

# THE GOVERNMENT GAZETTE OF MAURITIUS

# **EXTRAORDINARY**

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General Notice No. 1182 of 2020

### LEGAL SUPPLEMENT

The undermentioned Government Notices are published in the Legal Supplement to this number of the *Government Gazette* :

The Chemical Weapons Convention (Amendment of Schedule) Regulations 2020. (Government Notice No. 187 of 2020)

The Legal Aid and Legal Assistance (Fees) (Amendment No. 2) Rules 2020. (Government Notice No. 188 of 2020)

> Prime Minister's Office, Port Louis.

### General Notice No. 1183 of 2020

### THE CUSTOMS TARIFF ACT, 1969

(Act No. 59 of 1969)

Notice is hereby given that the Director-General has by virtue of the power conferred upon him by Section 7 of the Customs Tariff Act, 1969 as amended by the Finance Act 2006, fixed with effect from Monday 24<sup>th</sup> August, 2020 the following rates of exchange with regard to the value of goods imported for the purpose of levying ad valorem duty thereon.

2. The General Notice No. 1151 of 2020 is hereby cancelled.

## Mauritius Revenue Authority Port Louis

20th August 2020

Research and the second second second second		the second s	 				-	100 million	
Country		Currency	Code	Value in Rupees as at 19.08.2020	Country	Currency		Code	Value in Rupees as at 19.08.2020
Argentina		Peso	 ARS	0.5437	Myanmar	 Kyat		MMK	0.0294
Australia		Dollar	 AUD	28.8752	New Zealand	 Dollar		NZD	26.4085
Bahrain		Dinar	 BHD	105.8462	Norway	 Krone		NOK	4.5161
Brazil		Real	 BRL	7.2989	Oman	 Omani Rial		OMR	103.6468
Canada		Dollar	 CAD	30.5556	Pakistan	 Rupee		PKR	0.2382
China		Yuan	 CNY	5.9300	Saudi Arabia	 Riyal		SAR	10.6399
COMESA		Comesa Dollar	 CMD	39.9040	Seychelles	 Rupee		SCR	2.2468
Czech Republic		Koruna	 CZK	1.8266	Singapore	Dollar		SGD	29.2444
Democratic	~~~	Canaa Erana	CDF	0.0204	South Africa	 Rand		ZAR	2.3025
Republic of Con		1.1.5		6.3986	Sri Lanka	 Rupee		LKR	0.2165
Denmark		Krone Pound	 EGP	2.5128	Sweden	Krona		SEK	4.6212
Egypt EMU		Euro		47.5822	Switzerland	Franc		CHF	44.3747
Hong Kong		Dollar	 HKD	5.1489	Taiwan	New Taiwan		TWD	1.3575
Hungary		Forint	 HUF	0.1366	Taiwan	 Dollar			
India		Rupee	 INR	0.5375	Tanzania	 Shilling		TZS	0.0172
Indonesia		100 0 11	 IDR	0.2704	Thailand	 Baht		THB	1.2802
Israel		Shekel	 ILS	11.7320	Tunisia	 Tunisia Dinar		TND	14.7046
Japan		100 Yen	 JPY	37.8900	Turkey	 Turkish Lira		TRY	5.4123
Jordan		<b>D</b> .	 JOD	56.3616	UA Emirates	 Dirham		AED	10.8647
Kenya		Shilling	 KES	0.3683	U.S.A.	 Dollar		USD	39.9040
Korea		Won	 KRW	0.0338	Uganda	Shilling		UGX	0.0109
Kuwait		Dinar	KWD	130.7899	United Kingdor			GBP	52.6229
Malagasy Repub			MGA	1.0585	Uruguay	 Peso Uruguayo			0.9341
Malawi		Kwacha	 MWK	0.0539	Vietnam	 100 Vietnam		VND	0.1722
Malaysia		Ringitt	 MYR	9.5464	viculalli	 Dong			2.1427
Mexico		Peso	MXN	1.8009	Zambia	 Kwacha		ZMW	2.1421
		No L F 1							

General Notice No. 1184 of 2020

# Competition commission

shaping markets, furthering progress

# Decision of the Competition Commission

CC/DS/0030/69 Non Confidential

Application for Immunity made by Topodom Distribution Ltée under the Competition Commission Amnesty Programme for Resale Price Maintenance

29 June 2020



Decision of the Commissioners of the Competition Commission of 29 June 2020

relating to a proceeding under section 59(7) of the Competition Act 2007 further to a Report of the Executive Director on the matter referred to as 'INV042/RPM/016– Review of Topodom Distribution Ltée RPM Amnesty application'

(CC/DS/0030/69 – Application for Immunity made by Topodom Distribution Ltée under the Competition Commission's Amnesty Programme for Resale Price Maintenance)

THE COMMISSION

Mr. M. A. Bocus	Chairperson

Mrs. M. B. Rajabally - Commissioner,

Mrs. V. Bikhoo - Commissioner,

Having regard to the Competition Act 2007,

Having regard to paragraph 5.6A of Competition Commission Guidelines 3 on Collusive Agreements regarding the Competition Commission's Amnesty Programme for Resale Price Maintenance,

Having regard to the Competition Commission Rules of Procedure 2009,

Having regard to the undertakings offered by Topodom Distribution Ltée on 25 May 2018,

Having regard to a report of the Executive Director dated 29 June 2018,

### WHEREAS:

- I. Introduction
  - 1.1 This Decision relates to an application for immunity dated 20 October 2017 made by Topodom Distribution Ltée pursuant to the Competition Commission's Amnesty Programme for Resale Price Maintenance prescribed under paragraph 5.6A of Competition Commission Guidelines 3 on Collusive Agreements (the 'Application'). As part of the conditions set out thereunder, undertakings have been offered to the Commission by Topodom Distribution Ltée on 25 May 2018 ('the Undertakings').
  - 1.2 Having taken cognizance of a report of the Executive Director dated 29<sup>th</sup> June 2018 on the matter, the Commission has determined the present matter on the basis of the provisions of section 59(7) of the Competition Act 2007 (the 'Act'), the conditions prescribed under paragraph 5.6A of CC3

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Guidelines on Collusive Agreements and considering in particular, the Undertakings offered pursuant to section 63(3) of the Act.

### II. Background

### *i.* Competition Commission's RPM Amnesty Programme

- 1.3 Pursuant to section 59 of the Act, the Commission may grant immunity or leniency to any person in such circumstances as may be prescribed. Effective from 05 June 2017 until 20 October 2017 inclusively<sup>1</sup>, the Commission put in place a one-off, time-limited amnesty programme for any enterprise involved in resale price maintenance (RPM) by waiving the restriction at paragraph 5.3 of CC3 Guidelines on Collusive Agreements, *viz.*, that only RPM which facilitates a cartel can benefit from leniency and the associated footnote 3 thereat and subject to the applicant-enterprise fulfilling the conditions prescribed under paragraph 5.6A (b) of the said Guidelines (the 'RPM Amnesty Programme').
- 1.4 The conditions prescribed under the RPM Amnesty Programme for providing immunity from financial penalties to any enterprise applying for RPM Amnesty are that the applicant
  - i. admits its participation in an agreement involving RPM,
  - ii. provides the Competition Commission with all the information, documents and evidence available to it regarding the RPM, and as required by the Competition Commission,
  - iii. maintains continuous and complete co-operation until the conclusion of any action by the Competition Commission in relation to the matter, and
  - iv. offers undertakings that satisfactorily address the competition concerns of the Competition Commission.

### *ii.* The Applicant and the Application

1.5 The Applicant, Topodom Distribution Ltée (bearing Business Registration Number C07016757), is a private company incorporated in Mauritius since 18 July 1996. Topodom Distribution Ltée is a supplier of Fast Moving Consumer Goods (FMCGs) in Mauritius. FMCGs are products that are sold quickly and at relatively low cost. Topodom Distribution Ltée supplies its products to supermarkets, hypermarkets, shops and general stores. The company has a portfolio of around 661 resellers around the island.

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<sup>&</sup>lt;sup>1</sup> The Commission had extended the validity of the RPM Amnesty (CC 3 Guidelines - Amended 3<sup>rd</sup> October 2017) from 05 October 2017 to 20 October 2017.

- 1.6 The Managing Director of Topodom Distribution Ltée, acting on behalf of the company, has, by way of letter dated 20<sup>th</sup> October 2017, applied for immunity under the RPM Amnesty programme.
- 1.7 Topodom Distribution Ltée applied for RPM Amnesty for the following conducts:
  - (i) For having, since November 2009, determined and communicated in advance, through reseller price lists, the retail price of the concerned products to dealers without mentioning that the prices communicated therein are 'recommended prices'; and
  - (j) For having accepted and filled up deal sheets containing a retail price column where some of the deal sheets contained a minimum retail price column.

### iii. The Investigation

- 1.8 Upon receipt of the Application and pursuant to section 51 of the Act, the Executive Director proceeded to investigate whether the reported conduct may amount to an RPM within the ambit of section 43 of the Act.
- 1.9 Upon completion of his investigation, the Executive Director submitted a report on the matter to the Commission on 29 June 2018. The Report contains the findings of the Executive Director, his assessment of whether the proposed Undertakings address all the concerns identified by him, and his recommendations in respect of the Application (the 'Report').
- 1.10 The Executive Director's findings are that: -
- 1.11 a. Topodom Distribution Ltée has participated in agreements involving RPM, having a restrictive object viz. directly establishing a fixed retail price through the circulation of price lists to be practised by dealers when reselling its products and by accepting to fill up deal sheets from resellers with retail prices and minimum retail prices for its products;

b. Topodom Distribution Ltée has admitted being a party to transactions involving RPM conduct as a supplier of FMCGs; and

c. Topodom Distribution Ltée has maintained continuous cooperation with the Competition Commission by responding to the Competition Commission's information request and submitting all additional information documents, and evidence required from it in a timely manner.

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- 1.12 The Executive Director has further assessed the Undertakings offered by Topodom Distribution Ltée. The Executive Director takes the view that the proposed Undertakings satisfactorily addresses the concerns identified in the Report for the following reasons –
  - a. Topodom Distribution Ltée has undertaken to inform all its dealers, in writing, that they are free to apply or practise their own retail prices for all products supplied to them by Topodom Distribution Ltée, including for past stock of unsold goods;
  - b. Topodom Distribution Ltée has already amended its product price list replacing the terms 'Public Price' by 'Recommended Public Price' such that resellers are clearly informed upon receiving the price list;
  - c. Topodom Distribution Ltée has undertaken to inform its dealers, as far as the deal sheets are concerned, to remove the minimum resale price column and include the terms 'recommended price' to the retail price column therein; and
  - d. Topodom Distribution Ltée has undertaken to inform its internal management and commercial employees engaged in the sales and marketing of Topodom Distribution Ltée's products of the behavioural measures it has adopted, thereby minimising risks of RPM conduct being promoted by employees and ensuring that commercial dealings with resellers are in compliance with the Act.
- 1.13 The Executive Director recommends that the Commission accepts the Undertakings and grants immunity from fines to the Topodom Distribution Ltée for its participation in the reported RPM conduct.

### III. Legal Framework

- 1.14 Section 43 of the Act prohibits and renders void 'any vertical agreement between enterprises to the extent that it involves resale price maintenance'. RPM is in turn defined at under section 2 of the Act as 'an agreement between a supplier and a dealer with the object or effect of directly or indirectly establishing a fixed or minimum price or price level to be observed by the dealer when reselling a product or service to his customers'.
- 1.15 Having regard to the conditions prescribed under the RPM Amnesty Programme, an enterprise will benefit from immunity from financial penalty if it is involved in a conduct(s) that falls within the scope of section 43 of the Act and satisfies the conditions of the said programme.

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- 1.16 In addition to admitting having participated in one or more RPM agreement(s), the applicant-enterprise is required to provide full and complete disclosure of all information, evidence and records available to it that relate to the reported RPM conduct. The enterprise is also required to maintain continuous and complete co-operation from the time of its application until the conclusion of any action by the CC on the matter, including by securing the cooperation of its directors, officers and employees in view of effectively and expeditiously concluding the assessment process.
- 1.17 Pursuant to section 63(3) of the Act, the threshold for the acceptance of undertakings under section 63(3) is that the Commission must be satisfied that the undertakings address "all the concerns it has about any prevention, restriction [or] distortion (...) of competition" which may arise from the matter at hand.

### IV. Determination under sections 59(7) and 63 of the Act

- 1.18 Having regard to the Application submitted by Topodom Distribution Ltée, the concerns which have been identified by the Executive Director in his Report, and the Undertakings offered by the Applicant, the Commission determines that –
  - 1) Topodom Distribution Ltée has, in its Application, admitted its participation in one or more RPM agreement(s) *viz*:
    - a. for having, since November 2009, determined and communicated in advance, through reseller price lists, the retail price of the concerned products to dealers without mentioning whether the prices communicated therein are 'recommended prices'; and
    - b. for having accepted and filled up deal sheets containing a retail price column where some of the deal sheets contained a minimum retail price column.
  - Topodom Distribution Ltée has complied with requirements (ii) and (iii) of paragraph 5.6A(b) of the CC3 Guidelines, as stated in the Report;
  - 3) The Undertakings submitted by the Topodom Distribution Ltée satisfactorily address the Commission's concerns in so far as
    - a. Topodom Distribution Ltée has ceased its participation in/terminated all RPM agreements to which it was a party, as reported in its Application;

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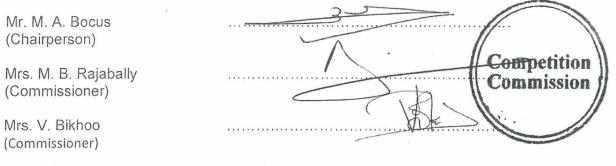
- Topodom Distribution Ltée has undertaken to inform\_all its dealers, in writing, that they are free to apply or practise their own retail prices for all products supplied to them including for past stock of unsold goods;
- c. Topodom Distribution Ltée has its product price list replacing the terms 'Public Price' by 'Recommended Public Price';
- d. Topodom Distribution Ltée has undertaken to inform its dealers, as far as the deal sheets are concerned, to remove the minimum resale price column and include the terms 'recommended price' to the retail price column therein; and
- e. Topodom Distribution Ltée has undertaken to inform its internal management and commercial employees engaged in the sales and marketing of Topodom Distribution Ltée's products, of the behavioural measures it has adopted.

### V. Decision NOW THEREFORE,

For the reasons set out in this Decision, the Commission decides as follows:

- We accept that the Application made by Topodom Distribution Ltée satisfies the conditions prescribed under the RPM Amnesty Programme as set out in paragraph 5.6A of the CC3 Guidelines on Collusive Agreements;
- We grant immunity from financial penalty to Topodom Distribution Ltée pursuant to section 59(7) of the Act for the Reported RPM conduct;
- We accept the Undertakings offered by Topodom Distribution Ltée, which are being published as per section 63(4) of the Act (see Annex); and
- 4) The Undertakings shall be effective as from the date of this decision.

Done at Port-Louis this 29 June 2020.



Annex: Undertakings dated 25<sup>th</sup> May 2018 offered by Topodom Distribution Ltée

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M2, Trunk Road, Belle Village, Phoenix

Tel: 465-9888 Fax: 465-5782

Email : topodom@intnet.mu

Undertakings to the CCM

Undertakings provided by Topodom Distribution Ltée to the Competition Commission Pursuant to an Application for Amnesty dated 20<sup>th</sup> October 2017.

In connection with the Competition Commission's Amnesty Programme for Resale Price Maintenance

25<sup>th</sup> May 2018

him

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#### 1. Background:

By its letter dated 20<sup>th</sup> October 2017 made pursuant to paragraph 5.6A of the 'CCM 3 Guidelines – Collusive Agreements' (amended June 2017), Topodom Distribution Ltée has notified the Executive Director of the Competition Commission of its application for immunity under the CCM Amnesty Programme for Resale Price Maintenance (the 'Application').

