

## MEDIA RELEASE

14 December 2020

### **CCCS Penalises Contractors for Bid-rigging in Tenders for Maintenance Services of Swimming Pools and Other Water Features**

1. The Competition and Consumer Commission of Singapore (“CCCS”) has today issued an Infringement Decision (“ID”)<sup>1</sup> against three businesses for infringing section 34 of the Competition Act (Cap.50B)<sup>2</sup>.
2. The three businesses, namely CU Water Services Pte. Ltd. (“CU Water”), Crystalene Product (S) Pte. Ltd. (“Crystalene”) and Crystal Clear Contractor Pte. Ltd. (“Crystal Clear”) (collectively the “Parties”), have engaged in bid-rigging conduct relating to tenders called for the provision of maintenance services for swimming pools, spas, fountains and other water features. Affected developments included condominiums and hotels in Singapore.

#### CCCS’s Investigation

3. CCCS’s investigation, which commenced in September 2017, revealed numerous instances of bid-rigging conduct<sup>3</sup> between (i) CU Water and Crystalene, and separately between (ii) CU Water and Crystal Clear, in tenders called by privately owned developments.
4. Shortly after CCCS conducted unannounced inspections<sup>4</sup> at the Parties’ places of business, Crystalene and Crystal Clear applied for leniency under CCCS’s leniency programme.<sup>5</sup>

---

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

<sup>2</sup> 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.

<sup>3</sup> The bid-rigging conduct consisted agreements and/or concerted practice 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.

<sup>4</sup> CCCS has the power to enter any premises to carry out inspections to gain access to documents relevant to an investigation.

<sup>5</sup> Information on CCCS’s leniency programme can be found in **Appendix 2**.

5. The bid rigging conduct from 2008 to 2017<sup>6</sup> involved a systematic pattern of either Party requesting a support quotation from the other Party (henceforth referred to as the “supporting Party”), where the support quotation by the supporting Party was intended to be priced higher than the requesting Party’s own bid. Often, the requesting Party also specified a price for the supporting Party to quote. In some instances, the bid-rigging conduct arose due to an understanding between the Parties that one would not quote lower than the Party who is the incumbent contractor for a privately-owned development. Thus, when responding to a request for quotations from privately-owned developments, the non-incumbent Party would approach the incumbent Party to ask for a price to quote. The non-incumbent Party would then provide a supporting quote that it believed was higher than the quote of the incumbent Party.
6. CCCS found that the bid-rigging conduct between the Parties resulted in there being no competitive pressure between the Parties to submit their best offers to potential customers. The conduct also created the false impression that the bids submitted by the Parties were the outcome of a competitive tender process when it was not. As a result, potential customers were not able to obtain competitive offers that could best meet their requirements. Even if a Party was asked by a potential customer to procure additional bids, the Parties should have left it to their competitors to independently decide on their own bids.
7. On 31 March 2020, CCCS issued a Proposed Infringement Decision (“PID”) to the Parties. CCCS received written and oral representations from CU Water and carefully considered all the representations in reaching its findings.<sup>7</sup>

### Financial Penalties

8. Based on the findings set out in the ID, CCCS has imposed the following financial penalties on the Parties:

<b>Party</b>	<b>Financial Penalty</b>
CU Water	\$308,680
Crystalene	\$41,541
Crystal Clear	\$68,793
<b>Total:</b>	<b>\$419,014</b>

9. In levying financial penalties, CCCS took into account each business’s relevant turnover, the nature and seriousness of the infringement and aggravating and mitigating factors. As Crystalene and Crystal Clear were leniency applicants, their financial penalties were reduced when CCCS applied a leniency discount. An additional discount of 10% was applied to further reduce Crystalene’s and Crystal Clear’s financial penalties as a result of their admissions to the infringing

---

<sup>6</sup> The bid-rigging conduct between CU Water and Crystalene lasted between 13 August 2008 to 29 May 2017. The bid-rigging conduct between CU Water and Crystal Clear lasted between 20 August 2011 to 16 June 2017.

<sup>7</sup> Crystalene and Crystal Clear did not make any representations to CCCS after the PID was issued to them.

conduct and their cooperation with CCCS's investigations under the Fast Track Procedure.<sup>8</sup>

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](#).
11. Ms. Sia Aik Kor, Chief Executive, CCCS said: "Bid-rigging is one of the most harmful types of anti-competitive conduct as it distorts the competitive bidding process, thereby preventing customers from getting the best value for their tenders. Tenderers must independently prepare their bids and refrain from participating in any discussion, coordination, or plan which is anti-competitive in nature."
12. "Any business that is approached to join in anti-competitive agreements should immediately reject the approach and publicly distance itself from any such discussions. Any business that is currently involved in a cartel should consider approaching CCCS to make a leniency application as soon as possible. Under the leniency programme, the first business to come forward and provide evidence of the cartel activities before CCCS commences a formal investigation will be given a full waiver of the financial penalty. In addition, businesses who admit liability for their infringing conduct under the Fast Track Procedure will be eligible for a reduction of their financial penalty," she added.

- END -

**- Encl. Infographic: What Is Bid Rigging?**

---

<sup>8</sup> This is the first case where the Fast Track Procedure has been applied by the CCCS since it was effective from 1 December 2016. 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 (Cap. 50B) 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 (Cap. 52A) 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](http://www.cccs.gov.sg).

### **For media clarification, please contact**

Ms. Grace Suen

Senior Assistant Director, Communications  
International and Strategic Planning Division  
Competition and Consumer Commission of Singapore

Email: [grace\\_suen@cccs.gov.sg](mailto:grace_suen@cccs.gov.sg)

DID: 6325 8216

Ms. Nawwar Syahirah

Senior Assistant Director, Communications  
International and Strategic Planning Division  
Competition and Consumer Commission of Singapore

Email: [nawwar\\_syahirah@cccs.gov.sg](mailto:nawwar_syahirah@cccs.gov.sg)

DID: 6325 8313

## **Appendix 1 – Report useful information on bid rigging or other cartel activities<sup>9</sup> 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 3258282 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](#) .

---

<sup>9</sup> 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.<sup>10</sup>

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](#).

---

<sup>10</sup> 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.