

COFECE issues the update of the *Guide for the Notification of Concentrations*

- *For the first time, it includes information elements for collaboration agreements between economic agents or Joint Ventures that may imply a concentration in the terms of the LFCE.*
- *It also clarifies questions related to the calculation of notification thresholds, the moment to present it and who are obliged to notify a concentration when it involves multiple buyers, as it occurs in capital raising rounds for startups.*
- *In addition, it makes recommendations to present concentrations of companies in precarious economic situation.*
- *The Guide reflects the treatment that the Commission grants to the concentration process, with the purpose of providing greater transparency and certainty in its actions.*

Mexico City, April 08, 2021.- The Federal Economic Competition Commission (COFECE or Commission) published today the update to the *Guide for the Notification of Concentrations*, which was enriched with the comments received in a public consultation. With this, greater certainty is provided to economic agents about how the Commission analyzes concentrations to comply with its mandate to prevent those that may affect competition in the markets.

In this *Guide* COFECE added elements that it considers in its concentrations analyses to clarify: 1) the treatment it gives to **collaboration agreements** between economic agents, known as *Joint Ventures*; 2) questions related to the **calculation of notification thresholds**; 3) who are obliged to notify a concentration that involves **multiple buyers**, as it occurs in capital raising rounds for startups, and 4) what information must be submitted to make the case of a company in **precarious economic situation**.

Given that in some cases *Joint Ventures* may have elements that can be equated to a concentration¹, the *Guide* provides more information so that economic agents can distinguish them and know which and when they must be notify them to COFECE.

¹ The scopes of what the Commission will understand as a *Joint Venture* are found the *Guide*.

With respect to the thresholds² to determine whether a notification must be notified, the Guide clarifies: i) the calculation of the amount of a concentration, ii) which are the societies that must be considered for purposes of calculating the value of the operation to be analyzed, and iii) establishes some guidelines on when succession of acts must be notified.³

For the cases of concentrations in which companies in precarious economic situation are acquired, the *Guide* recommends, among various aspects, to present documentation that demonstrates the imminent risk that they could exit the market in the immediate future or that there are no solutions other than the concentration to mitigate its financial problems.

The update to the *Guide for the Notification of Concentrations* that is published today is made in compliance with the LFCE, which establishes that the directives, guides, guidelines and technical criteria that are issued by the Board of Commissioners must be revised, at least, every five years, to provide guidance about the operative practice that the Commission gives to concentrations notification processes, with the objective of providing greater transparency and certainty about our performance.

[Read the Guía para la Notificación de Concentraciones \(In Spanish\).](#)

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A BETTER MEXICO IS EVERYBODY'S COMPETENCE

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.

² Article 86 of the LFCE establishes the thresholds that must be considered to notify a concentration.

³ Sequence or series of legal acts or operations that allow an Economic Agent to merge companies, stock, social parts or assets of a single agent or economic interest group.