

Cofece sanctions *IAC Holdco*, *GCM* and *Franklin*, companies that participate in the market for auto parts, for not notifying two concentrations

- *The Commission imposed fines that amount more than 9 million 98 thousand Mexican pesos.*

Mexico City, March 02, 2022.- The Board of the Federal Economic Competition Commission (Cofece or Commission) sanctioned the omission to notify two concentrations before carrying them out, an obligation that is established in the Federal Economic Competition Law (LFCE, per its initials in Spanish).

In April 2018, *GCM* carried out the purchase and accumulation of assets and/or control of *IAC Holdco* and its Mexican subsidiaries. Subsequently, in April 2019, *Franklin Mutual Advisers* sold to *GCM* shares from *IACNA*, firm that is the owner of shares of *IAC Holdco*, which implied another acquisition by *GCM* over *IAC Holdco* and its subsidiaries.

Both operations exceeded the monetary thresholds that are foreseen by the LFCE to make its notification mandatory prior to its completion. Not notifying prevented Cofece from analyzing in a timely and preventive manner the impact and risk that said concentrations could generate on competition and free access to the involved markets.

The companies tried to notify the Commission of the transactions after these had been completed. Consequently, the file (VCN-002-2021) was initiated to verify compliance with the competition regulation, as well as to analyze the impact that the concentrations could generate on the process of competition and free market access. In this regard, it was found that they do not imply risks in this matter hence they were authorized. However, the corresponding sanctions were imposed for failure to comply with what the LFCE mandates.

Once the matter has been resolved and the parties have been notified, the sanctioned economic agents have the right to appear before the Judicial Power of the Federation to review the legality of the actions of Cofece.

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



– 000 –

MORE COMPETITION FOR A STRONGER MEXICO

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.



www.cofece.mx



[@cofecemx](https://twitter.com/cofecemx)



[facebook/cofece](https://facebook.com/cofece)



[youtube/CFCEconomica](https://youtube.com/CFCEconomica)