

MEDIA RELEASE

CCCS IMPOSES A TOTAL OF \$4.6M PENALTIES ON CONTRACTORS FOR RIGGING BIDS IN PUBLIC SECTOR TENDERS

1. Financial penalties in excess of \$4.6 million have been imposed in total on Trust-Build Engineering & Construction Pte Ltd. (“**TB**”) and Hunan Fengtian Construction Group Co., Ltd (“**HNFT**”) (each a “**Party**” and collectively, the “**Parties**”) by the Competition and Consumer Commission of Singapore (“**CCCS**”) today for the Parties’ infringement of section 34 of the Competition Act 2004¹. These infringements are elaborated in CCCS’s Infringement Decision², which found that the Parties³ engaged in bid-rigging in relation to three invitations to tender (“**ITTs**”) called by the People’s Association (“**PA**”).

CCCS’s Investigations

2. CCCS’s investigations commenced in July 2023, with raids carried out at the Parties’ businesses in November 2023. During this time, CCCS secured evidence from various sources, including Parties’ personnel. The evidence revealed three instances of bid-rigging between the Parties in relation to ITTs called by PA in 2022 for upgrading works at Community Clubs located at Bukit Batok, Cheng San, and Eunos (collectively, the “**PA Tenders**”).
3. Bid-rigging is one of the most egregious forms of anti-competitive conduct. The bid-rigging conduct involved HNFT preparing TB’s tender submissions and proposing TB’s bid prices, for each of the PA Tenders. The total value of the tenders was approximately \$56,000,000. Even when HNFT purported to compete against TB for the PA Tenders, HNFT was aware of TB’s likely bid prices and the contents of TB’s tender submissions. Consequently, TB and HNFT did not independently determine their respective bids for the PA Tenders. This undermined a fundamental principle of competition law, which is that businesses must act independently when determining their conduct on the market.
4. CCCS found that the bid-rigging conduct eliminated the competitive pressure between the Parties to submit their best offers to PA, even though none of the PA Tenders were awarded to either of the Parties. Such bid-rigging conduct has

¹ Section 34 of the Competition Act 2004 prohibits any agreements between businesses that prevent, restrict or distort competition within Singapore.

² The Infringement Decision is a legal document, which sets out the facts and evidence on which CCCS bases its assessment and the reasons for its decision.

³ The Parties provide building construction services in Singapore.

the potential to give the false impression that the bids received from the Parties were genuine and competitive. However, in this case, before the tenders were awarded, PA had noticed the potential bid-rigging and reported this to CCCS. Both TB and HNFT were later excluded from the tender evaluations.

5. As part of the legal process under the Competition Act 2004, CCCS issued a Proposed Infringement Decision⁴ to the Parties on 25 October 2024. CCCS received written representations from each Party and carefully considered the representations before deciding to issue the Infringement Decision.

Financial Penalties

6. In imposing financial penalties, CCCS considered various factors, including each Party's relevant turnover, the nature and seriousness of the infringement, as well as aggravating and mitigating factors.
7. CCCS has imposed the following financial penalties on the Parties:

Party	Financial Penalty
Trust-Build Engineering & Construction Pte Ltd.	\$4,295,059
Hunan Fengtian Construction Group Co., Ltd	\$349,350
Total	\$4,644,409

8. Chief Executive of CCCS, Mr. Alvin Koh said: "CCCS emphasises that bid-rigging undermines fair competition, distorts the regular operation of market forces, and prevents customers from obtaining genuine and competitive offers. In the context of public procurement where public funds are used, taxpayers are the ones who ultimately pay the price of such infringing conduct. In line with our mission to make Singapore markets work well, we will continue to take a more active enforcement stance, and take decisive and firm action against businesses which are found to have engaged in anti-competitive conduct."
9. Mr. Koh added: "CCCS advises businesses that might be asked to participate in anti-competitive agreements to immediately decline to do so, publicly distance themselves from such discussions, and report the matter to CCCS. If you are currently involved in such conduct, CCCS offers a leniency programme⁵ with an opportunity for such businesses to come forward with information about anti-competitive agreements and receive a full waiver or substantial reduction in financial penalties. For individuals, those with information on cartel activity in

⁴ A Proposed Infringement Decision is a written notice setting out the basis for CCCS's decision. It is issued to the parties concerned, to give them an opportunity to make representations to CCCS, and provide any other information for consideration, before CCCS finalises its decision on whether there has been an infringement.

⁵ More information on CCCS's leniency programme can be found in Appendix 1.

Singapore can also provide such information through CCCS's reward/whistle-blowing scheme⁶ with monetary rewards of up to \$120,000."

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](#).

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- Encl. Infographic: What Is Bid-Rigging?

⁶ More information on CCCS's reward/whistle-blowing scheme can be found in Appendix 2.

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 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 business and consumers in Singapore.

For more information, please visit www.cccs.gov.sg.

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Appendix 1 – Businesses can 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.⁷

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's website [here](#).

⁷ 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.

Appendix 2 – Individuals can get rewards if they report information on bid-rigging or other cartel activities⁸ 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 325 8282 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.

⁸ Cartel conduct includes price fixing, bid-rigging, market sharing and production control.

WHAT IS BID-RIGGING?

Two or more suppliers collude on bid submission for tenders. They may take turns to win a tender by agreeing on terms in a bid submission, or not participate in certain tenders after agreeing on who should win the tender.

IMPACT?

Big-rigging is a serious infringement that harms businesses and consumers. Distorting the competitive bidding process can drive up prices and deprive customers from getting the best value for their tenders. To ensure our markets work well, the Competition and Consumer Commission of Singapore ("CCCS") will take firm action against such anti-competitive practices.

WATCH OUT FOR SIGNS OF POSSIBLE BID-RIGGING:



SIMILARITIES IN BIDS

- Same text errors in bid documents
- Same text when one would expect the text to be different
- Different bid submissions created by the same author
- Bids submitted from same IP address
- Insufficient details submitted for tender evaluation



ODD PRICE DIFFERENCES

- Unexplained bid price increase from the same bidder as compared to past similar tenders
- Large price differences between winning and losing bids with little difference in quality



'FISHY' BUSINESS BEHAVIOUR

- Successful bidder subcontracts to losing suppliers that submitted higher bids
- Bidders suggest they know competing bidders' prices or identities

WHAT CAN YOU DO?

Businesses approached for anti-competitive agreements should refuse and publicly distance themselves immediately. Those involved in cartels can seek leniency through **CCCS's Leniency Programme**, potentially receiving reduced or full waiver of financial penalties.

Individuals can get monetary rewards under the **CCCS Reward Scheme** if they report useful information on bid-rigging or cartel activities such as price fixing, bid-rigging, market sharing and production control.

Learn more at www.cccs.gov.sg.



FOR TENDER DESIGN

- Research the industry, including suppliers, goods & services, prices and trends
- Avoid unnecessary tender restrictions, so as to allow more suppliers to participate
- Define requirements clearly, specify desired outcomes
- Require bidders to declare any relationships with entities that may be competing bidders, and that bids submitted were determined independently
- Include a warning to bidders about the penalties for bid-rigging