

## COFECE sanctions *Interjet* and *HBC* for not notifying their concentration in time

- *The Commission imposed fines for a total amount of 955 thousand 680 Mexican pesos.*
- *The concentration was authorized after verifying that the operation does not affect competition and free market access.*

**Mexico City, February 08, 2021.-** The Board of Commissioners of the Federal Economic Competition Commission (COFECE or Commission) authorized the concentration between *ABC Aerolíneas (Interjet)* and *HBC International*, operation by which *HBC* acquired part of the social capital of *Interjet*. However, it fined the companies for not notifying the concentration before carrying it out, as established in the Federal Economic Competition Law (LFCE).

In June 2020, *Interjet* increased its social capital, that was provided by *HBC*, resulting in the acquisition of part of the airline company. However, the companies gave notice of the operation to COFECE until August of that year. At the same time, they recognized that they should have provided prior notification and wait for the authorization before concentrating; likewise they provided all the necessary elements for this Commission to conduct the appropriate concentration analysis.

Therefore, file VCN-005-2020 was opened, in which it was found that the transaction does not represent risks to the process of competition and free market access, thus the Board of Commissioners authorized the operation. Also, it imposed fines for a total 955 thousand 680 Mexican pesos as it proved that *HBC* and *Interjet* failed to comply with the legal obligation to notify the concentration.

When a concentration, which exceeds certain amounts, is carried out and it is not notified before the Commission, the Commission is prevented from analyzing in a timely and preventive manner, the possible impact and risks that could be created for competition and free market access in the markets involved in said operation.



Once the matter is resolved and the parties have been notified, the Law grants the sanctioned economic agents the right to appear before the Federal Judicial Power to review the legality of the Commission's actions.

*Read [Factors to analyze a concentration \(in Spanish\)](#) and [Sanctions for unnotified or unlawful concentrations \(in Spanish\)](#)*

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### **MORE COMPETITION FOR A STRONGER MEXICO**

*The Federal Economic Competition Commission is responsible for ensuring competition and free market access. In this way, it contributes to consumer welfare and the efficient functioning of the markets. Through its work, COFECE seeks better conditions for consumers, greater output and better services and a “level playing field” for companies.*

