

## **COFECE sanctions Pemex Tri for breach of settlement to protect competition in oil markets, agreed upon with this Commission**

- *The subsidiary of the state-oil company was investigated in 2016 for discriminatory practices. In exchange for the early termination of the investigation, the company offered commitments to reestablish competition conditions in the market.*
- *Pemex Transformación Industrial submitted the first report out of time, through which the Commission would verify said actions, which aim to eliminate the conducts for which it was being investigated.*
- *The breach of any commitment assumed by an economic agent before this authority prevents verification that the investigated conduct has actually ceased, which is a situation that merits a sanction in terms of the law.*

**Mexico City, August 21, 2018.-** The Federal Economic Competition Commission's (COFECE or Commission) Board of Commissioners fined *Pemex Transformación Industrial* (Pemex TRI) 418 million 309 thousand Mexican pesos for failing to comply with the commitments assumed before the Commission, which have the purpose of restoring competition in the market for the commercialization and distribution of special marine diesel and other petroleum products. These commitments were undertaken in exchange for the early closure of file DE-002-2015 for the investigation into possible relative monopolistic practices.

In 2015, Pemex TRI was reported to the Commission for possible relative monopolistic practices, specifically for discriminatory treatment (relative monopolistic practices). That is, for not offering the same supply and first-hand sales conditions of special marine diesel to distributors under equal circumstances. Before the Investigative Authority issued the Statement of Probable Responsibility, the firm requested the early termination of the investigative process in September 2016. In the settlement, the firm committed to protecting competition and free market access.

The settlement includes the annual presentation of an external auditor's report on the conditions under which Pemex TRI grants benefits in terms of first-hand sales and commercialization of all oil products -LP gas, gasoline, diesel, jet fuel, intermediate fuel oil and fuel oil-. The purpose of the report is to verify all competitors in the market receive equal treatment by the company. The settlement stipulates the delivery of said report



during the first quarter of each year, over a period of five calendar years, as of 2017's first quarter.

The first report was delivered extemporaneously, almost one year over the stipulated delivery date. The delayed presentation of the audit hinders COFECE's access to a fundamental requirement for its verification of Pemex TRI's compliance with the commitments set forth in the settlement.

Therefore, the Board of Commissioners deemed Pemex TRI breeched the settlement, which merited the fine.

The Law grants Pemex Tri the right to go before the Federal Judiciary Branch to review the legality of COFECE's actions.

[What is a relative monopolistic practice \(Spanish\)](#)

[Press release on the settlement](#)

– 000 –

#### **MORE COMPETITION FOR A STRONGER MEXICO**

*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.*