The agreement, in place since November 2009, is in relation to the supply of Fast Moving Consumer Goods ('FMCG'), brands enlisted in annex 1 of the present undertakings, wherein Topodom Distribution Ltée explicitly determined the retail price of the products on its price lists which were circulated to resellers. The circulated price lists made no mention of whether the retail prices are "Recommended Prices". Nonetheless Topodom Distribution Ltée informs the CCM that it has ceased this impugned conduct by including the terms "Recommended Public Price" in its price lists circulated to its resellers (template produced in annex 2). Topodom Distribution Ltée also accepted offer deal sheets from its resellers which included a retail price column and some of which contained a minimum price column which were to be filled by Topodom Distribution Ltée.

Pursuant to the conditions laid down in the CCM 3 Guidelines (amended June 2017) for the purpose of obtaining immunity, Topodom Distribution Ltée is, by the presents, providing undertakings related specifically to the impugned agreement and any restrictive effects it has had on competition under section 63 of the Competition Act 2007 with a view to allaying the concerns of the Competition Commission in relation thereto and obtaining the requested immunity.

2. Definitions:

For the purpose of the present undertakings, the following terms shall have the following meaning:

TDL: Topodom Distribution Ltée and includes its branches, subsidiaries, or affiliates;

Affiliate: any enterprise directly or indirectly controlled by Topodom Distribution Ltée;

**Commission:** the Competition Commission established under section 4 of the Competition Act 2007;

Dealer: any distributor, reseller, retailer, or other entity involved in the resale of TDL's goods or services in Mauritius;

Effective Date: the date on which the Commission delivers its decision to accept these Undertakings;

Full Implementation Date: a maximum of three (3) months as from the effective date;

**Resale Price Maintenance:** means an agreement between a supplier and a dealer with the object or effect of directly or indirectly establishing a fixed or minimum price or price level to be observed by the dealer when reselling a product or service to his customers;

RPM: resale price maintenance.

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### 3. Measures proposed as Undertakings

TDL hereby undertakes to apply the following measures in its commercial dealings with all existing dealers involved in the resale of TDL's products in Mauritius;

- 3.1. Behavioural Undertakings
- TDL shall not, in any manner whatsoever, implement or cause to be implemented i. any measure (including through the use of economic advantages, incentives or otherwise), having the object or effect of compelling, inducing or attempting to compel or induce dealers to apply the retail prices or retail price levels or retail price components communicated to them by TDL;
- ii. TDL shall clearly and unequivocally inform all dealers, in writing, that prices or price levels communicated to them by TDL in relation to its products, including past stocks, are "recommended" prices or "recommended" price levels;
- TDL undertakes that in the future it will, with regards to the deal sheets circulated to iii. TDL by its resellers, inform them to remove the minimum resale price column and include the terms 'recommended price' to the retail price column therein.
- TDL shall, where it enters into any agreement, contracts, or other express iv. arrangements with dealers, existing and prospective, ensure that such agreement, contract, or other arrangement expressly include a clause therein to the effect that dealers shall remain entirely free to fix or otherwise apply their own prices or price levels and that they are neither bound nor legally compelled to apply or comply with any recommended price or price level communicated to them by TDL; and

### 3.2. Information Dissemination

TDL shall take all appropriate measures to ensure that all its internal management, directors, and employees engaged in the sales and marketing of TDL's products with dealers (hereinafter 'commercial employees') are fully aware of and actively implement the present undertakings when designing and/or implementing the commercial policy of TDL vis-à-vis dealers, in line with the provisions of the Act;

TDL shall use its best efforts to ensure that the present undertaking is made known to and is understood by all dealers.

### 3.3. Reporting

TDL shall, as from the Effective Date, take all reasonable steps to ensure that all communications, negotiations, arrangements with dealers are properly documented and archived to demonstrate TDL's compliance with the present undertakings and a general understanding among dealers of their freedom and ability to fix or otherwise apply their own prices or price levels when reselling TDL's products;

TDL shall, within the Full Implementation Date, submit a written report to the Commission that inter alia -

confirms that TDL has implemented a compliance programme, details of which shall i. be submitted to the Commission; and

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- ii. describes the steps taken by TDL to comply with the present undertakings and in particular, setting out all the appropriate measures taken by TDL to deter on the one hand and detect and correct on the other hand any deviation by TDL's management, directors, or commercial employees from the present undertakings.
- 4. Entry into force

The present undertakings shall take effect upon the Effective Date.

STRIA 1111 01 .

Jean Dominique Po-Pow-Wan

Managing Director Duly authorised for and on behalf of:

**Topodom Distribution Ltée** 

Jean Noel To-Pow-Man Sales Director Duly authorised for and on behalf of: Topodom Distribution Ltée

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Annex 1	
Sunshine Javel	Fix Ego Roll-on Men
S.Shine L.Vaisselle	Fix Ego Roll-On Women
S.Shine Toilet (Fresh & other varieties)	Fix Ego Shampoo
S.Shine Toilet Liquid	Fix Ego Style Gel
Aleda Paris Deo Spray	Fix Ego Shower Gel
L'Carina Hair Mousse Extra Hold 225ml	Fix Egoiste Deo Men
G.W Eco Clean Air Freshner	Alten
Fresh Room Air Freshner	SoftSub Hair Relaxer R.Strength
G.World Fresh & Roll	Touchcolor Hair Straightener
Joker Instant Killer	Freshine BAD
Joker Insect killer	Freshine Dentifrice
Joker Foaming Wheel Cleaning	Safari Women
Joker Foaming Tyre Cleaning & Shine	Safari Men
Joker Auto Silicone Parfume	Aqua Bath Ball
Lady Bella Body Lotion	Bath Ball Free Gift
G.W Auto Diff	Bath Ball
G.World A/Fresh	Perfex Bathroom Tissue
G.World Auto Refill	Perfex Kitchen Towel
Aleda Set	Perfex Napkin
Beauteen Deo	Dolphin Binder Clips
Cool Breeze Deo	Dolphin Ex Book Cover
Colere (Edp+Deo)	Dolphin Metal Clips
G.World Elite Pump	Omniwell Correction Tape
Girly Talk (Edt+Deo)	Textmark White Board Marker
G.World Micro Refill	Yoyo Color Binder Clips
Cool Breeze Men Deo	Ex-Polymer Lead
Majix Deo	Safari W. Sandals Coastline
G.World Reed Diffuseur	Safari Star Sandals for Girls
Star Antidust	Safari Slippers Kids
Green World Furniture Polish	Safari HV Sandal Women
Star Furniture Polish	Safari HV Slippers Men
Star Oven Cleaner	Safari HV Slippers Women
Star Bathroom Cleaner	Safari Men Slippers
Star Carpet & Fabric Cleaner	CLEAN PLUS WASHING POWDER 2.5KG
Star Glass Cleaner	OTENTIS DEO MEN MUSK
Majix After Shave	OTENTIS DEO MEN CLASSIC
Majix Shaving Foam	OTENTIS SHAMPOO
Majix Shaving Gel	S.SHINE SOFTENER
A.Vera Shower Gel	S.SHINE WASH.POWDER
qua V.Hand Lig.Soap	San-A Elasticity
qua Vera Shower Gel	Senior Adult Diapers
gua Vera Shampoo	Jaba Chicken
qua Vera Conditioner	Jaba Shrimp

Aqua Vera Baby Hair&Body Shampoo	Amila Mixed Berries
Aqua Vera Hand Sanitizer Gel	Amila Orange
Aqua Vera Glass Cleaner	Amila Strawberry/Banana
Aqua Vera Intimate Wash With Pump	Amila Apple Pear
Aqua Vera Liquid Hand Soap	Amila Mango Apricot
Aqua Vera Body Lotion	Amila Fruit Cocktail
A.Vera Edt+ Rasage+G.Dou	Caline Diapers
A.Vera Chenille Cof EDT+ Body Splash/Lotion	Casino Extra Dry
Aqua Vera EDT Femme	Bebedou Diapers
Aqua Vera EDT Homme	LITTLE ANGELS
Aqua Vera L. Vaisselle	Smile Junior
Mop Holder Spare Parts	Talia Sanitary pads & Panty Liners
Sunshine Lingettes	Bebedou Baby Wipes
Sunshine M.Mop+2 Ref Free Red & Yellow	Bebedou New Born
Sunshine W.Powder	Little Angels Baby Wipes
Fix Ego After Shave Balm	Sweet Baby Wipes
Fix Ego After. Shave Cologne	Smile Midi x 60
Fix Ego Deo Men Africa	
Fix Ego Gum Gel	
Fix Ego Hair Wax	

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Annex 2



M2, Trunk Road, Belle Village, Phoenix, Mauritius Tel : 465-9888 Fax : 465-5782 Email : topodom@intnet.mu

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PRODUCTS	U.P.C	U.P.O	Unit Price	Recommended Public Price	EAN CODE
		0.1.0	(vat excl)	(vat Incl)	
Aqua Vera Liquide Vaisselle Concentré 750 ml	12	112	27.05	10.00	0000110000
Pomme Limon	12	12	37.05	49.00	8699415020
union			57.05	45.00	8035415020
Al oe Vera	12	12	40.00	52.90	8699415020
Aqua Vera Hand Liquid Soap 500 ml					
Jasmin	12	12	47.23	67.90	8699415020
Rose Lilac	12	12	47.23	67.90 67.90	8699415020
Deep Ocean	12	12	47.23	67.90	8699415020
Aloe Vera	12	12	'47.23	67.90	8699415020
Pomegranate	12	12	47.23	67.90	8699415020
Mango & Melon	12	12	47.23	67.90	8699415020
Mix Fruit Soft Coral	12	12	47.23	67.90	8699415020
Bamboo Forest	12	12	47.23	67.90 67.90	8699415020 8699415020
Spring Flowers	12	12	47.23	67.90	8699415020
Cucumber	12	12	47.23	67.90	8699415022
Lemon	12	12	47.23	67.90	8699415022
Coffee	12	12	47,23	67.90	8699415022
Oriental Oud	12	12	47.23	67.90	8699415022
Agua Vera Hand Llouid Soap 2.5 Litre Lliac	12	12	156.52	225.00	0000415030
Aloe Vera	12	12	156.52	225.00	8699415020 8699415020
Deep Ocean	12	12	156.52	225.00	8699415020
Pomegranate	12	12	156,52	225.00	8699415020
Aqua Vera Shower Gel 315 ml	1				
Pomegranate	12	12	49.74	71.50	8699415020
Deep Ocean	12	12	49.74	71.50	8699415020
Ylang Ylang Aloe Vera	12	12	49.74	71.50	8699415020
Orchid	12	12	49.74	71.50 71.50	8699415020 8699415020
Blue Breeze	12	12	49.74	71.50	8599415020
Poppy Flowers	12	12	49.74	71.50	8699415020
Aqua Vera Shower Gel 500 ml					
Pink Orchid	12	12	68,17	98.00	8699415021
Rosemary	12	12	68.17	98.00	8699415021
Lavender Grapefruit	12	12	<u>68.17</u> 68.17	98.00 98.00	8699415021
Aqua Vera Shampoo 400 ml		12	00.17	58.00	8833413021
All Hair Types	12	12	67.48	97,00	86994150200
Anti-Drandruff	12	12	67.48	97.00	8699415020
Dyed & Dry Hair	12	12	67.48	97.00	8699415020
Aqua Vera 2in1 Shampoo&Conditioner 400 ml					
Normal Hair	12	12	67.48		86994150202
Dry & Damaged Hair Oily Hair	12	12	67.48	97.00	86994150202
Dyed Hair	12	12	67.48		86994150203 86994150203
Anti-Drandruff	12	12	67.48	the state of the	86994150203
Anti Halr Fall	12	12	67.48		86994150203
Agua Vera Conditioner 400 ml					
All Hair Types	12	12	67.48		86994150200
Normal Hair	12	12	67.48		86994150203
Dyed & Dry Hair Oliy Hair	12	12	67.48		86994150203 86994150203
Agua Vera Shampoo 750 ml			07,40	57.00	88554150205
All Hair Types	12	12	103.65	149.00	86994150201
Anti-Drandruff	12	12	103.65	149.00	86994150201
Dyed & Dry Hair	12	12	103.65	the second s	86994150201
Aqua Vera Conditioner All Hair Types 750 ml	12	12	103,65		86994150200
Aqua Vera Baby Halr & Body Shampoo 315 ml	12	12	48.00		36994150202
Aqua Vera Intimate Wash 250 ml	24	24	68,86		86994150207
Aqua Vera Hand Sanitizer Gel 50 ml	50	50	20.17		36994150201
Aqua Vera Hand Sanitizer Gel 100 ml Aqua Vera Hand Sanitizer Gel 500 ml	24	12	29.84		86994150202
Aqua Vera Glass Cleaner Blue 500 ml	12	12	38.26		36994150205 36994150202
Aqua Vera Glass Cleaner Green 500 ml	12	12	38.26		36994150202 36994150206

N : New Product

N.P : New Price

N.R : New Reference Please note our prices are subject to change without prior notice.

Minu. A Page 7 of 7 Free Mark

General Notice No. 1185 of 2020 cc/Ds/0030/70

# Competition commission

shaping markets, furthering progress

# Decision of the Competition Commission

CC/DS/0030/70 Non Confidential

Application for Immunity made by Tridem Marketing Ltd under the Competition Commission Amnesty Programme for Resale Price Maintenance

29 June 2020



### Decision of the Commissioners of the Competition Commission of 29 June 2020

relating to a proceeding under section 59(7) of the Competition Act 2007 further to a Report of the Executive Director on the matter referred to as 'INV042/RPM/017 – Review of Tridem Marketing Ltd's Resale Price Maintenance Amnesty application'

(CC/DS/0030/70 – Application for Immunity made by Tridem Marketing Ltd under the Competition Commission's Amnesty Programme for Resale Price Maintenance)

THE COMMISSION

Mr. M. A. Bocus	*:	Chairperson,
Mrs. M. B. Rajabally	-	Commissioner,
Mrs. V. Bikhoo	-	Commissioner,

Having regard to the Competition Act 2007,

Having regard to paragraph 5.6A of Competition Commission Guidelines 3 on Collusive Agreements regarding the Competition Commission's Amnesty Programme for Resale Price Maintenance,

Having regard to the Competition Commission Rules of Procedure 2009,

Having regard to the undertakings dated 08 February 2018 offered by Tridem Marketing Ltd

Having regard to a report of the Executive Director dated 29 June 2018,

### WHEREAS:

### I. Introduction

- 1.1 This Decision relates to an application for immunity dated 17 October 2017 made by Tridem Marketing Ltd pursuant to the Competition Commission's Amnesty Programme for Resale Price Maintenance prescribed under paragraph 5.6A of the Competition Commission Guidelines 3 on Collusive Agreements (the 'Application'). As part of the conditions set out thereunder, undertakings dated 08 February 2018 have been offered to the Commission by Tridem Marketing Ltd ('the Undertakings').
- 1.2 Having taken cognizance of a report of the Executive Director dated 29 June 2018 on the matter, the Commission has determined the present matter on the basis of the provisions of section 59(7) of the Competition Act 2007 (the 'Act'), the conditions prescribed under paragraph 5.6A lof

Page 2 of 8

Competition Commission Guidelines 3 on Collusive Agreements and considering in particular, the Undertakings offered pursuant to section 63(3) of the Act.

