

COFECE Investigates Possible Barriers to Competition in the Certification, Conformity Assessment and Standardization Market

- *Barriers to competition and free market entry are the structural or regulatory market characteristics that impede competition and/or limit economic agents access to the market.*
- *Certification, conformity assessment and standardization services are necessary to ensure quality, as well as technical and safety characteristics of commercialized goods and services.*
- *The correct functioning of the certification, conformity assessment and standardization market is relevant for the economy, because of the cross-cutting impact it has on every sector of the economy.*

Mexico City, November 13, 2017.- The Federal Economic Competition Commission's (COFECE) Investigative Authority initiated an investigation to determine the probable existence to barriers to competition and free market entry in the national market for certification, conformity assessment and standardization services.

The extract of the investigation initiation decision IEBC-003-2017, published today in the Federal Official Gazette (DOF) and on COFECE's website, indicates the existence of elements that suggest barriers to competition in this market.

Standardization is the process through which technical regulations and national standards for goods and services are issued. Certification is the service through which the technical competence of certification bodies, verification units and testing laboratories is recognized for the evaluation of the fulfillment of regulations. Conformity evaluation entails the revision, through certified bodies, of the fulfillment of regulations on behalf of industries. These services are fundamental to the assurance of quality as well as the technical characteristics and/or safety of commercialized goods and services.

Barriers to competition and free market access are defined as any structural market characteristic, act or deed performed by Economic Agents with the purpose or effect of impeding access to competitors or limit their ability to compete; which impedes or distorts

the process of competition, as well as any legal provision issued by any level of government that unduly impedes or distorts the process of competition and free market access.

The Federal Economic Competition Law (FECL) establishes that once the procedures set out in the Law for this type of investigation have concluded, if elements to determine the lack of conditions for competition are identified, COFECE's Board of Commissioners may: i) order the Economic Agent to eliminate the barriers that unduly affect the competition process (in case of failure to comply with the order, a maximum fine of 10% of the Economic Agent's income may be imposed), and ii) issue recommendations to public authorities when legal provisions unduly impede or distort competition and free market access.

COFECE may also resolve that the divestiture of assets, partnership interest or stock in the necessary proportions to eliminate the anticompetitive effects, shall proceed when other corrective measures are not sufficient to solve the identified competition problem.

To carry out this investigation, the Investigative Authority has between 30 and 120 business days, starting from the publication of the extract, which may be extended two times.

[See: How and why barriers to competition should be eliminated \(Spanish\)](#) *or* [the infographic on Investigations of barriers to competition \(Spanish\)](#)

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