



## MEDIA RELEASE

4 June 2020

### CCCS Penalises Contractors for Bid Rigging of Quotations for Wildlife Reserves Singapore

1. The Competition and Consumer Commission of Singapore (“CCCS”) has today issued an Infringement Decision (“**ID**”)<sup>1</sup> against:
  - a. Shin Yong Construction Pte. Ltd.;
  - b. Geoscapes Pte. Ltd.; and
  - c. Hong Power Engineering Pte. Ltd.;(collectively, “**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 and Invitations To Tender called by Wildlife Reserves Singapore (“**WRS**”).

#### CCCS’s investigations

2. Following a complaint from WRS which first detected the anti-competitive activity, CCCS commenced an 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 eight tenders and quotations called by WRS from 1 July 2015 to 6 October 2016. Their conduct distorted competition as the Parties agreed on their bid prices and prevented WRS from obtaining the best prices through independent competitive bids.

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<sup>1</sup> The Infringement Decision sets out the facts and evidence on which CCCS makes its assessment and its reasons for arriving at the 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> These attractions are Jurong Bird Park, Night Safari, Singapore Zoo and River Safari.

3. Shortly after CCCS conducted unannounced inspections<sup>4</sup> at their places of business, all three Parties applied for leniency under CCCS’s leniency programme. Separately, following CCCS’s inspections in October 2016, WRS barred the Parties from bidding for any of WRS’s projects.
4. On 21 January 2020, CCCS issued a Proposed Infringement Decision (“**PID**”) to the Parties. None of the Parties submitted any responses or objections.

Financial penalties

5. 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>
Shin Yong Construction Pte. Ltd.	S\$7,148
Geoscapes Pte. Ltd.	S\$19,739
Hong Power Engineering Pte. Ltd.	S\$5,211
<b>Total:</b>	<b>S\$32,098</b>

6. 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](#).
7. Ms. Sia Aik Kor, Chief Executive, CCCS said: “Bid rigging is one of the most harmful types of anti-competitive conduct. It distorts the competitive bidding process by eliminating the pressure on suppliers to submit their best offers to a customer. As a result, the customer is prevented from getting the best value for their tenders. Tenderers must prepare and submit their bids independently, and refrain from participating in any discussion or coordination on the bids with their competitors.”
8. “Customers have an important role to play in protecting themselves against bid-rigging. WRS was a case in point in relation to this ID where the bid rigging conduct came to light because WRS first detected the conduct and reported it to CCCS. While any customer can be a victim of bid rigging, customers can protect themselves by spotting suspicious bids. Customers should study the bid submissions carefully to see if the bids submitted by suppliers are independent (i.e. bidders are truly competing in the tender).” she added.
9. CCCS noted that WRS has also taken steps to protect itself from such anti-competitive activities in the future. Ms. Kelly Chew, Director, Procurement, Wildlife Reserves Singapore, said, “WRS has built various preventive measures into our procurement

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

policy to both protect the organisation and ensure there is a level playing field for vendors. These include centralising the handling of tenders, defaulting to the calling of open tenders to encourage more vendors, including new ones, to participate, and ensuring goods and services are delivered in line with the tender specifications. These measures are supported by an active whistle-blower policy that is shared with everyone we work with”.

- End -

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

### **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)  
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)  
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>5</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](#).

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<sup>5</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 cooperate with CCCS outweighs the policy objectives of imposing financial penalties on such cartel participants.<sup>6</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](#).

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<sup>6</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.