### II. Background

### i. Competition Commission's RPM Amnesty Programme

- 1.3 Pursuant to section 59 of the Act, the Commission may grant immunity or leniency to any person in such circumstances as may be prescribed. Effective from 05 June 2017 until 20 October 2017 inclusively<sup>1</sup>, the Commission put in place a one-off, time-limited amnesty programme for any enterprise involved in resale price maintenance by waiving the restriction at paragraph 5.3 of CC3 Guidelines on Collusive Agreements, *viz.*, that only RPM which facilitates a cartel can benefit from leniency and the associated footnote 3 thereat and subject to the applicant-enterprise fulfilling the conditions prescribed under paragraph 5.6A (b) of the said Guidelines (the 'RPM Amnesty Programme').
- 1.4 The conditions prescribed under the RPM Amnesty Programme for providing immunity from financial penalties to any enterprise applying for RPM Amnesty are that the applicant
  - i. admits its participation in an agreement involving RPM,
  - ii. provides the Competition Commission with all the information, documents and evidence available to it regarding the RPM, and as required by the CC,
  - iii. maintains continuous and complete co-operation until the conclusion of any action by the CC in relation to the matter, and
  - iv. offers undertakings that satisfactorily address the competition concerns of the CC.

### ii. The Applicant and the Application

1.5 The applicant, Tridem Marketing Ltd (bearing BRN C07075886), is a private company incorporated in Mauritius since 19 November 2007. Tridem Marketing Ltd is a supplier of para-pharmaceuticals products and consumer goods ('the concerned products') in Mauritius. Unlike licensed pharmaceutical products, para- pharmaceutical products are products that may be dispensed without pharmaceutical supervision for example

<sup>&</sup>lt;sup>1</sup> The Commission had extended the validity of the RPM Amnesty (CC 3 Guidelines - Amended 3<sup>rd</sup> October 2017) from 05 October 2017 to 20 October 2017.

emulsion syrup, multivitamin syrup and dry skin lotion. Tridem Marketing Ltd supplies its products to pharmacies, shops and supermarkets

- **1.6** The Sales Manager of Tridem Marketing Ltd, as authorised by the director of the company, applied for immunity under the Competition Commission's Amnesty Programme by way of letter dated 17 October 2017.
- 1.7 Tridem Marketing Ltd applied RPM Amnesty for the following conducts:

a. For having, between the year 2009 and September 2017, been determining and communicating in advance, through the reseller price list, the retail prices of the concerned products to dealers and made no mention of whether the prices communicated therein are 'recommended prices' or not and;

b. For having fixed the retail prices on the concerned products without making it clear to its resellers that such prices are 'recommended prices'.

iii. The Investigation

- **1.8** Upon receipt of the Application and pursuant to section 51 of the Act, the Executive Director proceeded to investigate whether the reported conduct may amount to an RPM within the ambit of section 43 of the Act.
- 1.9 Upon completion of his investigation, the Executive Director submitted a report on the matter to the Commission on 29 June 2018. The Report contains the findings of the Executive Director, his assessment of whether the proposed Undertakings address all the concerns identified by him, and his recommendations in respect of the Application (the 'Report').

The Executive Director's findings are that:

- a. Tridem Marketing Ltd has participated in agreements involving RPM, having a restrictive object viz by directly establishing a fixed retail price ('price restriction') through the circulation of price lists to be practised by dealers when reselling Tridem Marketing Ltd's products;
- b. Tridem Marketing Ltd has participated in agreements involving RPM, having a restrictive object viz by directly establishing a fixed retail price ('pricing restriction') by affixing the final price of the products without making it clear that such prices are 'recommended' thereby restricting dealers' freedom to independently decide their own pricing policy at retail level and compete among themselves when supplying Tridem Marketing Ltd's products;

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- c. Tridem Marketing Ltd had admitted participation in the reported RPM conduct and maintained complete and continuous collaboration with the Competition Commission by responding to the Competition Commission's meeting request and submitting all additional information, documents, and evidence required from it in a timely manner.
- 1.10 The Executive Director has further assessed the Undertakings offered by Tridem Marketing Ltd. The Executive Director takes the view that the proposed Undertakings satisfactorily address the concerns identified in the Report for the following reasons –
  - a. Tridem Marketing Ltd has ceased the reported RPM conduct and undertaken to inform all resellers, in writing, that they are free to apply or practise their own retail prices for all products supplied to them by Tridem Marketing Ltd, including for past stock of unsold products;
  - b. Tridem Marketing Ltd has already amended its product price list replacing the terms 'Retail price' by 'Recommended Retail Price' such that resellers are clearly informed, upon receiving the price list, that the retail prices contained therein are non-binding pricing recommendations. Tridem Marketing Ltd has further undertaken not to implement any direct or indirect measure, whatever its form, that compels or induces resellers to apply or practise retail prices/price levels communicated to them; and
  - c. Tridem Marketing Ltd has undertaken to inform its internal management and commercial employees engaged in the sales and marketing of Tridem Marketing Ltd's products of the behavioural measures it has adopted, thereby minimising risks of RPM conduct being perpetuated by employees and ensuring that commercial dealings with resellers are in compliance with the Act;
- 1.11 The Executive Director recommends that the Commission accepts the Undertakings and grants immunity from fines to Tridem Marketing Ltd for its participation in the reported RPM conduct.

### III. Legal Framework

1.12 Section 43 of the Act prohibits and renders void 'any vertical agreement between enterprises to the extent that it involves resale price maintenance'. RPM is in turn defined at under section 2 of the Act as 'an agreement between a supplier and a dealer with the object or effect of directly or indirectly establishing a fixed or minimum price or price level to be observed by the dealer when reselling a product or service to his customers'.

Page 5 of 8

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- 1.13 Having regard to the conditions prescribed under the RPM Amnesty Programme, an enterprise will benefit from immunity from financial penalty if it is involved in a conduct(s) that falls within the scope of section 43 of the Act and satisfies the conditions of the said programme.
- 1.14 In addition to admitting having participated in one or more RPM agreement(s), the applicant-enterprise is required to provide full and complete disclosure of all information, evidence and records available to it that relate to the reported RPM conduct. The enterprise is also required to maintain continuous and complete co-operation from the time of its application until the conclusion of any action by the CC on the matter, including by securing the cooperation of its directors, officers and employees in view of effectively and expeditiously concluding the assessment process.
- 1.15 Pursuant to section 63(3) of the Act, the threshold for the acceptance of undertakings under section 63(3) is that the Commission must be satisfied that the undertakings address "all the concerns it has about any prevention, restriction [or] distortion (...) of competition" which may arise from the matter at hand.

### IV. Determination under sections 59(7) and 63 of the Act

- 1.16 Having regard to the Application submitted by Tridem Marketing Ltd, the concerns which have been identified by the Executive Director in his Report, and the Undertakings offered by the Applicant, the Commission determines that
  - 1) Tridem Marketing Ltd has, in its Application, admitted its participation in one or more RPM agreement(s) *viz* 
    - a. For having, between the years 2009 and September 2017, been determining and communicating in advance, through the reseller price list, the retail prices of the concerned products to dealers and made no mention of whether the prices communicated therein are 'recommended prices' or not; and
    - b. For having fixed the retail prices on the recommended products without making it clear to its resellers that such prices are 'recommended prices'.
  - Tridem Marketing Ltd has complied with requirements (ii) and (iii) of paragraph 5.6A(b) of the CC 3 Guidelines, as stated in the Report;
  - The Undertakings submitted by the Tridem Marketing Ltd satisfactorily address the Commission's concerns in so far as –

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- a. Tridem Marketing Ltd has ceased its participation in/terminated all RPM agreements to which it was a party, as reported in its Application;
- Tridem Marketing Ltd has undertaken to inform all resellers, in writing, that they are free to apply or practise their own retail prices for all products supplied to them by Tridem Marketing Ltd, including for past stock of unsold products;
- c. Tridem Marketing Ltd has already amended its product price list replacing the terms 'Retail price' by 'Recommended Retail Price'. The Applicant has further undertaken not to implement any direct or indirect measure, whatever its form, that compels or induces resellers to apply or practise retail prices/price levels communicated to them; and
- d. Tridem Marketing Ltd has undertaken to inform its internal management and commercial employees engaged in the sales and marketing of Tridem Marketing Ltd's products of the behavioural measures it has adopted.

### Decision NOW THEREFORE,

For the reasons set out in this Decision, the Commission decides as follows:

- We accept that the Application made by Tridem Marketing Ltd satisfies the conditions prescribed under the RPM Amnesty Programme as set out in paragraph 5.6A of the CC 3 Guidelines on Collusive Agreements;
- We grant immunity from financial penalty to Tridem Marketing Ltd pursuant to section 59(7) of the Act for the Reported RPM conduct;
- We accept the Undertakings offered by Tridem Marketing Ltd, which are being published as per section 63(4) of the Act (see Annex);
- 4) The Undertakings shall be effective as from the date of this decision.

Done at Port-Louis this 29 June 2020.

		4 1
Mr. M. A. Bocus	3	
(Chairperson)		Competition )
Mrs. M. B. Rajabally		Commission /
(Commissioner)	CHA-	
Mrs. V. Bikhoo		
(Commissioner)	Land and the second sec	

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CC/DS/0030/70

### Annex 1: Undertakings dated 08 February 2018 offered by Tridem Marketing Ltd

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### Undertakings to the CCM

Undertakings provided by **Tridem Marketing Ltd** to the Competition Commission Pursuant to an Application for Amnesty dated 17 October 2017 In connection with the Competition Commission's Amnesty Programme for Resale Price

08 February 2018

Maintenance

Page 1 of 16

1. Background:

By its letter dated 17 October 2017 made pursuant to paragraph 5.6A of the 'CCM 3 Guidelines – Collusive Agreements' (amended June 2017), Tridem Marketing Ltd has notified the Executive Director of the Competition Commission of its application for immunity under the CCM Amnesty Programme for Resale Price Maintenance (the 'Application').

The agreement, in place since around 2009 to October 2017, is in relation to the supply of para-pharmaceutical products and consumer goods (hereinafter 'the products') enlisted in annex I of the present undertaking, wherein Tridem Marketing Ltd determined the retail price of the products and affixed the price thereon without the terms 'recommended price.' The retail price, as determined by Tridem Marketing Ltd, was communicated to dealers (annex II) through price lists and appeared on the invoices charged to dealers as well as price labels of the products supplied to dealers.

Pursuant to the conditions laid down in the CCM 3 Guidelines (amended June 2017) for the purpose of obtaining immunity, Tridem Marketing Ltd is, by the presents, providing undertakings related specifically to the impugned agreement and any restrictive effects it has had on competition under section 63 of the Competition Act 2007 with a view to allaying the concerns of the Competition Commission in relation thereto and obtaining the requested immunity.

2. Definitions:

For the purpose of the present undertakings, the following terms shall have the following meaning:

TML: Tridem Marketing Ltd and includes its branches, subsidiaries, or affiliates;

Affiliate: any enterprise directly or indirectly controlled by Tridem Marketing Ltd;

**Commission:** the Competition Commission established under section 4 of the Competition Act 2007;

**Dealer:** pharmacies, shops, supermarkets and any other distributor, reseller, retailer, or entity involved in the resale of Tridem Marketing Ltd's goods or services in Mauritius;

### 3. Measures proposed as Undertakings

TML hereby undertakes to apply the following measures in its commercial dealings with all existing dealers involved in the resale of TML's products in Mauritius.

#### 3.1. Behavioural Undertakings

TML shall not, in any manner whatsoever, implement or cause to be implemented any measure (including through the use of economic advantages, incentives or otherwise), having the object or effect of compelling, inducing or attempting to compel or induce dealers to apply the retail prices or retail price levels or retail price components communicated to them by TML;

TML shall clearly and unequivocally inform all dealers, in writing, that prices affixed by TML on products supplied to dealers, including past stock of unsold products, and/or prices or price levels communicated to them by TML are recommended prices and that dealers remain entirely free to fix or otherwise apply their own prices or price levels and that they

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are neither bound nor legally compelled to apply or comply with any recommended price or price level communicated to them by TML and,

TML shall, where a minimum resale price has been recommended to dealers and the resale price appears on the goods, affix the words "recommended price" next to the resale price; and

TML shall, where it enters into any agreement, contract, or other express arrangement with dealers, existing and prospective, ensure that such agreement, contract, or other express arrangement expressly include a clause therein to the effect that dealers shall remain entirely free to fix or otherwise apply their own prices or price levels and that they are neither bound nor legally compelled to apply or comply with any recommended price or price level communicated to them by TML;

### 3.2. Information Dissemination

TML shall take all appropriate measures to ensure that all its internal management, directors, and employees engaged in the sales and marketing of TML's products with dealers (hereinafter 'commercial employees') are fully aware of and actively implement the present undertakings when designing and/or implementing the commercial policy of TML vis-à-vis dealers, in line with the provisions of the Act;

TML shall use its best efforts to ensure that the present undertaking is made known to and is understood by all dealers.

### 3.3. Reporting

TML shall, as from the date of the present undertakings, take all reasonable steps to ensure that all communications, negotiations, arrangements with dealers are properly documented and archived to demonstrate TML's compliance with the present undertakings and a general understanding among dealers of their freedom and ability to fix or otherwise apply their own prices or price levels when reselling TML's products;

TML shall, within 3 months from the date of acceptance of the present undertakings by the Commission, submit a written report to the Commission that inter alia -

- i. confirms that TML has implemented a compliance programme, details of which shall be submitted to the Commission; and
- ii. describes the steps taken by TML to comply with the present undertakings and in particular, setting out all the appropriate measures taken by TML to deter on the one hand and detect and correct any deviation by TML's management, directors, or commercial employees from the present undertakings.

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4. Entry into force

The present undertakings shall take effect upon the date of their acceptance by the Commission.

[Signature of Director Np 1

Mr Robert CHENG

Managing Director

Duly authorised for and on behalf of:

Tridem Marketing Ltd

[Signature of Director No 2] Mr Cyril AFOKE Director Duly authorised for and on behalf of:

Tridem Marketing Ltd



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ANNEX I: List of products of Tridem Marketing Ltd

Delrosa- Orange & Rosehip 375ml	Heel Cushion 1 Pair Size 43-47 5225/47
BIO-OIL 60ml	Insoles Classic size 34-41 5350/41, 42-47 5350/47
Clinomyn Smokers Toothpaste/ Sensitive Toothpaste	Insoles Comfort Size 34-41 5360/41, 42-47 5360/47
Disp. Syringe KD 1305 5ml x 100 pcs /1310 10ml x 100 pcs/1330 30ml x 25 pcs/1303 3ml x 100 pcs	Insoles Deo-Balance 34-41 5363/41, 42-47 5363/47
Ultra 3 in 1/Ultra Delay/Ultra Dotted/Ultra Ribbed condoms x 3	Instant Polsher Quick Shine 1200 B
Lancets 28g x 100 pcs	Lufa Bath and massage pad/ 7100
Control Plus - Skin Care Medium x 10/Large x 10/OverNite Medium x 10/OverNite Large x 10	Lufa Massage Glove 7250
TENA PLUS Large x 12 /Medium x 12	Massage Mitt Unicolor 9100
TENA VALUE (AV) Large x 10/ Medium x 10	Nail Buffer SURFACES (Polisher)/1047B
Drypantz Large x 3's/Medium x 4's/Xtra Large x 3's	Nail cutter for baby 1052/7
Buddies 24 strips	Nail Cutter Small W, Chain 1052 / 1 k
Dentafloss 50m blue waxed D. Fioss/mint waxed dental floss	Nail cutters big 1052/2
Eezi Flossers disposable dent. Floss	Nail Cutters small 1052/1
Periomints mouthfreshners 50 pastilles	Nail Nipper 10.5CM Hardened 1056
Periotape 20m/30m mint dental flossing tape	Nail Ointment 10 ml in box
Pathol Antiseptic Germicidal 250ml/750ml	Nail Scissors Stainless 1050/16N,1050/1N
Pathol Antiseptic Spray 75 ml	Plantar Cushions 2 pcs 5207
Pathol Antiseptic Soap 125g	Pumice Sponge 2034/A8 Antibacterial, standard 3000
May SOAP Green tea/Lavender Oil/Milk cream 1/Vitamin C x 100g	Shoe Pads 1 Pair ref 5230
Dentiplus breathfreshner 25ml	Soft touch double foot file 3041B
Dentiplus m/ wash 500ml Freshmint /OriginaL 500ml white/totalcare 500ml red /whitening & anti tartar	Solingen Sapphire Nall Files/ 1040/5"
Dentiplus Cool Burst Strength 500ml/Sensitive and Whitening 500ml	Solingen tweezer slanted 1074
Dentiplus Alcohol Free Breathfreshner	Spare blades foot slicer 1 X10
Swirl germicidal toilet flush x 2 x 50g	Toe nail cutter gold PLAQ/ 1057
Gel Air freshner peach 130G / Lavender	Tweezer Narrow, Straight, Bent 1064/Scissors 1069
Active Anti-Bac Hand Wash 500ml Citrus/500ml Original	Tweezers straight 1060/A
Hygienics Anti-Bacterial Hand Gel 500ml/100ml	Tweezers with handle Slanted 1061/B
Nuage Advanced Shaving oil for men 20ml	Deodorising Shoe Spray 200ml 5330
va 10 Sanitary Pads Wing Regular/Maxi Slim/Wingless Slim	Dry foot spray 200ml/ 5332
Blackhead Patches 10 pcs Ref: FC010@5	Ear cleaners Plastic/ 6000B
ye Contour Hydrogel 6x2 pieces Ref: FC01004	Emery Nail Files 10 pcs - card 1042/10A
Cuticle Cutter and Pusher Ref: 1045/46 B	Extra hard pumice glass foam 3000/ 3GS
weezer Inox 1076	Foot Deospray 200ml/ 5331
lail Hardener 10ml 11058	Foot File double sided -3011/S
ntislip ref 5226 Genuine leather 1 Pair	Foot File Pumice Emery 3032/Mirror 3033
thlete's Foot protector spray 5333	Foot File Stainless steel/ 3010
andages for bunions 8pcs/ 5210	Formed foot file /3014
eard Scissors Ref 1050/9	Glas Nail File Double Sided 1250 B
lackhead remover/ 1023	Corn-Plasters Great Surface 5201
oil-Spring Toe-nail Nipper 1090/80	Cracked Heel Balm 75ml Ref 5309 + Urea
orn cutter stainless steel -3035/M	

