

COFECE accepts commitments from the Association of Public Brokers to correct possible anticompetitive conducts

- *Relative monopolistic practices allegedly consisting in discriminatory treatment or establishing advantages in favour of certain agents were investigated in the market for the services of affiliation to the associations of public brokers.*
- *The public broker's associations in Mexico City, the State of Mexico and the state of Nuevo Leon proposed a series of measures to restore competition. The Board of Commissioners deemed that these were, in general terms, legally and economically feasible and appropriate. Measures were adjusted and the benefit of exemption from the fine was conditioned to the acceptance of said measures.*

Mexico City, June 10th, 2020.- The Board of Commissioners of the Mexican Federal Economic Competition Commission (COFECE or Commission) imposed, with some modifications, the commitments¹ offered by public brokers' associations (CCP as per its initials in Spanish) in Mexico City, the State of Mexico and the state of Nuevo Leon, to restore competition and free market access in the market for the services of affiliation to CCPs in the Mexican territory. Possible relative monopolistic practices, consisting in possible discriminatory treatment amongst affiliates, were being investigated in said market. Thus, the Commission granted the benefit of exemption from the fine to associations in the case file DE-018-2018.

The associations committed, among other issues, to convene, hold and record Ordinary General Assemblies of Associates to revoke agreements, items and resolutions, as well as to modify their statutes (with prior authorization from the Ministry of Economy [SE, as per its initials in Spanish]), and to take the necessary steps for the compliance, among others, of the following measures:

1. Revoke, with retroactive effect, the agreements in which differentiated affiliation fees between public brokers have been established.
2. Ensure that affiliation fees are not discriminatory when applied to public brokers in

¹ The Federal Economic Competition Law provides that those parties under investigation for relative monopolistic practices may request the exemption and fine reduction benefit before the conclusion of the investigation is issued by the COFECE's Investigative Authority.

similar conditions.

3. Avoid discriminatory conducts that for any given cause or purpose could give advantages to affiliate to some public brokers.
4. Carry out the corresponding actions to cease the establishment of fees for affiliating to the CCPs, as well as claiming that no fee will discriminate public brokers under equivalent terms.

During the investigation, the Commission's Investigative Authority found that, between March 2017 and February 2019, CCPs established differentiated affiliation fees for direct-licensed public brokers – legal professionals authorized to practice as public brokers in the same circumscription where they completed their examination- and for those who wanted to be relocated between circumscriptions. The latter were forced to pay affiliation fees up to 10 times higher than brokers who had applied for affiliation by direct authorization. This differentiation had the possible effect of disincentivizing brokers from relocating between circumscriptions, thus blocking mobility and the subsequent competitive pressure amongst peers. Taking into account that public brokers licensed by the SE to practice in this field are certificated through an exam, and that certification is not lost after relocation, differentiated fees had no justification.

Consequently, the Board of Commissioners considered that the modified commitments were suitable and feasible to eliminate or correct the possible anticompetitive conducts investigated in the market for the services of affiliation to CCPs. Following this resolution, brokers licensed by the SE in any circumscription and that are interested in affiliating to the CCPs in Mexico City, the State of Mexico and the state of Nuevo Leon may carry out the corresponding procedure under equal conditions.

[Learn more: What is a relative monopolistic practice? \(in Spanish\)](#)

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The Federal Economic Competition Commission is entrusted with safeguarding competition and free market access. Through this, COFECE 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

