

The Federal Judiciary Power resolves that COFECE is the competent authority over the markets for online search services, social networks and cloud computing

- *The IFT is competent over the market for mobile operating systems.*

Mexico City, June 18, 2021.- The Federal Economic Competition Commission (COFECE or Commission) learnt, through a live broadcast of the session of the First Collegiate Circuit Tribunal on Administrative Matters Specialized in Economic Competition, Broadcasting and Telecommunications, that its jurisdiction over the markets for **online search services, social networks and cloud computing** is recognized.

Through this determination, the Federal Judicial Power (PJF, per its initials in Spanish) grants greater legal certainty to COFECE, the Federal Telecommunications Institute (IFT, per its initials in Spanish or Institute) and the economic agents that participate in economic activities related with the digital environment, regarding the authority that must resolve on these markets.

In accordance with Article 28 of the Mexican Constitution, the Commission is the economic competition authority in charge of resolving on all markets, with the exception of the telecommunications and broadcasting sectors, which are under the exclusive jurisdiction of IFT. There have been isolated cases in which there are doubts regarding which authority must resolve on a particular matter, in markets where the pertinence of the sectors is not clear, if the IFT is in charge or whether they are under the jurisdiction of COFECE.

The current development and use of multiple technologies has allowed the digitalization of markets, that is, businesses and economic agents that operate through digital platforms, in which the internet is an input for their operation. On the other hand, the PJF has previously determined that the fact that certain markets use the internet as a facility does not grant jurisdiction to resolve said markets beforehand, neither to the Institute nor to the Commission, and that each case must be analyzed on its merits. To this end, the Federal Economic Competition Law (LFCE, per its initials in Spanish) provides that in those cases



when the Commission and the IFT cannot agree on who is the competent authority to resolve a matter, the PJF determines which body is competent, through the resolution of an administrative jurisdictional conflict.

In this sense, in January of this year, the PJF was requested to determine which of these two authorities was competent to resolve on the markets that are a part of an investigation initiated by the IFT in October 2020, for possible barriers to competition and essential facilities in the markets for online search, social networks, mobile operating systems and cloud computing services.

Thus, the judicial decision determines that COFECE is competent to resolve on the markets for: online search services, social networks and cloud computing services. The IFT, for its part, is competent to resolve on the market for mobile operating systems.

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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.

