

#### **MEDIA RELEASE**

### 21 January 2020

# CCCS Issues Proposed Infringement Decision Against Contractors for Bid Rigging of Quotations for Wildlife Reserves Singapore

- 1. The Competition and Consumer Commission of Singapore ("CCCS") has today issued a Proposed Infringement Decision ("PID")<sup>1</sup> against:
  - a. Shin Yong Construction Pte. Ltd.
  - b. Geoscapes Pte. Ltd.; and
  - c. Hong Power Engineering Pte. Ltd.; (the "Parties")

for infringing section 34 of the Competition Act (Cap. 50B)<sup>2</sup>. The Parties were found to have participated in anti-competitive agreements to rig the bids for the provision of building, construction and maintenance services under Invitations To Quote ("ITQ") and Invitations To Tender ("ITT") called by Wildlife Reserves Singapore ("WRS").

- 2. In April 2016, following a complaint from WRS, CCCS commenced its investigation into allegations of bid rigging of civil and electrical works for WRS's attractions<sup>3</sup>. The investigation revealed that the Parties had exchanged bid information and coordinated their bids for tenders and quotations called by WRS, in order to create the false impression that independent competitive bids were submitted during the tender processes when they were not. The bid rigging arrangements occurred from at least 1 July 2015 to 6 October 2016.
- 3. The Parties (including those who applied for lenient treatment under CCCS's Leniency Programme)<sup>4</sup> who wish to make any representations to CCCS have five weeks from the receipt of the PID to do so. CCCS will then make its decision,

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

<sup>&</sup>lt;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>&</sup>lt;sup>3</sup> These attractions are Jurong Bird Park, Night Safari, Singapore Zoo and River Safari.

<sup>&</sup>lt;sup>4</sup> Please refer to the Appendix below for more information on CCCS's Leniency Programme.

after careful consideration of the representations, as well as all available information and evidence.

- End -

## **About the Competition and Consumer Commission of Singapore (CCCS)**

CCCS is a statutory board of the Ministry of Trade and Industry. CCCS administers and enforces the Competition Act (Chapter 50B) which empowers CCCS to investigate 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. CCCS's mission is to make markets work well to create opportunities and choices for business and consumers in Singapore. For more information, please visit <a href="https://www.cccs.gov.sg">www.cccs.gov.sg</a>.

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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.<sup>5</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, 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 <a href="here">here</a>.

<sup>&</sup>lt;sup>5</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.