

The Judiciary reaches the decision that COFECE is the competent authority to resolve the concentration between Uber and Cornershop

Mexico City, May 21st, 2020.- The Mexican Federal Economic Competition Commission (COFECE or Commission) became aware, through the live broadcast of today's session of the First Circuit Collegiate Court specialized in Economic Competition, Broadcasting and Telecommunications, that this instance unanimously determined that the Commission is the competent authority to resolve the concentration between Uber and Cornershop.

Even though the transaction was originally notified to and processed by COFECE, the Federal Telecommunications Institute (IFT as per its initials in Spanish) also considered itself as the competent authority to handle the concentration. Thus, in strict accordance to the Federal Economic Competition Law, the Commission referred the file to the Federal Judiciary Branch to settle the conflict over competence.

Accordingly, the Commission raised several arguments to support its position regarding its competence. Among these, COFECE argued that digital platforms, such as Uber and Cornershop, do not provide telecommunications services, but only use these as an input to offer their respective services.

The Specialized Circuit Court decided to grant COFECE the competence to acknowledge and resolve the concentration between Uber and Cornershop, taking into consideration, among other assumptions, the following: 1) the notifying parties are not telecommunications concessionaires, but rather use them for providing their services through a digital platform; 2) the provided services are not of telecommunications, but of logistics and intermediation between users, drivers and delivery people; and 3) the notifying parties use the internet as an input, which does not constitute the platforms' service or its source of income.

The Specialized Circuit Court's decision sets an important precedent in the definition of the competences between COFECE and IFT in the current context, where commerce through platforms and digital media is taking greater relevance in the country's economic life.



The Commission awaits the notification of this decision to immediately resume the proceeding in order to expedite the analysis and resolution of the transaction.

Learn about [COFECE's Digital Strategy](#)

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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.

