

Competition Law Alert

Dear Clients & Friends

CCS issues Proposed Infringement Decision against electrical and building works companies

On 11 March 2010, the Competition Commission of Singapore (the “**CCS**”) issued a Proposed Infringement Decision (the “**PID**”) against 14 electrical and building works companies for infringing section 34 of the Competition Act (the “**Section 34 Prohibition**”), which prohibits bid rigging or collusive tendering.

This is the third PID issued by the CCS in respect of the Section 34 Prohibition.

Collusive practice in bidding process

The CCS has expressed the view that collusive practice in the bidding process may be widespread in the electrical and building works market. In the case of these 14 companies, the CCS had uncovered that, typically, one of the parties (“**requester**”) would request one or more other cartel members (“**supporter**”) to assist in providing a cover bid to increase the requester’s chances of winning the bid for providing electrical or building works for a particular project. The requester would also prepare the quotation for the supporter. From time to time, the requestor would inform the supporter of his quotation price so that the supporter would quote higher. The CCS’ investigation revealed such collusive practice to have taken place for numerous projects.

The 14 companies have six weeks from the receipt of the PID to make representations or argue the case set out by the CCS. A press release will be issued after the final decision has been made by the CCS.

Further information

Should you have any queries as to how this development may affect your business, please do not hesitate to get in touch with the following:

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About the Allen & Gledhill Competition & Antitrust practice

The Allen & Gledhill Competition & Antitrust practice is one of the largest and most experienced competition teams in Singapore. It is a full-time dedicated competition practice and consists of competition lawyers, the country's first in-house competition economics team and former officers of the Competition Commission of Singapore (the "CCS"). The practice is placed in "Tier 1" by *Global Competition Review* and highly recommended by *PLC Which Lawyer?*. The practice, which leads the market in CCS filings, has acted in more than three-quarters (13 out of 17) of all merger control notifications lodged with the CCS in the first 30 months since the merger control regime in Singapore came into force. Further, it was commissioned to establish the merger regimes under both Singapore's Airport Competition Code as well as the country's Media Market Competition Code. The practice has also defended clients in several landmark antitrust hearings.

Yours faithfully

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