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ANNEX II : List of Dealers

## LIST OF PHARMACIES-SEPTEMBER 2017

	Pharmacies
1	ALL IN ONE
2	AL IKSEER PHARMACY
	ARGIS (Chummun)
Contract in the local division of the	BARACHOIS
5	BARAMIA
6	BLUE BAY (BB Ph)
	BM PLUS (PH DODO)
	CARELINE
	CHATTAROO
	CHEMIN GRENIER
	D'ESNY
	ZEENPHARMA
	DOORGA
	DOORGAKANT
	DU SUD
and the second	FLIC EN FLAC
	GRAND BOIS
18	INTERCARE PHARMACY
19	JEETPHARM
20	KAUROO
21	LA GAULETTE
	L' ESCALIER
23	L'OCCIDENT
24	MARE D'ALBERT
25	MAHEBOURG
26	MED TRADING CASCAVELLE
27	CAMP FOUQUEREAUX
28	MED TRADING ROSE BELLE
29	NAUTICA PHCY
30	NOUVELLE FRANCE
31	PHARMA + Mahebourg
32	PHARMACITY MAHEBOURG
33	PLAINE MAGNIEN
34	RAJARAM PHARMACY
	R.A.R
36	SOUILLAC (SWAT LTD)
	TAMARIN
38	TOORABALLY
	WELLCARE
	WINPHARMA
41	MAUREE PHARMACY
	D'ARCY
43	AL-SHAFA

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	Pharmacies
	ALBA PHARMACY
	ALL CURE PHARMACY
	ARSENAL
47	ALOES
	AZURI
	BASIC Pharmacy
	BARODA
. 51	BIOMED
	BU PHARMA
53	CAP MALHEUREUX PHCY
	CENTRAL
55	D'Espagnac P. aux cannoniers
66	DEVIKA CO. LTD
	EBRAHIM
58	FOR ME Riviere du Rempart
59	FOR ME LA CROISETTE
60	FLORIDA c/o Pharmagold Co. Ltd
61	FIRST AID
62	GOODLANDS
63	GRAND BAY
64	GRAND GAUBE
65	GYANEE
66	HEALTH ONE PHCY
67	KADRESS
68	LA PLAINE PHCY
69	LA FONTAINE PHCY
70	LE HOCHET
71	MEDPHARM
72	MEGA HEALTH PHCY
73	LO
74	MEGA LIFE PHARMACY
75	MEDICINE EXPRESS
76	NEWPHARM
	NORTHERN
78	OORIAH
79	PAMPLEMOUSSES
80	PEREYBERE
81	PHARMACLINIX
82	PHARMAWELL
83	PILLAY
84	PLATINUM FOND DU SAC
85	RAMBURN
86	REMPART
	ROSE BEAUTY & HEALTH
88	SANTE PLUS
89	SCORE

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20 August 2020 2989

91	SUNRISE
-Cristinening	TAPOSSEA
	TERRE ROUGE
and the second second	THE MEDICINE SHOP
	TRIOLET
96	TROIS BRAS
97	TROU AUX BICHES
Sector States	UNICARE
99	UNUTH
100	UNICHEM
101	WELLKNOWN
102	ABERCROMBIE
	AJMEERI
- in the second second	ALLOMED
-	AN NOOR
	ATCHIA
	BELL VILLAGE
	CAPITAL
	CITY CARE PHARMACY
	COROMANDEL
and sering series	DAUHOO
	DESFORGES
	D'HOTMAN A
	DILMAR
-	DU CENTRE
-	DU PORT
ALCORDON DURING	DUQUAI
	EIMAN
	FARQUAR
and states	FAMILY PHCY
A second second	GET WELL PHARMA
	GREENFIELD
123	GOOD HEART PHCY
124	HEALTH & BEAUTY PHARMA
125	HWA YEN
126	KENTISH
127	LA PAIX
128	LAIFAT
	LE SANTE
	LINK
	LIFE CARE
	MEDCITY
	Medical Trading (Cassis)
	Medical Trading (Chaussee)
	MEDICOURT
and the second s	MEDICAL CARE
	NEW BURTALLY
interested agreed	NEWTON
	NICOLAY PHARMACY

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140	OMEGA
141	PATEL
142	PHARMA CARE
143	PHARMALINK
144	PLAINE VERTE
145	PLANET
	PORT-LOUIS
	RAMDANEE P-LOUIS
	RENAISSANCE
-	RIGEL PHARMACY
	ST CROIX PHARMACY
	THERAPHARM
	UNILINK
	UNIPHARM
	Medi- Shifa Pharmacy
	PORT-MATHURIN
	VALLEE PITOT
	VICTORIA
-	PRIMECARE
	FOR ME BAGATELLE
	CIRCONSTANCE
- Contractor	AD PHARMA LTD (Inderjeet)
	HELVETIA MOKA
	MONTAGNE BLANCHE
And the second second	PETIT VERGER
	PHARMABEST
	PHARMACHIC
	PHARMEXCEL
	PHARMEXPERT
	QUARTIER MILITAIRE
	SEBASTOPOL
	SEEBUN
	BELVEDERE (EX- The Vale Ph)
	ST PIERRE
1/5	ST PIERROISE
470	
	ASHPHARMA
	ANIPHARM
	AVI PHARM LTD
	BALLOO
	BELAIR
	BELLE MARE
	BRAMSTHAN PHARMACY
	COSMED PHARMACY
	DAGOTIERE
	DE BRISEE VERDIERE
	D'ESPAGNAC BELLE MARE
187	FLACQ DRUG HOUSE

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20 August 2020 2991

188	HARRIS
189	HEALTH LINK
190	A.D Pharma c/o Inderjeet
- market and a state	IDAMED
192	JHUMUN
193	LOTUS
194	ROSHNI
	NEW VOGUE
	NISHCHEM PHCY
-	NOOR PHARMA
	NORI PHARM
	PYRAMID PHARMACARE
	ROSE PHARMACY 2
	SEWPAUL
	TEELUCK
	VINCA PHARM
	VIAL
	VIKASH
	AHSEN
	ARTHEMIDOR
	AZM
	BAMBOUS
	BEAU-BASSIN (Pranush)
	BIOPHARM
	BUCKINGHAM
	D'ANTELME
	DU BIEN ETRE PHCIE
	EDWARD VII
	HEALTHCARE
	HEALTHMART
Company of the local division of the local d	HEALTHPOINT
	HIBISCUS c/o Pharma Ecolife Ltd
	HUGNIN '
	IMPERIALE
	JAULIMSING LA CONFIANCE
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J. 194 1. 17 61.	MAUNAPHARM
100000000000000	MED TRADING EBENE
and the second second	MEDICHEM
	MODERNE
and the summer of	MONT ROCHES BRUNES
	NATIONAL
	NEW STANLEY
	PHARMAVISION RETAIL LTD
	NUPHARM
	PHARM ACCESS
the second second	PHARMA-SPA LTD
	PHARMEXPRESS

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237	PLAZA
238	POPE HENESSY
239	ROSE HILL
240	SAMINA
241	PETITE RIVIERE
and the particular sectors and	STANDARD
243	ADAM
and the second strength streng	BASSIN
245	CAMBRIDGE
246	CAPUCINES
Contraction of the	GLAIEUL
And the second designed	MedActive Ideale
	K&I
	LA LOUISE
and a design of the second sec	LOVE LIFE
	MAYFIELD
	MEDI HEALTH
	Medical Trading (Trianon)
and the second	OLLIER
	ORCHIDEES
	OXYPHARM
	PERI-PHARMA
	PHARMALEAD
	PHARMAK
	PHARMAPLUS
	PHARMASAVE
	PHARMAVATAR (MTIUS) Ltd
COLUMN STREET,	PRO-CARE
and design the state	ST JEAN
ALL PROPERTY AND	STLOUIS
	BOUNDARY
	SUPERPHARM LTD
	LUMINA PHARMA (Ex Tropicale
- Contraction Philips	AHMUD
	ACTIVE CARE PHCY
	BENOIT
	BERTHAUD PHCY
An and the second s	BILADAMS
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	CUREPIPE DRUG HOUSE
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305	SANTE VILLE
306	SHAHBEEN
307	SHIFAPHARM
308	ST PAUL c/o Highlands Medical Dispensing
CHARGE STREET	ULTRAPHARM
310	WELLPHARM c/o Pharma Choice
311	WHITEROSE PHARMACY
312	ZENQUIL PHCY
	Pharmacles
313	ALPHA -2
314	ВАРРОО
315	BEEHARRY
316	BONNE TERRE
317	CENTRALE
318	DHUNNY
319	DOOK'S PHARMACY
320	FAMILY CARE
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334	PHARMWAY	
335	PHOENIX	
336	QUINZE CANTONS	
337	ROYALE	
338	SNK (CARE PLUS)	
339	SOLFERINO	
340	SOMEDICO	
341	TROCHETIA	
342	PROMEDPLUS	
343	VISITATION	

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1	SOMAGS (JUMBO & SPAR GROUPS)
2	WINNERS GROUP
3	TANG WAI
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6	UDIS (SUPER U)
7	LAM CHEE FONG
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13	SIK YUEN LTD
14	PRISUNIC
15	SAVEMARTS
16	S.F LO YEUNG CO LTD
17	ANTOINE STORE
18	KONG
19	MACOONA SHOP
20	FAMILY SUPERMARKETS
21	CARE PERFECT
22	LE NENARD STORE
23	BENI STORE
24	SUKAI
25	POPO
26	CHEZ MOMO
27	CHAY LOONG CO LTD
28	STORE 2000
29	M.BACHOO CO LTD
30	WONG MIN
31	WONG AH FAT & CO LTD
32	SOCIETE WONG LUN SANG

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33	SOCIETE TOO HENG KWEE
34	BILAAL BEST PRICE
35	SOO HON WAH
36	GOLDEN HILL
37	MAGASIN SIGNALE ( Y.F.F)
38	IBRAHIM EDOO
39	S.CHUI HOM LAP
40	JET TRADING
41	NEW LIGHT STORE
42	DAZZLING STAR
43	AH FOCK & CO LTD
44	SHOPRITE
45	GAMI LTD
46	VILLANO
47	A.RAHMAN ALI STORE
48	ARTIC STORE
49	B.N.V TRADING LTD
50	BASING HILL LTD
51	CENTRAL MARKET STORE
52	ST ESPRIT STORE
53	CITY WAY
54	DYWADA WORLDWIDE CO LTD
55	STAR DISCOUNT
56	KING'S STORE
57	KINGS TOWN
58	LANG PING NAM & CO
59	LARAMAE CO LTD
60	LEW YAN VOON
61	LSK DISTRIBUTORS LTD
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65	MAGASIN GORAH
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67	MAGASIN MANORY STORE
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71	ROYALE SUPERMARKET
72	SAM YUE & CO
73	SHERIDAN
74	SOCIETE K.S LEUNG FOOK CHEONG
75	SOCIETE CHONG SEE HANG & CO
76	YUE HWA CO LTD
77	YEE TRADING

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General Notice No. 1186 of 2020 cc/bs/0030/71

# Competition commission

shaping markets, furthering progress

## Decision of the Competition Commission

CC/DS/0030/71 Non-Confidential Version

Application for Immunity made by Mauritius Oil Refineries Ltd under the Competition Commission Amnesty Programme for Resale Price Maintenance

29 June 2020

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#### Decision of the Commissioners of the Competition Commission of 29 June 2020

relating to a proceeding under section 59(7) of the Competition Act 2007 further to a Report of the Executive Director on the matter referred to as 'INV042/RPM/021– Review of Mauritius Oil Refineries Ltd RPM Amnesty application'

(CC/DS/0030/71 – Application for Immunity made by Mauritius Oil Refineries Ltd under the Competition Commission's Amnesty Programme for Resale Price Maintenance)

#### THE COMMISSION

Mr. M. A. Bocus	÷	Chairperson,
Mrs. M. B. Rajabally	-	Commissioner,
Mrs. V. Bikhoo	-	Commissioner,

Having regard to the Competition Act 2007,

Having regard to paragraph 5.6A of CC3 Guidelines on Collusive Agreements regarding the Competition Commission's Amnesty Programme for Resale Price Maintenance,

Having regard to the Competition Commission Rules of Procedure 2009,

Having regard to the undertakings offered by Mauritius Oil Refineries Ltd on 01 June 2018,

Having regard to a report of the Executive Director dated 29 June 2018,

#### WHEREAS:

- I. Introduction
  - 1.1 This Decision relates to an application for immunity dated 02 October 2017 made by Mauritius Oil Refineries Ltd pursuant to the Competition Commission's Amnesty Programme for Resale Price Maintenance prescribed under paragraph 5.6A of CC3 Guidelines on Collusive Agreements (the 'Application'). As part of the conditions set out thereunder, undertakings have been offered to the Commission by Mauritius Oil Refineries Ltd on 01 June 2018 ('the Undertakings').
  - 1.2 Having taken cognizance of a report of the Executive Director dated 29 June 2018 on the matter, the Commission has determined the present

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matter on the basis of the provisions of section 59(7) of the Competition Act 2007 (the 'Act'), the conditions prescribed under paragraph 5.6A of CC3 Guidelines on Collusive Agreements and considering in particular, the Undertakings offered pursuant to section 63(3) of the Act.

