

In light of December shopping season, COFECE warns companies to avoid carrying out collusive practices

- *Establishing prices with competitors is prohibited by the competition law and implies the imposition of both economic and criminal sanctions.*
- *Economic agents that participate or have participated in agreements contrary to the LFCE can adhere to the Immunity Program.*
- *These unlawful conducts are considered serious as they directly damage the economy of families, particularly those of lower income.*

Mexico City, December 9, 2021.- The Mexican Federal Economic Competition Commission (COFECE or Commission) warns companies, businesses, retailers and other economic agents that sell goods or services, that acts of collusion (or absolute monopolistic practices) are conducts prohibited by the Federal Economic Competition Law (LFCE), sanctionable with fines of up to 10% of their income, and even can be penalized with imprisonment. They are considered serious because they damage the economy of families, particularly those of lower income.

This call is made in the context of the “December holidays”, a season in which many Mexican households carry out diverse purchases, either through traditional channels or online, with the objective of showing appreciation to family and friends.

In this context, COFECE reiterates that companies must compete for consumer preference, by offering better prices and quality in products and services. On the contrary, the LFCE¹ prohibits competitors from carrying out agreements to:

- **Establish in a coordinated way the sale prices** of goods and services.
- **Conspire not to reduce prices.**
- **To not produce, process or commercialize any type of good or service.**
- **Divide the markets or sales areas** in which they operate.
- **Discuss price strategies** or future plans with competitors.

¹ Article 53 of the LFCE

COFECE recommends companies to take the necessary actions to avoid that their managers and collaborators from carrying out these prohibited practices. In case of having participated in agreements contrary to the LFCE, they can adhere to the Immunity Program, through which they would obtain, in exchange of their full and complete collaboration, a reduction in the applicable sanctions, including criminal liability.

Both consumers and companies can file complaints or report these unlawful conducts before the Investigative Authority of the Commission, if they have knowledge that any of these are being carried out.

In accordance with the LFCE, collusions, or absolute monopolistic practices, can be subject to **criminal liability, fines of up to 10% of the income** of each economic agent that participated in the agreement, even natural persons can be sanctioned with **5 to 10 years of prison**, and fines between one and 10 thousand Units of Measure and Update (UMA per its acronym in Spanish).

Reference links:

[Recommendations for complying with the LFCE](#)

[File a complaint or report anticompetitive practices \(In Spanish\)](#)

[How to adhere to the Immunity Program?](#)

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The Mexican Federal Economic Competition Commission is responsible for ensuring competition and free market access. In this way, it contributes to the people's welfare and the efficient functioning of the markets. Through its work, it seeks better conditions for consumers, that more services are offered with higher quality and that there is "level playing field" for companies.

