

## **Cofece sanctions the Mexican Regulatory Council for the Quality of Mezcal with over 4 million pesos for harming mezcal producers**

- *The Mexican Regulatory Council for the Quality of Mezcal unjustifiably refused to provide the necessary certification service so that several mezcal producers could be able to sell their products.*
- *A fine of over 4 million pesos was imposed on the Council, and a director was disqualified for more than 3 years.*

**México City, June 27, 2024.** The production of mezcal, along with that of tequila, is one of the sources of income and employment for small and medium producers in the country. It is the second most important economic activity in the alcoholic beverages industry (32% of the production in this sector) and is exported to 81 countries. **The Board of Commissioners of the Federal Economic Competition Commission (Cofece or Commission) fined the Mexican Regulatory Council for the Quality of Mezcal and a director after verifying that they unjustifiably refused to provide the certification service to mezcal producers between February 2018 and August 2021.**

The fines imposed amount to a total of 4 million 170 thousand 311 pesos, as it was proven that the conduct was carried out intentionally. In addition, the **sanctioned director will not be able to hold a similar position in any company whose purpose is the certification of compliance with NOM-070-SCFI-2016 (NOM Mezcal) for a period of three years.**

This type of conducts are known as relative monopolistic practices, and are acts carried out by economic agents who abuse their dominant market position to displace other companies, prevent them from freely accessing markets, or unduly favor one of them.

As part of the **new phase of economic competition policy**, Cofece maintains its commitment to **monitor that there are conditions of competition conditions in all goods and services** and to use its powers to the fullest extent **to sanction anticompetitive conducts that directly affect small producers and impedes their access to markets**, especially for those products that are important for the economic development and strength of the country.

The public version of the resolution will be available on the Opinions and Resolutions portal of the Cofece's website within twenty business days following its notification to all those sanctioned.

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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.*