#### II. Background

#### i. Competition Commission's RPM Amnesty Programme

- 1.3 Pursuant to section 59 of the Act, the Commission may grant immunity or leniency to any person in such circumstances as may be prescribed. Effective from 05 June 2017 until 20 October 2017 inclusively<sup>1</sup>, the Commission put in place a one-off, time-limited amnesty programme for any enterprise involved in resale price maintenance (RPM) by waiving the restriction at paragraph 5.3 of CC3 Guidelines on Collusive Agreements, *viz.*, that only RPM which facilitates a cartel can benefit from leniency and the associated footnote 3 thereat and subject to the applicant-enterprise fulfilling the conditions prescribed under paragraph 5.6A (b) of the said Guidelines (the 'RPM Amnesty Programme').
- 1.4 The conditions prescribed under the RPM Amnesty Programme for providing immunity from financial penalties to any enterprise applying for RPM Amnesty are that the applicant
  - i. admits its participation in an agreement involving RPM,
  - ii. provides the Competition Commission with all the information, documents and evidence available to it regarding the RPM, and as required by the Competition Commission,
  - iii. maintains continuous and complete co-operation until the conclusion of any action by the Competition Commission in relation to the matter, and
  - iv. offers undertakings that satisfactorily address the competition concerns of the Competition Commission.

#### ii. The Applicant and the Application

1.5 The Applicant, Mauritius Oil Refineries Ltd (bearing BRN C09001521), started its commercial operations in 1968. Mauritius Oil Refineries Ltd.'s core business is the refining and marketing of edible oil. Mauritius Oil

<sup>1</sup> The Commission had extended the validity of the RPM Amnesty (CC 3 Guidelines - Amended 3<sup>rd</sup> October 2017) from 05 October 2017 to 20 October 2017.

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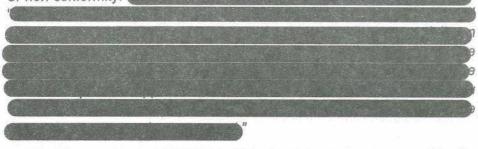
Refineries Ltd is also active as a wholesale supplier of crude oil and its byproducts and markets a selected range of food products.

1.6 Mauritius Oil Refineries Ltd is a supplier of edible oil and other food products ('the concerned products') in Mauritius. Amongst the various brands marketed by Mauritius Oil Refineries Ltd, there are Rani vegetable oil, MOROIL Soja, MOROIL Sunflower, Olivor, Lesieur, Puget, Amadora, Attianese and Fragata. Mauritius Oil Refineries Ltd supplies its products to retailers and supermarkets. The company has a portfolio of **Company Company** the island.

- 1.7 The Managing Director of Mauritius Oil Refineries Ltd applied for immunity under the RPM Amnesty Programme by way of letter dated 2nd October 2017.
- 1.8 Mauritius Oil Refineries Ltd applied for RPM Amnesty for being party to an agreement involving RPM in connection with the sale of refined and packed edible oils in Mauritius. The agreement related to promotional prices circulated to three of its retail customers. The impugned conduct of Mauritius Oil Refineries Ltd are as follows:

a. In an agreement

a specific commercial clause of that agreement entitled 'Conditions Générales de Vente applicables 1 Janvier - 31 Décembre 2017' which related to promotional offers, stipulated that promotional products will be subject to an agreement on the retail price and that it must be respected by all stores. It was also stipulated that Mauritius Oil Refineries Ltd reserves the right to cancel the promotional offer in case of non-conformity.



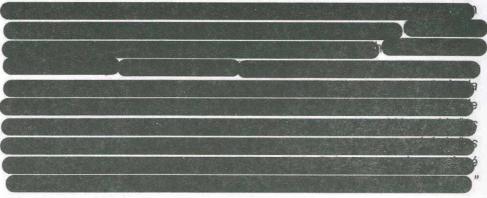
b. In an agreement a specific commercial clause of that agreement entitled 'Conditions Générales de Vente applicables 1 Janvier - 31 Décembre 2017' which related to promotional offers, stipulated that promotional products will be subject to an agreement on the retail price and that it must be respected by all stores.

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c. In an agreement

, a specific commercial clause of that agreement entitled 'Conditions Générales de Vente applicables 1 Janvier - 31 Décembre 2017' which related to promotional offers, stipulated that promotional products will be subject to an agreement on the retail price and that it must be respected by all stores.



#### iii. The Investigation

- 1.9 Upon receipt of the Application and pursuant to section 51 of the Act, the Executive Director proceeded to investigate whether the reported conduct may amount to an RPM within the ambit of section 43 of the Act.
- 1.10 Upon completion of his investigation, the Executive Director submitted a report on the matter to the Commission on 29 June 2018. The Report contains the findings of the Executive Director, his assessment of whether the proposed Undertakings address all the concerns identified by him, and his recommendations in respect of the Application (the 'Report').
- 1.11 The Executive Director's findings are that:-

a. Mauritius Oil Refineries Ltd has participated in agreements involving RPM within the ambit of section 43 of the Act, by entering into agreements with three of its resellers with the object of directly establishing retail prices/price level to be observed by the respective dealers when reselling the products to final customers.

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b. Mauritius Oil Refineries Ltd has admitted having participated in an RPM conduct as a supplier of edible oil products and other foodstuffs.

c. Mauritius Oil Refineries Ltd has maintained continuous cooperation with the Competition Commission by responding to the Competition Commission's information request and submitting all additional information documents, and evidence required from it in a timely manner.

1.12 The Executive Director has further assessed the Undertakings offered by Mauritius Oil Refineries Ltd. The Executive Director takes the view that the proposed Undertakings satisfactorily address the concerns identified in the Report for the following reasons –

a. Mauritius Oil Refineries Ltd has ceased the reported RPM conduct and undertaken to remove all commercial clauses in any agreement, contracts or other express arrangements with dealers, existing and prospective, relating to promotional offers being granted to the reseller subject to an agreement on the retail price of its products that must be respected by concerned resellers; and

b. Mauritius Oil Refineries Ltd shall not, in any manner whatsoever implement or cause to be implemented any measure, having the object or effect of compelling, inducing or attempting to compel or induce dealers to apply the retail prices or retail price levels communicated to them by Mauritius Oil Refineries Ltd.

1.13 The Executive Director recommends that the Commission accepts the Undertakings and grants immunity from fines to Mauritius Oil Refineries Ltd for its participation in the reported RPM conduct.

#### III. Legal Framework

- 1.14 Section 43 of the Act prohibits and renders void 'any vertical agreement between enterprises to the extent that it involves resale price maintenance'. RPM is in turn defined at under section 2 of the Act as 'an agreement between a supplier and a dealer with the object or effect of directly or indirectly establishing a fixed or minimum price or price level to be observed by the dealer when reselling a product or service to his customers'.
- 1.15 Having regard to the conditions prescribed under the RPM Amnesty Programme, an enterprise will benefit from immunity from financial penalty if it is involved in a conduct(s) that falls within the scope of section 43 of the Act and satisfies the conditions of the said programme.

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- 1.16 In addition to admitting having participated in one or more RPM agreement(s), the applicant-enterprise is required to provide full and complete disclosure of all information, evidence and records available to it that relate to the reported RPM conduct. The enterprise is also required to maintain continuous and complete co-operation from the time of its application until the conclusion of any action by the CC on the matter, including by securing the cooperation of its directors, officers and employees in view of effectively and expeditiously concluding the assessment process.
- 1.17 Pursuant to section 63(3) of the Act, the threshold for the acceptance of undertakings under section 63(3) is that the Commission must be satisfied that the undertakings address "all the concerns it has about any prevention, restriction [or] distortion (...) of competition" which may arise from the matter at hand.

#### IV. Determination under sections 59(7) and 63 of the Act

- 1.18 Having regard to the Application submitted by Mauritius Oil Refineries Ltd, the concerns which have been identified by the Executive Director in his Report, and the Undertakings offered by the Applicant, the Commission determines that –
  - 1) Mauritius Oil Refineries Ltd has, in its Application, admitted its participation in one or more RPM agreement(s) viz :-
  - For having been party to an agreement involving RPM in connection with the sale of refined and packed edible oils in Mauritius. The agreement related to promotional prices circulated to three of its retail customers;
  - b. For having entered into an agreement where a specific commercial clause of that agreement entitled Conditions Générales de Vente applicables 1 Janvier 31 Décembre 2017' related to promotional offers, stipulated that promotional products will be subject to an agreement on the retail price and that it must be respected by all stores. It was also stipulated that Mauritius Oil Refineries Ltd reserved the right to cancel the promotional offer in case of non-conformity.
  - c. For having entered into an agreement where a specific commercial clause of that agreement entitled 'Conditions Générales de Vente applicables 1 Janvier - 31 Décembre 2017' related to promotional offers, stipulated that promotional products

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will be subject to an agreement on the retail price and that it must be respected by all stores.

d. For having entered into an agreement where a specific commercial clause of that agreement entitled 'Conditions Générales de Vente applicables 1 Janvier - 31 Décembre 2017' related to promotional offers, stipulated that promotional products will be subject to an agreement on the retail price and that it must be respected by all stores.

- 2) Mauritius Oil Refineries Ltd has complied with requirements (ii) and (iii) of paragraph 5.6A(b) of the CC 3 Guidelines, as stated in the Report.
- The Undertakings submitted by the Mauritius Oil Refineries Ltd satisfactorily address the Commission's concerns in so far as –
  - Mauritius Oil Refineries Ltd has ceased its participation in/terminated all RPM agreements to which it was a party, as reported in its Application;
  - b. Mauritius Oil Refineries Ltd has ceased the reported RPM conduct and undertaken to remove all commercial clauses in any agreement, contracts or other express arrangements with dealers, existing and prospective, relating to promotional offers being granted to the reseller subject to an agreement on the retail price of its products that must be respected by concerned resellers; and
  - a. Mauritius Oil Refineries Ltd shall not, in any manner whatsoever implement or cause to be implemented any measure, having the object or effect of compelling, inducing or attempting to compel or induce dealers to apply the retail prices or retail price levels communicated to them by Mauritius Oil Refineries Ltd.

#### V. Decision

#### NOW THEREFORE,

For the reasons set out in this Decision, the Commission decides as follows:

 We accept that the Application made by Mauritius Oil Refineries Ltd satisfies the conditions prescribed under the RPM Amnesty

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Programme as set out in paragraph 5.6A of the CC 3 Guidelines on Collusive Agreements;

- We grant immunity from financial penalty to Mauritius Oil Refineries Ltd pursuant to section 59(7) of the Act for the Reported RPM conduct;
- We accept the Undertakings offered by Mauritius Oil Refineries Ltd, which are being published as per section 63(4) of the Act (see Annex);
- 4) The Undertakings shall be effective as from the date of this decision.

Done at Port-Louis this 29 June 2020

Mr. M. A. Bocus (Chairperson)

Mrs. M. B. Rajabally (Commissioner)

Mrs. V. Bikhoo (Commissioner)

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Annex: Undertakings offered by Mauritius Oil Refineries Ltd on 01 June 2018

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### Undertakings to the CCM

Undertakings provided by Mauritius Oll Refineries Ltd to the Competition Commission Pursuant to an Application for Amnesty dated 2<sup>nd</sup> October 2017.

In connection with the Competition Commission's Amnesty Programme for Resale Price Maintenance

DATE: 1st June 2018

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1. Background:

By its letter dated 2<sup>nd</sup> October 2017 made pursuant to paragraph 5.6A of the 'CCM 3 Guidelines – Collusive Agreements' (amended June 2017), Mauritius Oil Refineries Ltd has notified the Executive Director of the Competition Commission of its application for immunity under the CCM Amnesty Programme for Resale Price Maintenance (the 'Application').

The agreements

2017 in relation to the supply of edible oil products and other foodstuffs, wherein Mauritius Oil Refinerles Ltd stated a commercial clause relating to promotional offers being granted to the reseller subject to an agreement on the retail price that must be respected by the concerned resellers.

In its agreement Mauritius Oil Refineries Ltd also stipulated that it reserves the right to cancel the promotional offer in case of nonconformity.

Pursuant to the conditions laid down in the CCM 3 Guidelines (amended June 2017) for the purpose of obtaining immunity, Mauritius Oll Refineries Ltd is, by the presents, providing undertakings related specifically to the impugned agreement and any restrictive effects it has had on competition under section 63 of the Competition Act 2007 with a view to allaying the concerns of the Competition Commission in relation thereto and obtaining the requested immunity.

2. Definitions:

For the purpose of the present undertakings, the following terms shall have the following meaning:

MOROIL: Mauritius Oil Refineries Ltd

Commission: the Competition Commission established under section 4 of the Competition Act 2007;

Effective Date: the date on which the Commission delivers its decision to accept these Undertakings;

Full Implementation Date: a maximum of three (3) months as from the effective date;

Resale Price Maintenance: means an agreement between a supplier and a dealer with the object or effect of directly or indirectly establishing a fixed or minimum price or price level to be observed by the dealer when reselling a product or service to his customers;

**RPM:** resale price maintenance.

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#### 3. Measures proposed as Undertakings

MOROIL hereby undertakes to apply the following measures in its commercial dealings with the concerned dealers and any distributor, reseller, retailer, or other entity involved in the resale of MOROIL's products in Mauritius;

- 3.1. Behavioural Undertakings
  - MOROIL shall not, in any manner whatsoever, implement or cause to be 1. implemented any measure (including through the use of economic advantages, incentives or otherwise), having the object or effect of compelling, inducing or attempting to compel or induce dealers to apply the retail prices or retail price levels or retail price components communicated to them by MOROIL;
- MOROIL shall remove all commercial clauses in any agreement, contracts, or other II. express arrangements with dealers, existing and prospective, relating to promotional offers being granted to the reseller subject to an agreement on the retail price of its products that must be respected by concerned resellers; and

#### 3.2. Information Dissemination

MOROIL shall take all appropriate measures to ensure that all its internal management, directors, and employees engaged in the sales and marketing of MOROIL's products with dealers (hereinafter 'commercial employees') are fully aware of and actively implement the present undertakings when designing and/or implementing the commercial policy of MOROIL vis-à-vis dealers, in line with the provisions of the Act;

MOROIL shall use its best efforts to ensure that the present undertaking is made known to and is understood by the concerned dealers.

#### 3.3. Reporting

MOROIL shall, as from the Effective Date, take all reasonable steps to ensure that all communications, negotiations, arrangements with dealers are properly documented and archived to demonstrate MOROIL's compliance with the present undertakings and a general understanding among dealers of their freedom and ability to fix or otherwise apply their own prices or price levels when reselling MOROIL's products;

MOROIL shall, within the Full Implementation Date, submit a written report to the Commission that inter alla -

- confirms that MOROIL has implemented a compliance programme, details of which I. shall be submitted to the Commission; and
- describes the steps taken by MOROIL to comply with the present undertakings and 11. in particular, setting out all the appropriate measures taken by MOROIL to correct any deviation by MOROIL's management, directors, or commercial employees from the present undertakings.

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4. Entry into force

The present undertakings shall take effect upon the Effective Date.

André Espitaller Noël *Managing Director* Duly authorised for and on behalf of: **Mauritius Oli Refineries Ltd** 

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Rehaž Sayed Hassen Financial Manager Duly authorised for and on behalf of: Mauritius Oll Refineries Ltd

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General Notice No. 1187 of 2020 cc/DS/0030/72

# Competition commission

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## Decision of the Competition Commission

CC/DS/0030/72 Non-Confidential

Application for Immunity made by Fast Foods Limited under the Competition Commission Amnesty Programme for Resale Price Maintenance

29 June 2020

#### Decision of the Commissioners of the Competition Commission of 29 June 2020

relating to a proceeding under section 59(7) of the Competition Act 2007 further to a Report of the Executive Director on the matter referred to as 'INV042/RPM/013 – Review of Fast Foods Limited RPM Amnesty application'

#### (CC/DS/0030/72 – Application for Immunity made by Fast Foods Limited under the Competition Commission's Amnesty Programme for Resale Price Maintenance)

#### THE COMMISSION

Mr. M.A. Bocus	-	Chairperson,
Mrs. M. B. Rajabally	-	Commissioner,
Mrs. V. Bikhoo	-	Commissioner,

Having regard to the Competition Act 2007,

Having regard to paragraph 5.6A of CC3 Guidelines on Collusive Agreements regarding the Competition Commission's Amnesty Programme for Resale Price Maintenance,

Having regard to the Competition Commission Rules of Procedure 2009,

Having regard to the undertakings offered by Fast Foods Limited, dated 30<sup>th</sup> January 2018 and submitted to the Competition Commission on 2<sup>nd</sup> February 2018,

Having regard to a report of the Executive Director dated 29th June 2018,

#### WHEREAS:

- I. Introduction
  - 1.1 This Decision relates to an application for immunity dated 24 August 2017 made by Fast Foods Limited pursuant to the Competition Commission's Amnesty Programme for Resale Price Maintenance prescribed under paragraph 5.6A of CC3 Guidelines on Collusive Agreements (the 'Application'). As part of the conditions set out thereunder, undertakings have been offered to the Commission by Fast Foods Limited dated 30 January 2018 and submitted to the Competition Commission on 02 February 2018. ('the Undertakings').
  - 1.2 Having taken cognizance of a report of the Executive Director dated 29 June 2018 on the matter, the Commission has determined the present matter on the basis of the provisions of section 59(7) of the Competition Act 2007 (the 'Act'), the conditions prescribed under paragraph 5.6A of CC3

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Guidelines on Collusive Agreements and considering in particular, the Undertakings offered pursuant to section 63(3) of the Act.

