

COFECE investigates the retail market of gasoline and diesel through service stations in the state of Baja California

- *The Commission's Investigative Authority is investigating this market to determine the existence of absolute monopolistic practices.*
- *The investigation must not be understood as a prejudgment but as an act of the authority to verify compliance with the law.*
- *If any economic agent is found responsible, it can be sanctioned with up to 10% of its income. Additionally, pursuant to the Federal Criminal Code, individuals whose participation in the practice is proven may be subject to jail sanctions.*
- *The Investigative Authority highlighted its permanent surveillance of energy markets to ensure they operate in a competitive environment.*

Mexico City, July 4th, 2016. - The Federal Economic Competition Commission's (COFECE) Investigative Authority published today, on its website and in the Federal Official Gazette, the opening of investigation by complaint, under file number DE-022-2015, for the possible existence of absolute monopolistic practices in the market of gasoline and diesel retail sales through service stations in the state of Baja California.

Absolute monopolistic practices are those contracts, agreements, arrangements or combinations amongst competing Economic Agents, which have as their purpose or effect to fix prices, restrict supply, and allocate markets, rig bids and exchange information with one of these purposes or effects.

Due to the time period in which the alleged conduct took place, the investigation is based on article 9 of the Federal Economic Competition Law (FECL), published on December 24th, 1992 as well as on article 53 of the new Law, published on May 23rd, 2014. This, in order to identify whether the conducts provided by these articles are being enacted.

The Investigative Authority specifies that the Agreement only refers to the initiation of an inquiry procedure given that, until now, no action that could constitute an infringement of the Federal Economic Competition Law (FECL) has been identified. Furthermore, until this moment, no individuals or undertakings have been identified as suspected offenders. Should the investigation reach such determination, the individuals or undertakings shall be awarded full procedural rights pursuant to the FECL.

The Investigative Authority will have from 30 to 120 working days to develop the investigation, starting on January 7th, 2015, when the investigation was initiated. This time period can be extended up to four times.

The Federal Economic Competition Law grants the Investigative Authority the power to conduct investigations for suspected infringements, for which it may request the necessary information and documents, perform compulsory interviews to those related to the case and carry out on-site inspections.

If no elements entailing the existence of an anticompetitive practice are found by the time the investigation period concludes, the Investigative Authority can propose the Board of Commissioners the closure of the investigation. However, if elements that indicate an infringement to the Law are found, suspected offenders shall be called to defend themselves in a trial-like procedure.

Pursuant to the FECL, if an absolute monopolistic practice is proven, Economic Agents may be liable for economic sanctions which are also applicable to those who had help, encouraged or induced the enactment of the practices. Individuals who might have participated in the entering, execution or ordering of these type of agreements between competitors could face from 5 to 10 years imprisonment according to the provisions in the Federal Criminal Code.

COFECE's Investigative Authority is constantly monitoring the energy markets with the objective of ensuring their operation in a competitive environment. The Investigative Authority will initiate an investigation when signs of a lack of effective competition in the markets, including monopolistic practices, are found.

Read the [Investigative Authority's publication](#)

What is an [absolute monopolistic practice](#)?

– 000 –

MORE COMPETITION FOR A STRONGER MEXICO

The Federal Economic Competition Commission is entrusted with safeguarding competition and free market access. With this, it contributes to consumer welfare and efficient functioning markets. Through its work it seeks better conditions for consumers, greater output, better services and a "level playing field" for businesses.

