

Cofece files a complaint before the Office of the Federal Attorney against individuals who allegedly manipulated prices in the sale of building coating products

- *As part of the new phase of competition policy, Cofece will use all its powers to deter anticompetitive practices that harm the population.*
- *The Investigative Authority filed a criminal complaint before the FGR for the alleged collusion to manipulate the sale price of building coating products.*

México City, April 04, 2024. The Investigative Authority (IA) of the Federal Economic Competition Commission (Cofece) filed a **criminal complaint before the Office of the Attorney-General (FGR**, per its initials in Spanish) reporting several persons who probably colluded to **illegally manipulate the sale price of building coating products** used in the construction sector.

In accordance with the Federal Economic Competition Law and the Federal Criminal Code, **the IA may file criminal complaints before the FGR** regarding probable criminal conducts in matters of market access and economic competition so that those allegedly involved may be sanctioned with prison, since this crime carries a **sanction of five to ten years of imprisonment**.

From this point on, the Federal Public Prosecutor's Office is responsible for conducting the investigation that, if applicable, is initiated for the actions reported by the AI, as well as for the exercise of the criminal action. Subsequently, the Judicial Power will determine whether there is **criminal liability**, so **the filing of this criminal complaint does not constitute any prejudice by Cofece**.

In addition, and **independently from the criminal proceeding, Cofece has opened an administrative procedure**. In this procedure, the individuals have already been notified with a statement of probable responsibility and are presenting evidence and arguments for their defense. At the end of the procedure, the Board of Commissioners of Cofece will determine whether there is **administrative liability** and, if so, will impose the corresponding sanctions.

Collusion between competitors to manipulate prices (absolute monopolistic practices) results in an illegal increase in the prices of goods and services purchased by Mexicans. If confirmed, a collusive behavior in this market would violate **Mexicans' right to decent housing**, affecting the living conditions of the population, especially those of the most vulnerable groups. According to UN-HABITAT, at least 38.4% of Mexicans live in inadequate housing, and the National Council for the Evaluation of Social Development Policy (Coneval) estimates that there is a housing gap of 45%.

In this **new phase of economic competition policy, Cofece will use all its powers to severely punish** those who engage in anticompetitive conducts against Mexicans, so that these individuals receive all the sanctions allowed by law.

- 000 -

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.