#### II. Background

#### i. Competition Commission's RPM Amnesty Programme

- 1.3 Pursuant to section 59 of the Act, the Commission may grant immunity or leniency to any person in such circumstances as may be prescribed. Effective from 05 June 2017 until 20 October 2017 inclusively<sup>1</sup>, the Commission put in place a one-off, time-limited amnesty programme for any enterprise involved in resale price maintenance (RPM) by waiving the restriction at paragraph 5.3 of CC3 Guidelines on Collusive Agreements, *viz.*, that only RPM which facilitates a cartel can benefit from leniency and the associated footnote 3 thereat and subject to the applicant-enterprise fulfilling the conditions prescribed under paragraph 5.6A (b) of the said Guidelines (the 'RPM Amnesty Programme').
- 1.4 The conditions prescribed under the RPM Amnesty Programme for providing immunity from financial penalties to any enterprise applying for RPM Amnesty are that the applicant
  - i. admits its participation in an agreement involving RPM,
  - ii. provides the Competition Commission with all the information, documents and evidence available to it regarding the RPM, and as required by the Competition Commission,
  - iii. maintains continuous and complete co-operation until the conclusion of any action by the Competition Commission in relation to the matter, and
  - iv. offers undertakings that satisfactorily address the competition concerns of the Competition Commission.

#### ii. The Applicant and the Application

1.5 The Applicant, Fast Foods Limited (bearing Business Registration Number C06004240), is a private company incorporated in Mauritius since 13 March 1984. Fast Foods Ltd, which trades as Charcuterie Isle de France, is a supplier of variable weight, chilled and frozen processed meat products. Resellers of Fast Foods Ltd include grocery stores, supermarkets, and hypermarkets. Around 356 resellers around the island were purchasing Fast Foods Ltd's products for resale.

<sup>&</sup>lt;sup>1</sup> The Commission had extended the validity of the RPM Amnesty (CC 3 Guidelines - Amended 3<sup>rd</sup> October 2017) from 05 October 2017 to 20 October 2017.

- 1.6 The director of Fast Foods Ltd, acting on behalf of the company, has, by way of letter dated 24<sup>th</sup> August 2017, applied for immunity under the RPM Amnesty Programme.
- 1.7 Fast Foods Limited applied RPM Amnesty for being party to an agreement involving RPM in connection to the sale of pre-packed food items with weight and price information but excluding the words 'recommended' (the reported activity. Between November 2009 and July 2017, Fast Foods Ltd was involved in an RPM conduct where it determined and communicated in advance and through the reseller price list the retail price of the said products to dealers. Dealers would subsequently order their stock based on the price list and take delivery of Fast Foods Ltd's products on which the retail price, as determined by Fast Foods Ltd, was affixed without the words "recommended price" appearing next to the retail price.

#### iii. The Investigation

- 1.8 Upon receipt of the Application and pursuant to section 51 of the Act, the Executive Director proceeded to investigate whether the reported conduct may amount to an RPM within the ambit of section 43 of the Act.
- 1.9 Upon completion of his investigation, the Executive Director submitted a report on the matter to the Commission on 29<sup>th</sup> June 2018. The Report contains the findings of the Executive Director, his assessment of whether the proposed Undertakings address all the concerns identified by him, and his recommendations in respect of the Application (the 'Report').

#### 1.10 The Executive Director's findings are that :

a. Fast Foods Limited has participated in agreement(s) involving RPM, as described above at paragraph 1.7, having a restrictive object or effect viz., directly establishing a fixed retail price ('pricing restriction') to be practised by dealers when reselling Fast Foods Ltd's products and affixing the retail price thereof without the terms 'recommended price' appearing next to the retail price.

b. there remained a possibility that the reported activity has continued in terms of its anticompetitive effects, even after the reported duration of the said RPM conduct. The Executive Director however believes that an assessment of any continuing effect of the reported activity is not warranted insofar as such effect, being directly linked and confined to the reported activity, is covered under the application and can be satisfactorily addressed either by affirmative acts already taken by Fast Foods Ltd to remedy the reported RPM conducts and/or the Undertakings submitted by Fast Foods Ltd and which are intended to be implemented upon their acceptance by the Commission.

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c. Fast Foods Limited has admitted having participated in an RPM conduct as a supplier of prepacked food item.

d. Fast Foods Limited has maintained continuous cooperation with the Competition Commission by responding to the Competition Commission's information request and submitted all additional documents, and evidence required from it in a timely manner.

- 1.11 The Executive Director has further assessed the Undertakings offered by Fast Foods Limited. The Executive Director takes the view that the proposed Undertakings satisfactorily addresses the concerns identified in the Report for the following reasons –
  - Fast Foods Limited has ceased the reported RPM conduct and undertaken to inform all resellers, in writing, that they are free to apply or practise their own retail prices for all products supplied to them by Fast Foods Ltd, including for past stock of unsold products;
  - b. Fast Foods Ltd has already amended its product price list replacing the terms 'Retail price' by 'prix recommandé de vente' such that resellers are clearly informed, upon receiving the price list, that the retail prices contained therein are non-binding pricing recommendations. It has, in this vein, further undertaken not to implement any direct or indirect measure, whatever its form, that compels or induces resellers to apply or practise retail prices/price levels communicated to them;
  - c. Fast Foods Ltd has, since July 2017, been supplying its products in an amended packaging, which though affixing the weighted retail price, includes the terms 'prix recommandé'. In so doing, resellers retain the possibility of practising their own retail price, including discounting the price affixed on the products purchased from Fast Foods Ltd;
  - d. Fast Foods Limited has undertaken to inform its internal management and commercial employees engaged in the sales and marketing of Fast Foods Ltd's products of the behavioural measures it has adopted, thereby minimising risks of RPM conduct being promoted by employees and ensuring that commercial dealings with resellers are in compliance with the Act.

1.12 The Executive Director recommends that the Commission accepts the Undertakings and grants immunity from fines to the Applicant for its participation in the reported RPM conduct.

#### III. Legal Framework

- 1.13 Section 43 of the Act prohibits and renders void 'any vertical agreement between enterprises to the extent that it involves resale price maintenance'. RPM is in turn defined at under section 2 of the Act as 'an agreement between a supplier and a dealer with the object or effect of directly or indirectly establishing a fixed or minimum price or price level to be observed by the dealer when reselling a product or service to his customers'.
- 1.14 Having regard to the conditions prescribed under the RPM Amnesty Programme, an enterprise will benefit from immunity from financial penalty if it is involved in a conduct(s) that falls within the scope of section 43 of the Act and satisfies the conditions of the said programme.
- 1.15 In addition to admitting having participated in one or more RPM agreement(s), the applicant-enterprise is required to provide full and complete disclosure of all information, evidence and records available to it that relate to the reported RPM conduct. The enterprise is also required to maintain continuous and complete co-operation from the time of its application until the conclusion of any action by the CC on the matter, including by securing the cooperation of its directors, officers and employees in view of effectively and expeditiously concluding the assessment process.
- 1.16 Pursuant to section 63(3) of the Act, the threshold for the acceptance of undertakings under section 63(3) is that the Commission must be satisfied that the undertakings address "all the concerns it has about any prevention, restriction [or] distortion (...) of competition" which may arise from the matter at hand.

#### IV. Determination under sections 59(7) and 63 of the Act

- 1.17 Having regard to the Application submitted by Fast Foods Limited, the concerns which have been identified by the Executive Director in his Report, and the Undertakings offered by Fast Foods Limited, the Commission determines that
  - Fast Foods Limited has, in its Application, admitted its participation in one or more RPM agreement(s) viz for having been party to an agreement involving RPM in connection with the sale of pre-packed food items with weight and price information but excluding the words 'recommended retail price' between November 2009 and July 2017.

Page 6 of 9

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- Fast Foods Limited has complied with requirements (ii) and (iii) of paragraph 5.6A(b) of the CC 3 Guidelines, as stated in the Report;
- 3) The Undertakings submitted by the Fast Foods Limited satisfactorily address the Commission's concerns in so far as
  - Fast Foods Limited has ceased its participation in/terminated all RPM agreements to which it was a party, as reported in its Application;
  - b. Fast Foods Limited has ceased the reported RPM conduct and undertaken to inform all resellers, in writing, that they are free to apply or practise their own retail prices for all products supplied to them by Fast Foods Ltd, including for past stock of unsold products;
  - c. Fast Foods Ltd has already amended its product price list replacing the terms 'Retail price' by 'prix recommandé de vente' such that resellers are clearly informed, upon receiving the price list, that the retail prices contained therein are non-binding pricing recommendations. It has, in this vein, further undertaken not to implement any direct or indirect measure, whatever its form, that compels or induces resellers to apply or practise retail prices/price levels communicated to them;
  - e. Fast Foods Ltd has, since July 2017, been supplying its products in an amended packaging, which though affixing the weighted retail price, includes the terms 'prix recommandé'. In so doing, resellers retain the possibility of practising their own retail price, including discounting the price affixed on the products purchased from Fast Foods Ltd; and
  - f. Fast Foods Limited has undertaken to inform its internal management and commercial employees engaged in the sales and marketing of Fast Foods Ltd's products of the behavioural measures it has adopted, thereby minimising risks of RPM conduct being promoted by employees and ensuring that commercial dealings with resellers are in compliance with the Act.

#### Decision

#### NOW THEREFORE,

For the reasons set out in this Decision, the Commission decides as follows:

- We accept that the Application made by Fast Foods Limited satisfies the conditions prescribed under the RPM Amnesty Programme as set out in paragraph 5.6A of the CC3 Guidelines on Collusive Agreements;
- We grant immunity from financial penalty to Fast Foods Limited pursuant to section 59(7) of the Act for the Reported RPM conduct;
- We accept the Undertakings offered by, which are being published as per section 63(4) of the Act (see Annex);
- 4) The Undertakings shall be effective as from the date of this decision.

Done at Port-Louis this 29 June 2020.

Mr.M. A. Bocus (Chairperson)

Mrs. M. B. Rajabally (Commissioner)

Mrs. V. Bikhoo (Commissioner)

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Annex: Undertakings offered by Fast Foods Limited, dated 30<sup>th</sup> January 2018 and submitted to the Competition Commission on 2<sup>nd</sup> February 2018

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### Undertakings to the CCM

Undertakings provided by Fast Foods Ltd to the Competition Commission

Pursuant to an Application for Amnesty dated 24<sup>th</sup> August 2017

In connection with the Competition Commission's Amnesty Programme for Resale Price Maintenance

30<sup>th</sup> January 2018

Page 1 of 10

#### 1. Background:

By its letter dated 24<sup>th</sup> August 2017 made pursuant to paragraph 5.6A of the 'CCM 3 Guidelines – Collusive Agreements' (amended June 2017), Fast Foods Ltd has notified the Executive Director of the Competition Commission of its application for immunity under the CCM Amnesty Programme for Resale Price Maintenance (the 'Application').

The RPM agreement, in place since November 2009, is in relation to the supply of prepacked variable-weight food items by Fast Foods Ltd to its dealers whereby Fast Foods Ltd would determine and communicate, in advance, the retail price of the said products to dealers. Dealers would subsequently order their stock based on the price list and take delivery of Fast Foods Ltd's products on which the retail price, as determined by Fast Foods Ltd, was affixed without the words "recommended price" appearing next to the retail price.

Pursuant to the conditions laid down in the CCM 3 Guidelines (amended June 2017) for the purpose of obtaining immunity, Fast Foods Ltd is, by the presents, providing undertakings related specifically to the impugned conduct and any restrictive effects it has had on competition under section 63 of the Competition Act 2007 with a view to allaying the concerns of the Competition Commission in relation thereto and obtaining the requested immunity.

2. Definitions:

For the purpose of the present undertakings, the following terms shall have the following meaning:

FFL: Fast Foods Ltd and includes its branches, subsidiaries, or affiliates;

Act: the Competition Act 2007, any amendment brought thereto and any regulations made thereunder;

Affiliate: any enterprise directly or indirectly controlled by FFL;

Commission: the Competition Commission established under section 4 of the Competition Act 2007;

Dealer: any distributor, reseller, retailer, or other entity involved in the resale of FFL's goods or services in Mauritius;

#### 3. Measures proposed as Undertakings

FFL hereby undertakes to apply the following measures in its commercial dealings with all existing dealers involved in the resale of FFL's products in Mauritius;

#### 3.1. Behavioural Undertakings

FFL shall not, in any manner whatsoever, implement or cause to be implemented any measure (including through the use of economic advantages, incentives or otherwise), having the object or effect of compelling, inducing or attempting to compel or induce dealers to apply the retail price(s) or retail price level(s) or retail price component(s) communicated to them by FFL;

FFL shall clearly and unequivocally inform all dealers, in writing, that prices affixed by FFL on products supplied to dealers, including past stock of unsold products, and/or prices or price levels communicated to them by FFL are recommended prices and that dealers remain entirely free to fix or otherwise apply their own prices or price levels and that they are neither bound

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nor legally compelled to apply or comply with any recommended price or price-level communicated to them by FFL;

FFL undertakes that it has, since August 2017, ceased the impugned conduct by conspicuously affixing the terms 'prix recommandé' and/or 'prix recommandé de vente' on all product price lists communicated to and all products supplied to dealers, in accordance with the 'Amended reseller price list' (Annex 1) and 'Amended scale label' (Annex 2) respectively annexed to the present Undertakings;

FFL shall, where it recommends a retail price that appears on the products supplied to dealers, continue to affix the terms 'prix recommandé' and/or 'prix recommandé de vente' in a conspicuous place on all products supplied to them, and undertakes to promptly notify the Commission of any change in its product packaging and/or labelling that is likely to affect FFL's obligations under the present Undertakings;

FFL shall, where it enters into any agreement, contract, or other express arrangement with dealers, existing and prospective, ensure that such agreement, contract, or other express arrangement expressly include a clause therein to the effect that dealers shall remain entirely free to fix or otherwise apply their own prices or price levels and that they are neither bound nor legally compelled to apply or comply with any recommended price or price level communicated to them by FFL;

#### 3.2. Information Dissemination

FFL shall take all appropriate measures to ensure that its internal management, all directors, and employees engaged in the sales and marketing of FFL's products with dealers (hereinafter 'commercial employees') are fully aware of and actively implement the present undertakings when designing and/or implementing the commercial policy of FFL vis-à-vis dealers, in line with the provisions of the Act;

FFL shall use its best efforts to ensure that the present undertaking is made known to and is understood by all dealers;

#### 3.3. Reporting

FFL shall, as from the date of the present undertakings, take all reasonable steps to ensure that all communications, negotiations, arrangements with dealers are properly documented and archived to demonstrate FFL's compliance with the present undertakings and a general understanding among dealers of their freedom and ability to fix or otherwise apply their own prices or price levels when reselling FFL's products;

FFL shall, within 3 months from the date of acceptance of the present undertakings by the Commission, submit a written report to the Commission that Inter alia -

- confirms that FFL has implemented a compliance programme, details of which shall be submitted to the Commission; and
- ii. describes the steps taken by FFL to comply with the present undertakings and in particular, setting out all the appropriate measures taken by FFL to deter on the one hand and detect and correct any deviation by FFL's management, directors, or commercial employees from the present undertakings.

