

COFECE sanctions *SoftBank* and *WeWork* for failing to notify a concentration and authorizes the transaction

- *Fines amounting to 3 million 379 thousand 600 Mexican pesos were imposed.*
- *The concentration is authorized as it is considered that it does not pose risks to competition and free market access.*

Mexico City, April 21st, 2020.- The Board of the Mexican Federal Economic Competition Commission (COFECE or Commission) approved the concentration between *SoftBank Group Corp. (SoftBank)*, *SB WW Holdings (Cayman) Limited (SB WW)* and *The We Company (WW)*, as it is considered that the transaction does not pose risks to competition conditions in the market for shared working spaces and offices services; and at the same time, the Board fined the companies for failing to notify the concentration *ex ante*.

SoftBank is a Japanese public company that manages and operates investments in diverse sectors. In Mexico, it participates in companies for logistical services, telecommunications, loans and financing for SMEs, payment methods for businesses, food and products' delivery, real-time data management, media and messaging software, among others. *SB WW* is a subsidiary of *SoftBank*.

WW is a company that provides shared working spaces services in the Mexican cities of Guadalajara, Mexico City and Monterrey; and operates under the brand *WeWork*.

The concentration involving the acquisition of a percentage of *WeWork's* stock by *SoftBank* took place between April and July 2019; however, it was not notified to COFECE until January 2020.

The transaction exceeded the thresholds established in the Federal Economic Competition Law (LFCE, as per its initials in Spanish) for mandatory notification,¹ thus the Board of COFECE sanctioned the parties with fines totaling 3 million 379 thousand 600 Mexican pesos. Failure to notify a concentration is considered a serious misconduct; however, in this case the Board considered as an extenuating circumstance when calculating the fine,

¹ Article 86 section III of the LFCE.



the fact that the involved economic agents voluntarily admitted their omission and infringement.

Once the resolution is notified to the parties, the Law grants the sanctioned economic agents the right to go before the Federal Judiciary to request a review of the legality of the Commission's actions.

[See the brochures on Concentration Notification Thresholds \(in Spanish\) and Sanctions to unnotified and unlawful concentrations \(in Spanish\)](#)

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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.

