



Cofece-006-2023

Cofece investigates probable collusive agreements in the market of radiological material acquired by the health sector

- The Investigative Authority has indications of the possible realization of conducts that could constitute absolute monopolistic practices.
- Collusion in sales to the health sector affects the quantity and quality of medical supplies to which the population has access.

Mexico City, March 2, 2023.- The Investigative Authority (IA, per its initials in Spanish) of the Federal Economic Competition Commission (Cofece or Commission) published today, on its website and in the Federal Official Gazette, the notice of initiation of an ex officio investigation for the possible realization of illegal agreements between competitors to concert or coordinate bids (absolute monopolistic practices) in the market for radiological material and related material acquired by the health sector in the national territory, in terms of Article 53, section IV of the Federal Economic Competition Law (LFCE, per its initials in Spanish). Collusions in the health sector are serious because they have a direct impact on the number and quality of medical supplies purchased with public resources by government institutions for the care of the population.

In the extract of the initiation agreement, the AI indicated that there is an objective cause that shows indications of a possible realization of absolute monopolistic practices in the investigated market. Nonetheless, this investigation, identified under file number IO-004-2022, should not be understood as a prejudgment of the responsibility of any economic agent, since so far no violations to the regulations on economic competition have been identified, nor the subject(s) who, if applicable, would be considered as probable responsible at the end of this investigation.

The timeframe for this inquiry is up to 120 business days, counted from August 26, 2022, a period that may be extended for the same time up to four times. If, at the end of the investigation, no elements are found that presume the carrying out of absolute monopolistic practices, the Board of Commissioners could resolve the closure of the file. However, in case there are elements that presume a violation of the Federal Economic Competition Law (LFCE), those responsible will be called to a trial-like procedure to present their defense.

In that sense, in accordance with the LFCE, if an absolute monopolistic practice is proved, the responsible economic agents could be fined with up to 10% of their income. Also, those who have collaborated, facilitated or induced the realization of these practices could be financially sanctioned. Natural persons that could have participated in the celebration, execution or the ordering of this type of agreements between competitors, could be sanctioned with up to 10 years in prison, in accordance with the provisions of Article 254 bis of the Federal Criminal Code.

It is important to mention that those who have participated in this type of conducts, can adhere to the benefits of Cofece's <u>Immunity and Reduction of Sanctions Program</u>.

Read here the extract of the initiation agreement (in Spanish)

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MORE COMPETITION FOR A STRONGER MEXICO

The Federal Economic Competition Commission safeguards competition and free market access.

Through its work, it seeks better conditions for consumers, that more services are supplied with higher quality and that there is a "level-playing-field" for companies.