

## **Cofece imposes a total fine of 9.7 million Mexican pesos on Cemex, ABC Capital, ABC Holding and a natural person for the omission of notifying two concentrations**

- *The Board of Commissioners of Cofece determined that the sanctioned economic agents did not notify two transactions when they were legally required to do so.*

**Mexico City, June 20, 2022.-** The Federal Economic Competition Commission (Cofece or Commission) imposed sanctions for a total 9 million 748 thousand 587 Mexican pesos to *Cemex*, *ABC Capital*, *ABC Holding* and a natural person, for not notifying two transactions that exceed the thresholds foreseen in article 86 of the Federal Economic Competition Law (LFCE, per its initials in Spanish), and, for which they were obliged to receive authorization from this autonomous body before carrying them out.

In the first months of 2022, Cofece had knowledge that the first transaction was carried out in 2018, moment in which *ABC Holding* increased its participation in *ABC Capital's* social capital; and that the second took place in 2021, date on which *Cemex* sold stocks from *ABC Capital* to a natural person. The Commission identified that both operations exceeded the thresholds foreseen in section III of article 86 of the LFCE.

Based on due process, the Board of Commissioners of Cofece discussed and authorized both concentrations, as it considered that these do not represent risks to the process of competition and free market access. However, when proving the responsibility of the economic agents involved for not notifying the concentrations when they legally should have done, Cofece imposed four fines: the fines for the companies involved in the first transaction amount to 7 million 956 thousand 187 Mexican pesos; while, for the company and the natural person related to the second transaction, the fines amount to 1 million 792 thousand 400 Mexican pesos.

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.<sup>1</sup>

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### **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.*

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<sup>1</sup> The public version of the resolution may be consulted in the portal for opinions and resolutions of Cofece's website within the legal timeframe established in Article 47 of the Regulatory Provisions of the Federal Economic Competition Law.