

COFECE investigates possible absolute monopolistic practices in the market for the recruitment of soccer players

- The Investigative Authority has sufficient evidence to presume anticompetitive practices were carried out in said market.
- Absolute monopolistic practices in recruitment and hiring processes of human resources may infringe the Federal Economic Competition Law.
- This investigation should not be construed as a prejudgment, but as an action of the authority to verify compliance with the Federal Economic Competition Law.

Mexico City, November 7, 2018.- Today, the Federal Economic Competition Commission (COFECE or Commission) published on its website and in the Federal Official Gazette (DOF) the notice of initiation of an ex-officio investigation under file IO-002-2018, for possible absolute monopolistic practices in the national market for the recruitment of professional soccer players.

Absolute monopolistic practices are contracts, agreements, arrangements or combinations among competing economic agents, that have the purpose or effect of fixing prices, restricting or limiting supply or demand, market division or segmentation, bid rigging, as well as the exchange of information among economic agents to carry out any of the aforementioned conducts.

The possible commission of absolute monopolistic practices in the recruitment and hiring process of human resources, would imply a set of anticompetitive conducts that hinder employee mobility in the job market, which would require enforcement of the *Federal Economic Competition Law (FECL)*.

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This investigation should not be understood as a prejudgment considering that violations to the Federal Economic Competition Law have not been determined, nor have any individuals or undertakings been considered as offenders.

The timeframe for this investigation is 120 business days, from June 29, 2018, which is the day the investigation was initiated. The term may be extended up to four additional periods.

Should the investigation end without evidence that confirms anticompetitive conducts were carried out, COFECE's Board of Commissioners may close the investigation. In case evidentiary elements that point to the infringement of the Law are found, those responsible will be called to a trial-like procedure, at which they may present their defense.

According to the Federal Economic Competition Law (FECL), in the event an absolute monopolistic practice is confirmed, the economic agent or agents responsible may be fined with up to ten percent of their income. The individuals that contributed, facilitated or instigated the practices may also be fined. The individuals that participated in the order, execution or implementation of this type of agreements among competitors, may be sentenced to prison, as per the Federal Criminal Code, for up to ten years.

<u>Notice of initiation of investigation (in Spanish)</u> <u>What is an absolute monopolistic practice? (in Spanish)</u> <u>Leniency Program (in Spanish)</u>

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The Federal Economic Competition Commission is entrusted with safeguarding competition and free market access. This contributes to people's well-being and the efficient functioning of markets. With its work, COFECE seeks better conditions for consumers, more services of higher quality and a "level playing field" for companies.