Page 3 of 10

4. Scope of Application

FFL shall be bound by the present undertakings and shall be responsible for ensuring its compliance therewith.

5. Entry into force

The present undertakings shall take effect upon the date of their acceptance by the Commission.

**Jacques** Chan

Director

Duly authorised for and on behalf of:

**Fast Foods Ltd** 

Dette

**Benoit Bundhoo** 

Director

Duly authorised for and on behalf of:

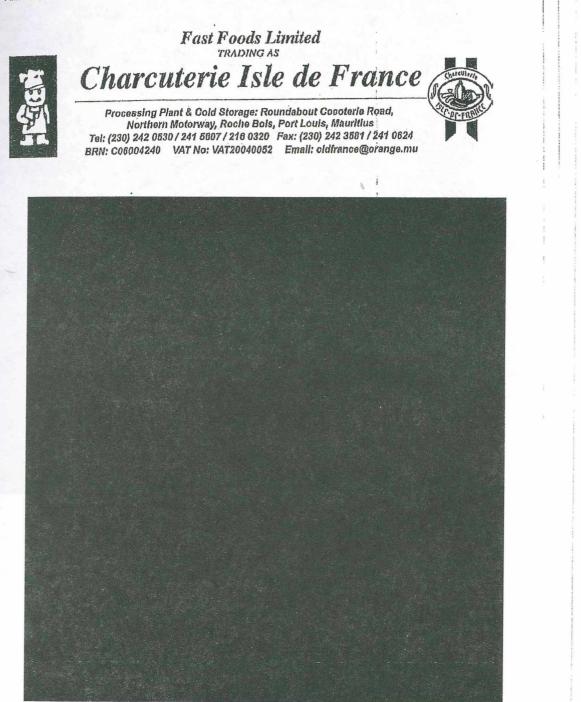
Fast Foods Ltd

## AST FOODS LIMITED

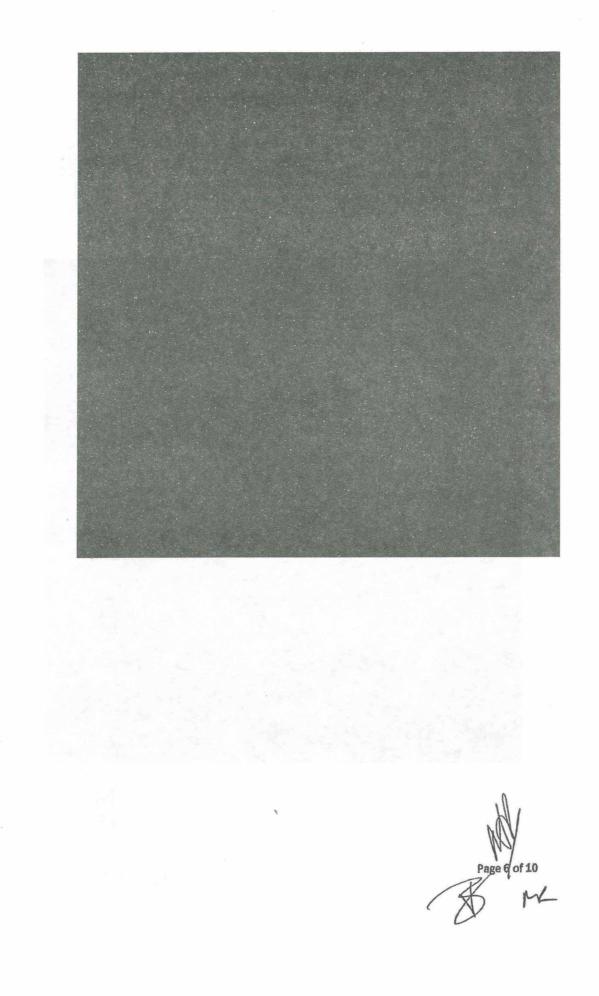
2nd FLOOR, S.I.F.F BOUARE NELSON MANDELA SOUARE PORT LOUIS 11328 - MAURITIUS TEL: (230) 212 0211 / 208 9924 FAX: (230) 208 2913 / 208 9789 FAX: (230) 208 2913 / 208 9789 EMAIL: Jack@orange.mu BRN: C09C04240 VAT: 20040052

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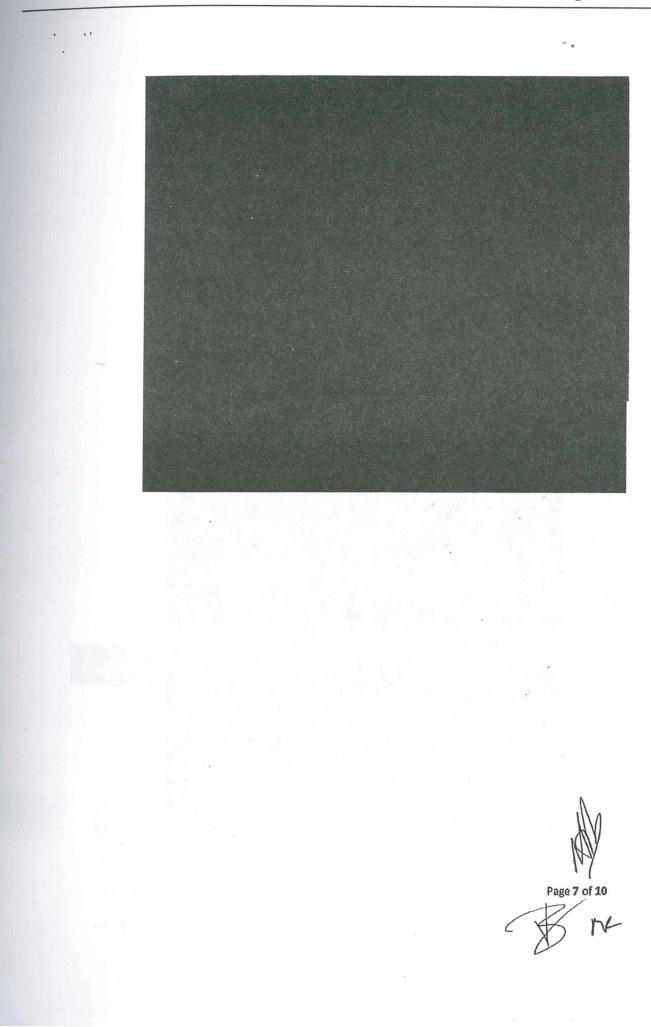
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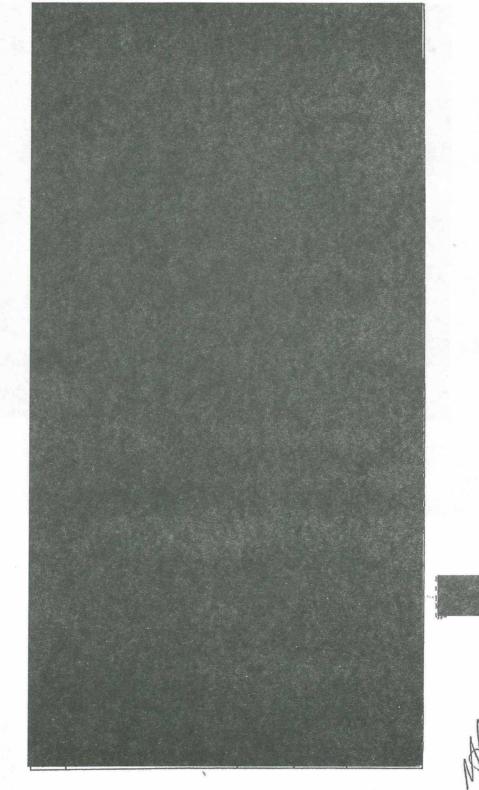


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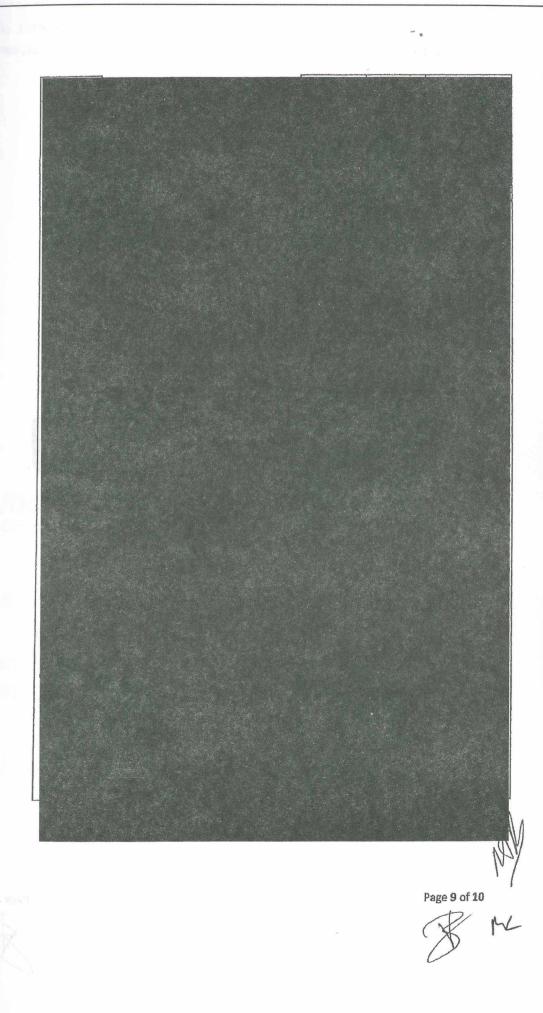
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Annex 2



Date d'emballage: Consommer avant Rs/Kg Prix Recommandé Poids net:

VAT Zero R.P. Prix Rs

Page 10 of 10

General Notice No. 1188 of 2020 cc/ps/0030/73

# Competition commission

shaping markets, furthering progress

# Decision of the Competition Commission

CC/DS/0030/73 Non- Confidential

Application for Immunity made by Ramdenee Edible Oil Products Limited under the Competition Commission Amnesty Programme for Resale Price Maintenance

29 June 2020

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## Decision of the Commissioners of the Competition Commission of 29 June 2020

relating to a proceeding under section 59(7) of the Competition Act 2007 further to a Report of the Executive Director on the matter referred to as 'INV042/RPM/019 – Review of Ramdenee Edible Oil Products Limited RPM Amnesty application'

(CC/DS/0030/73 – Application for Immunity made by Ramdenee Edible Oil Products Limited under the Competition Commission's Amnesty Programme for Resale Price Maintenance)

# THE COMMISSION

Mr. M. A. Bocus	-		Chairperson,	
Mr. C. Seebaluck		-	Commissioner,	
Mrs. V. Bikhoo		-	Commissioner,	

Having regard to the Competition Act 2007,

Having regard to paragraph 5.6A of CC3 Guidelines on Collusive Agreements regarding the Competition Commission's Amnesty Programme for Resale Price Maintenance,

Having regard to the Competition Commission Rules of Procedure 2009,

Having regard to the undertakings offered by Ramdenee Edible Oil Products Limited on 08 August 2017,

Having regard to a report of the Executive Director dated 26 December 2018,

#### WHEREAS:

## I. Introduction

- 1.1 This Decision relates to an application for immunity dated 08 August 2017 made by Ramdenee Edible Oil Products Limited (hereinafter 'REOP Ltd')pursuant to the Competition Commission's Amnesty Programme for Resale Price Maintenance prescribed under paragraph 5.6A of CC3 Guidelines on Collusive Agreements (the 'Application'). As part of the conditions set out thereunder, undertakings have been offered to the Commission by REOP Ltd on 08 August 2017 ('the Undertakings').
- 1.2 Having taken cognizance of a report of the Executive Director dated 26 December 2018 on the matter, the Commission has determined the present matter on the basis of the provisions of section 59(7) of the Competition Act 2007 (the 'Act'), the conditions prescribed under paragraph 5.6A of CC3

Page 2 of 9

Guidelines on Collusive Agreements and considering in particular, the Undertakings offered pursuant to section 63(3) of the Act.

#### II. Background

# i. Competition Commission's RPM Amnesty Programme

- 1.3 Pursuant to section 59 of the Act, the Commission may grant immunity or leniency to any person in such circumstances as may be prescribed. Effective from 05 June 2017 until 20 October 2017 inclusively<sup>1</sup>, the Commission put in place a one-off, time-limited amnesty programme for any enterprise involved in resale price maintenance (RPM) by waiving the restriction at paragraph 5.3 of CC3 Guidelines on Collusive Agreements, *viz.*, that only RPM which facilitates a cartel can benefit from leniency and the associated footnote 3 thereat and subject to the applicant-enterprise fulfilling the conditions prescribed under paragraph 5.6A (b) of the said Guidelines (the 'RPM Amnesty Programme').
- 1.4 The conditions prescribed under the RPM Amnesty Programme for providing immunity from financial penalties to any enterprise applying for RPM Amnesty are that the applicant
  - i. admits its participation in an agreement involving RPM,
  - ii. provides the Competition Commission with all the information, documents and evidence available to it regarding the RPM, and as required by the Competition Commission,
  - maintains continuous and complete co-operation until the conclusion of any action by the Competition Commission in relation to the matter, and
  - iv. offers undertakings that satisfactorily address the competition concerns of the Competition Commission.

#### ii. The Applicant and the Application

1.5 The applicant, REOP Ltd (bearing Business Registration Number C07006019), is a private company incorporated in Mauritius since 24 April 1987. REOP Ltd is a supplier of edible oil products that are sold to resellers across Mauritius. The application made does not relate to all of the resellers of REOP Ltd, it is rather in relation to one particular reseller named Masters Express. REOP Ltd deals in "Rajah" branded edible oil products

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<sup>&</sup>lt;sup>1</sup> The Commission had extended the validity of the RPM Amnesty (CC 3 Guidelines - Amended 3<sup>rd</sup> October 2017) from 05 October 2017 to 20 October 2017.

which are available in different varieties such as soya oil, palm oil, sunflower oil and vegetable oil.

**1.6** The Marketing Executive of REOP Ltd and the Finance Manager, respectively having duly been authorised by the director of REOP Ltd to apply for immunity under the RPM Amnesty programme by way of letter dated 08 August 2017.

REOP Ltd applied RPM Amnesty for having been party to an agreement involving RPM in connection with the sale of edible oil products of the brand "Rajah" by indirectly imposing a minimum price in its email and communications involving Masters Express (the reported activity). Since January 2013 to December 2014, REOP Ltd had indirectly placed a pricing restriction on the reseller, through the use of supportive measures of granting rebates if the minimum price contained in the email and communications is respected. Extracts of the email and communications dated 16 September 2013 and 25 June 2014 containing RPM clauses are reproduced below, respectively:

(i) "For masters express, tell Kiran to inform S.M that the deal lve done with them for this month is the best deal we can give, i.e, invoice price rs170 plus a refund of rs2 for 20000 boxes and rs3 for 30000boxes. But the refund applies only if their selling price is not below than rs168.50 per box."

(ii) "For rajah pouchs there will be a refund of 3 rupees per box if target sales of 20000 boxes achieved and if selling price on brochure is not less than rs163 per box."

