

COFECE sanctions cash-in-transit companies for price fixing and market segmentation

- *The Board of Commissioners determined that seven companies and 10 individuals acting on their behalf colluded in the national market for custody, processing and transport of values.*
- *The fines totaled approximately 123.5 million pesos.*
- *The economic agents agreed on minimum reference prices, as well as market segmentation through an agreement to respect each other's customers.*

Mexico City, November 13, 2018.- The Federal Economic Competition Commission's (COFECE or Commission) Board of Commissioners determined that Compañía Mexicana de Traslado de Valores (Cometra), SEPSA, Seguritec Transporte de Valores (Seguritec), Tecnoval de México (Tecnoval), Transportes Blindados Tameme (Tameme), Servicio Panamericano de Protección (Panamericano) and Grupo Mercurio de Transportes (Grumer), as well as 10 individuals¹ acting on their behalf, participated in the commission of absolute monopolistic practices (also known as collusive agreements or horizontal restraints) in the national market for the provision of transfer, custody and processing services of cash and valuables, for which said companies were fined an approximate total of 123.5 million pesos.

The transport and custody of valuables refers to the reception and delivery of cash and valuables in armored transport, as well as their administration and processing.

The conducts sanctioned consisted of agreements to:

- a) Jointly establish a toll; a fee charged to cash -in-transit companies to allow them to access their facilities.

¹ Constantino Huerta Barragán, acting on behalf of Cometra, Seguritec y Tecnoval; Enrique Abundio de Jesús Higuera Garza, representing Cometra, Seguritec, SEPSA and Tecnoval; José Ricardo Rodríguez Tello, representing Cometra; Jesús Cruz Vorrath, representing Cometra, Seguritec y SEPSA; Raúl Cuenca Adame, representing Cometra and SEPSA; Rafael Oliva Mota, representing Tecnoval; Ubaldo Íñiguez Arellano, representing Seguritec and SEPSA; Martín García Vivanco, representing Tameme; Noé Encarnación Galarza Gómez, representing Panamericano, and Javier Nicolás Téllez Pardo, representing Grumer.



- b) Determine minimum reference prices for services offered in the market, each year.
- c) Divide the market through an agreement to respect each other's clients during price adjustment periods. Failure to comply would result in the implementation of a mechanism through which they identified the loss to compensate accordingly.

The aforementioned conditions were agreed upon in diverse meetings carried out by the representatives of the responsible firms, which took place at least between 2005 and 2011.

Therefore, COFECE's Board of Commissioners determined under file DE-006-2015, that Cometra, SEPSA, Seguritec, Tecnoval, Tameme, Panamericano and Grumer, as well as 10 individuals acting on their behalf, are responsible for carrying out absolute monopolistic practices (also known as collusive agreements or horizontal restraints), for which they were fined approximately 123.5 million pesos in total.

Once the matter has been resolved and the parts are notified, the Law establishes that the sanctioned economic agents have the right to go before the Federal Judiciary Authority to review the legality of COFECE's actions.

See in Spanish: What is an absolute monopolistic practice?

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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.

