



Cofece-021-2023

Cofece investigates the existence of illegal practices in the market of digital goods and/or services

- Digital markets are a priority for Cofece, as they contribute to Mexico's economic growth, and their products are highly consumed by a greater proportion of households and individuals.
- Digital goods and/or services include e-books, software, video games, photographs, music, and online movies.

Mexico City, July 3, 2023.- The Investigative Authority of the Federal Economic Competition Commission (Cofece or Commission) initiated an investigation derived from a complaint for possible <u>relative monopolistic practices</u> in the market for the development, commercialization, and sale of digital goods and/or services.

The inquiry analyzes the development, commercialization, and sale of digital goods and/or services, that is, e-books, software, video games, photographs, music, and online movies, among others. Digital goods and services, as well as applications, are created by developers and sold to end users through various channels. The corresponding negotiation and payment processing mechanisms are analyzed as well.

In Mexico, as in many countries, there has been a significant increase in consumption and revenue from the sale of digital goods and services. In 2021, <u>sales of video games in Mexico alone increased by 24% compared to the previous year, digital books grew by 35%, and digital photo and video 19%.</u>

This investigation (identified with file number DE-023-2022), which began on January 6, 2023, should not be understood as a prejudgment on the responsibility of any economic agent. The foregoing, since up to now no violations to the regulations on economic competition have been identified. If at the end of the investigation, there are elements that presume a violation of the Law, those responsible will be called to a trial-like proceeding to present their defense. If a relative monopolistic practice is proven, the responsible economic agent(s) may be sanctioned with fines of up to 8% of their income and an order to suppress the conduct.

Click here for an excerpt of the <u>Initiation Agreement (In Spanish)</u>

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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.