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CCS issues Infringement Decision and imposes financial penalties of over S\$600,000 for tender bid-rigging relating to Formula 1 Singapore Grand Prix

On 28 November 2017, the Competition Commission of Singapore (“**CCS**”) issued an Infringement Decision (“**ID**”) against the following business entities for being involved in bid-rigging activities in relation to the tender for the provision of electrical services in respect of the Formula 1 Singapore Grand Prix:

- Chemicrete Enterprises Pte. Ltd. (“**Chemicrete**”), Cyclelect Electrical Engineering Pte. Ltd. (“**Cyclelect Electrical**”) and Cyclelect Holdings Pte. Ltd. (“**Cyclelect Holdings**”) (together “**Cyclelect Group**”);
- HPH Engineering Pte. Ltd. (“**HPH**”); and
- Peak Top Engineering Pte. Ltd. (“**Peak Top**”).

CCS imposed financial penalties ranging from S\$21,693 to over S\$559,000 against the business entities involved and which amounted to a total sum exceeding S\$600,000.

Separately, CCS also issued an ID against the Cyclelect Group and HPH for bid-rigging conduct relating to the provision of asset tagging services for another party. HPH and the Cyclelect Group were fined S\$5,000 and S\$12,000 respectively.

In levying the financial penalties, CCS considered the nature of the infringements, the turnover of the business entities, any aggravating and mitigating factors, as well as representations made by any of the business entities. In this case, the Cyclelect Group was also awarded with a discount further to its application for leniency under CCS’s leniency programme which accords lenient treatment to companies that come forward to CCS with information on their cartel activities.

CCS’ investigations had commenced following a complaint received in relation to alleged anti-competitive agreements in the tenders. On 21 March 2017, CCS had issued a Proposed Infringement Decision (“**PID**”) against the business entities.

Prohibition against bid-rigging under Competition Act

Bid-rigging conduct infringes section 34 of the Competition Act which prohibits business entities from entering into any agreement or engaging in any concerted practice with the object or effect of preventing, restricting or distorting competition. The CCS Guidelines on the Section 34 Prohibition 2016 and case law make it clear that a collusive tendering or bid-rigging agreement will always have an appreciable adverse effect on competition. Tendering procedures are designed to provide competition in areas where it might otherwise be absent. An essential feature of the tendering process

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system is that each interested supplier prepares and submits bids independently. Any tenders submitted as a result of collusion or co-operation between the suppliers competing for the award of the tender will be, by their very nature, regarded as restricting competition appreciably.

Reference materials

The following materials are available on the CCS website www.ccs.gov.sg:

- [Media release](#)
- [Public register: CCS issues Infringement Decision for bid-rigging in electrical services and asset tagging tenders](#)
- [Infringement Decision](#)

An article about the PID issued against the business entities was featured in a previous issue of the Allen & Gledhill Legal Bulletin (March 2017). To read the article entitled "*CCS issues PID for bid-rigging relating to tenders for electrical services and asset tagging*", please click [here](#).

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