. It concluded that the maximum financial penalty imposed by CCCS was just and proportionate taking into account, amongst other things, the number of infringements by CU Water and the seriousness of the bid-rigging conduct.
5. Significantly, the CAB noted CCCS's shift in policy, since its earlier cases, to consider higher penalties in respect of serious infringements such as bid-rigging and other cartel activity. This move is in line with Singapore's maturing competition enforcement policy in view of increased market awareness of the anti-competitive harm of cartel activity.
6. Finally, the CAB also acknowledged CCCS's discretion in determining an appropriate financial penalty on the facts of each case. The CAB cautioned that any future appellants must show how CCCS's penalty calculation framework was flawed or applied erroneously, and that it is not sufficient to simply assert that the financial penalty was excessive.
7. The CAB's decision⁷ can be found [here](#).
8. "The CAB's decision affirms CCCS's penalty calculation framework as an objective basis to determine financial penalties that reflect CCCS's twin objectives of punishment and deterrence. The CAB's decision also reinforces CCCS's firm stance against cartel agreements which are the most egregious types of anti-competitive agreements," CCCS Chief Executive Sia Aik Kor said. "Businesses should review their practices to avoid engaging in collusive conduct and ensure that they comply with competition law. CCCS will not hesitate to take appropriate enforcement action if there are reasonable grounds to suspect that an infringement has taken place."

- End -

⁶ Under the Fast Track Procedure, parties admit liability and CCCS achieves procedural efficiencies and resource savings through a streamlined procedure. For more details, please refer to the CCCS Practice Statement on the Fast Track Procedure found [here](#).

⁷ The Appellant has a right of appeal to the High Court within 14 days of the date of the CAB's decision (i.e. by 17 October 2023), on a point of law or the amount of financial penalty.

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 or CPFTA 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 1 – Apply for leniency if you have engaged in bid-rigging

CCCS's leniency programme allows for lighter punishment 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 in cartel activities are given an incentive to provide CCCS with information of the cartel's activities.

Where eligible, 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](#).