## iii. The Investigation

- 1.7 Upon receipt of the Application and pursuant to section 51 of the Act, the Executive Director proceeded to investigate whether the reported conduct may amount to an RPM within the ambit of section 43 of the Act.
- 1.8 Upon completion of his investigation, the Executive Director submitted a report on the matter to the Commission on 26<sup>th</sup> December 2018. The Report contains the findings of the Executive Director, his assessment of whether the proposed Undertakings address all the concerns identified by him, and his recommendations in respect of the Application (the 'Report').
- 1.9 The Executive Director's findings are that :-

a. REOP Ltd has participated in agreement(s) involving RPM, as described above, having a restrictive object or effect viz., indirectly establishing a

Page 4 of 9

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minimum resale price ('pricing restriction') to be practised by Masters Express when reselling REOP Ltd's products.

- REOP Ltd has admitted being a party to transactions involving RPM conduct as a supplier of edible oil products.
- c. REOP Ltd has maintained continuous cooperation with the Competition Commission by responding to the Competition Commission's information request and submitting all additional information documents, and evidence required from it in a timely manner
  - The Executive Director has further assessed the Undertakings offered by REOP Ltd. The Executive Director takes the view that the proposed Undertakings satisfactorily addresses the concerns identified in the Report for the following reasons
    - REOP Ltd has undertaken to cease the reported RPM conduct and has undertaken to inform all dealers, in writing, that they are free to apply or practise their own retail prices for all products supplied to them by REOP Ltd;
    - b. REOP Ltd has undertaken not to implement or cause to be implemented any measure (including through the use of economic advantages, incentives or otherwise), having the object or effect of compelling, inducing or attempting to compel or induce dealers to apply the retail prices or retail price levels or retail price components communicated to them by REOP Ltd;
    - c. REOP Ltd has undertaken to inform its internal management and commercial employees engaged in the sales and marketing of REOP Ltd's products of the behavioural measures it has adopted, thereby minimising risks of RPM conduct being promoted by employees and ensuring that commercial dealings with resellers are in compliance with the Act;
    - d. REOP Ltd has also undertaken to affix or cause to be affixed the words "recommended price" next to the resale price where a minimum resale price has been recommended to dealers.
- 1.10 The Executive Director recommends that the Commission accepts the Undertakings and grants immunity from fines to the Applicant for its participation in the reported RPM conduct.
- III. Legal Framework

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Page 5 of 9

- 1.11 Section 43 of the Act prohibits and renders void 'any vertical agreement between enterprises to the extent that it involves resale price maintenance'. RPM is in turn defined at under section 2 of the Act as 'an agreement between a supplier and a dealer with the object or effect of directly or indirectly establishing a fixed or minimum price or price level to be observed by the dealer when reselling a product or service to his customers'.
- 1.12 Having regard to the conditions prescribed under the RPM Amnesty Programme, an enterprise will benefit from immunity from financial penalty if it is involved in a conduct(s) that falls within the scope of section 43 of the Act and satisfies the conditions of the said programme.
- 1.13 In addition to admitting having participated in one or more RPM agreement(s), the applicant-enterprise is required to provide full and complete disclosure of all information, evidence and records available to it that relate to the reported RPM conduct. The enterprise is also required to maintain continuous and complete co-operation from the time of its application until the conclusion of any action by the CC on the matter, including by securing the cooperation of its directors, officers and employees in view of effectively and expeditiously concluding the assessment process.
- 1.14 Pursuant to section 63(3) of the Act, the threshold for the acceptance of undertakings under section 63(3) is that the Commission must be satisfied that the undertakings address "all the concerns it has about any prevention, restriction [or] distortion (...) of competition" which may arise from the matter at hand.

# IV. Determination under sections 59(7) and 63 of the Act

- 1.15 Having regard to the Application submitted by REOP Ltd, the concerns which have been identified by the Executive Director in his Report, and the Undertakings offered by REOP Ltd, the Commission determines that –
  - REOP Ltd has, in its Application, admitted its participation in one or more RPM agreement(s) viz :-
  - a. For having been party to an agreement involving RPM in connection with the sale of edible oil products of the brand "Rajah" by indirectly imposing a minimum price in its email and communications involving Masters Express; and
  - b. For having, since January 2013 to December 2014, indirectly placed a pricing restriction on the reseller through the use of supportive measures of granting rebates if the minimum price contained in the email and communications is respected.

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- 2) REOP Ltd has complied with requirements (ii) and (iii) of paragraph 5.6A(b) of the CC 3 Guidelines, as stated in the Report;
- The Undertakings submitted by the REOP Ltd satisfactorily address the Commission's concerns in so far as –
  - REOP Ltd has ceased its participation in/terminated all RPM agreements to which it was a party, as reported in its Application;
  - REOP Ltd has undertaken to cease the reported RPM conduct and has undertaken to inform all dealers, in writing, that they are free to apply or practise their own retail prices for all products supplied to them by REOP Ltd;
  - c. REOP Ltd has undertaken not to implement or cause to be implemented any measure (including through the use of economic advantages, incentives or otherwise), having the object or effect of compelling, inducing or attempting to compel or induce dealers to apply the retail prices or retail price levels or retail price components communicated to them by REOP Ltd;

REOP Ltd has undertaken to inform its internal management and commercial employees engaged in the sales and marketing of REOP Ltd's products, of the behavioural measures it has adopted; and

d. REOP Ltd has also undertaken to affix or cause to be affixed the words "recommended price" next to the resale price where a minimum resale price has been recommended to dealers.

## V. Decision

# NOW THEREFORE,

For the reasons set out in this Decision, the Commission decides as follows:

- We accept that the Application made by REOP Ltd satisfies the conditions prescribed under the RPM Amnesty Programme as set out in paragraph 5.6A of the CC 3 Guidelines on Collusive Agreements;
- We grant immunity from financial penalty to REOP Ltd pursuant to section 59(7) of the Act for the Reported RPM conduct;

Page 7 of 9

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- We accept the Undertakings offered by REOP Ltd, which are being published as per section 63(4) of the Act (see Annex);
- 4) The Undertakings shall be effective as from the date of this decision.

Done at Port-Louis this 29 June 2020.

Mr. M. A. Bocus (Chairperson)

Mr. C. Seebaluck (Commissioner)

Mrs. V. Bikhoo (Commissioner)

Competition Commission

# Annex: Undertakings offered by Ramdenee Edible Oil Products Limited on 08 August 2017

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#### 20 August 2020 3041



# **RAMDENEE EDIBLE OIL PRODUCTS LIMITED**

MEMBER OF RAMDENEE GROUP

Registered Office : Industrial Zone Phoenix Rep. of Mauritius : 696 7954, 697 9876 Tel 698 8128 / 8533 / 8389 Fus : (230) 698 8360 Email : edible@inmet.mu

#### 1. Background:

By its letter dated 08<sup>th</sup> of August, 2017, RAMDENEE EDIBLE OIL PRODUCTS LIMITED has notified the Executive Director of the Competition Commission of its application for immunity under the CCM Amnesty Programme for Resale Price Maintenance (the 'Application').

The agreement has been in place since or around January 2013 to December 2014 was intended to be implemented during that same period and concerns the following: MASTERS EXPRESS located at Buchoo Building (opposite Bus Terminal), Saint Pierre. The agreement Involves resale price maintenance in connection with the sales of its products whereby a minimum selling price was advised to the dealer. There was no binding contract. The agreement has the object to advise Masters Express's stakeholders to tap on bulk purchase discount with no intention to prevent, restrict or distort competition.

Pursuant to the conditions laid down in the CCM 3 Guidelines (amended June 2017) for the purpose of obtaining immunity, RAMDENEE EDIBLE OIL PRODUCTS LIMITED is, by the presents, providing undertakings related specifically to the impugned agreement and any restrictive effects it has had on competition under section 63 of the Competition Act 2007 with a view to allaying the concerns of the Competition Commission in relation thereto and obtaining the requested immunity.

#### 2. Definitions:

For the purpose of the present undertakings, the following terms shall have the following meaning:

"REOP LTD" or "TheCompany": RAMDENEE EDIBLE OIL PRODUCTS LIMITED

Commission: the Competition Commission established under section 4 of the Competition Act 2007;

Dealer: any distributor, reseller, retailer, or other entity involved in the resale of REOP LTD's goods or services in Mauritius.

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# RAMDENEE EDIBLE OIL PRODUCTS LIMITED MEMBER OF RAMDENEE GROUP

Registered Office : Industrial Zone Phoenix Rep. of Mauritius Tel : 696 7954, 697 9876 698 8128 / 8533 / 8389 Fax : (230) 698 8360 Email : edible@intnet.mu

#### Measures proposed as Undertakings

REOP LTD hereby undertakes to apply the following measures in its commercial dealings with all existing dealers involved in the resale of REOP LTD's goods or services in Mauritius;

#### 3.1. Behavioural Undertakings

REOP LTD shall not, in any manner whatsoever, implement or cause to be implemented any measure (including through the use of economic advantages, incentives or otherwise), having the object or effect of compelling, inducing or attempting to compel or induce dealers to apply the retail prices or retail price levels or retail price components communicated to them byREOP LTD;

REOP LTD shall clearly and unequivocally inform all dealers, in writing, that resale prices or resale price levels communicated to them by REOP LTD are non-binding "recommended" prices or price levels and they can freely decide their resale price;

REOP LTD shall, where a minimum resale price has been recommended to dealers and the resale price appears on the goods, either affix or cause to be affixed the words "recommended price" next to the resale price;

#### 3.2 Information Dissemination

REOP LTD shall take all appropriate measures to ensure that all its internal management, directors, and employees engaged in the sales and marketing of REOP LTD's products with dealers (hereinafter 'commercial employees') are fully aware of and actively implement the present Undertakings when designing and/or implementing the commercial policy of REOP LTD vis-à-vis dealers, in line with the provisions of the Act;

REOP LTD shall use its best efforts to ensure that the present Undertaking is made known to and is understood by all dealers.

#### 3.3. Reporting

REOP LTD shall, as from the date of this Undertaking, take all reasonable steps to ensure that all communications, negotiations, arrangements with dealers are properly documented and archived to demonstrate REOP LTD's compliance with the present Undertakings and a general understanding among dealers of their freedom and ability to fix or otherwise apply their own prices or price levels when reselling REOP LTD's products;

REOP LTD shall submit a written report to the Commission within 5 months from the acceptance of these Undertakings by the Commission, detailing how the Undertakings have been implemented.



# RAMDENEE EDIBLE OIL PRODUCTS LIMITED MEMBER OF RAMDENEE GROUP

Registered Office : Industrial Zone Phoenix Rep. of Mauritius Tel : 696 7954, 697 9876 698 8128 / 8533 / 8389 Fax : (230) 698 8360 Email : edible@intnet.mu

4. Entry into force

These Undertakings shall be implemented within 3 months from the date it is accepted by the Commission.

Signature of Authorised Signatory Name of Authorised Signatory Position occupied

Duly authorised for and on behalf of: Name of Enterprise Address of Enterprise Telephone number Email address

Signature of Authorised Signatory Name of Authorised Signatory

Position occupied

Duly authorised for and on behalf of: Name of Enterprise Address of Enterprise Telephone number Email address : Mr Toolseeram Sabhi Appanna (Rajesh) : Marketing Executive

: RAMDENEE EDIBLE OIL PRODUCT LIMITED : Industrial Zone, Pont Fer, Phoenix : 698 8389 : <u>reop58@intnet.mu</u>

Ø : ..... unginn

: Mr Pravesh Toolsee : Finance Manager

: RAMDENEE EDIBLE OIL PRODUCT LIMITED : Industrial Zone, Pont Fer, Phoenix : 698 8389

: reop58@intnet.mu

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General Notice No. 1189 of 2020 cc/ps/0030/74

# Competition commission

shaping markets, furthering progress

# Decision of the Competition Commission

CC/DS/0030/74 NON CONFIDENTIAL

Application for Immunity made by Pharmacie Nouvelle Ltd under the Competition Commission Amnesty Programme for Resale Price Maintenance

29 June 2020

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## Decision of the Commissioners of the Competition Commission of 29 June 2020

relating to a proceeding under section 59(7) of the Competition Act 2007 further to a Report of the Executive Director on the matter referred to as 'INV042/RPM/059 – Review of Pharmacie Nouvelle Ltd RPM Amnesty application'

(CC/DS/0030/74 – Application for Immunity made by Pharmacie Nouvelle Ltd under the Competition Commission's Amnesty Programme for Resale Price Maintenance)

# THE COMMISSION

Mr. M. A. Bocus	-	Chairperson,
Mr. C. Seebaluck	-	Commissioner,
Mrs. V. Bikhoo	-	Commissioner,

Having regard to the Competition Act 2007,

Having regard to paragraph 5.6A of CC3 Guidelines on Collusive Agreements regarding the Competition Commission's Amnesty Programme for Resale Price Maintenance,

Having regard to the Competition Commission Rules of Procedure 2009,

Having regard to the undertakings offered by Pharmacie Nouvelle Ltd on 11 December 2018,

Having regard to a report of the Executive Director dated 26 December 2018,

## WHEREAS:

- I. Introduction
- 1.1 This Decision relates to an application for immunity dated 20 October 2017 made by Pharmacie Nouvelle Ltd (hereinafter referred to as 'PNL' or the 'Applicant') pursuant to the Competition Commission's Amnesty Programme for Resale Price Maintenance prescribed under paragraph 5.6A of CC3 Guidelines on Collusive Agreements (the 'Application'). As part of the conditions set out thereunder, undertakings have been offered to the Commission by PNL on 11 December 2018('the Undertakings').
  - 1.2 Having taken cognizance of a report of the Executive Director dated 26 December 2018 on the matter, the Commission has determined the present matter on the basis of the provisions of section 59(7) of the Competition Act

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2007 (the 'Act'), the conditions prescribed under paragraph 5.6A of CC3 Guidelines on Collusive Agreements and considering in particular, the Undertakings offered pursuant to section 63(3) of the Act.

## II. Background

# i. Competition Commission's RPM Amnesty Programme

- 1.3 Pursuant to section 59 of the Act, the Commission may grant immunity or leniency to any person in such circumstances as may be prescribed. Effective from 05<sup>th</sup> June 2017 until 20<sup>th</sup> October 2017 inclusively<sup>1</sup>, the Commission put in place a one-off, time-limited amnesty programme for any enterprise involved in resale price maintenance by waiving the restriction at paragraph 5.3 of CC3 Guidelines on Collusive Agreements, *viz.*, that only RPM which facilitates a cartel can benefit from leniency and the associated footnote 3 thereat and subject to the applicant-enterprise fulfilling the conditions prescribed under paragraph 5.6A (b) of the said Guidelines (the 'RPM Amnesty Programme').
- 1.4 The conditions prescribed under the RPM Amnesty Programme for providing immunity from financial penalties to any enterprise applying for RPM Amnesty are that the applicant
  - i. admits its participation in an agreement involving RPM,
  - provides the Competition Commission ('CC') with all the information, documents and evidence available to it regarding the RPM, and as required by CC,
  - iii. maintains continuous and complete co-operation until the conclusion of any action by the CC in relation to the matter, and
  - iv. offers undertakings that satisfactorily address the competition concerns of the CC.

#### ii. The Applicant and the Application

- 1.5 The Applicant, PNL, operates as a distributor of pharmaceuticals, general goods, dyestuffs and chemical auxiliaries in Mauritius and bears the following Business Registration Number C07001598.
- 1.6 On 20<sup>th</sup> October 2017, the Head of Commercial Operations at PNL, made an application under the RPM Amnesty Programme to the CC, through its legal advisors, in its capacity as supplier.

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<sup>&</sup>lt;sup>1</sup> The Commission had extended the validity of the RPM Amnesty (CC3 Guidelines - Amended 3<sup>rd</sup> October 2017) from 05<sup>th</sup> October 2017 to 20<sup>th</sup> October 2017.

- 1.7 PNL applied for immunity under the RPM Amnesty for the following conducts (the 'reported conducts'):-
  - (a) For having provided price lists with pre-determined resale prices for specified products (as listed in corresponding Annexure to its Application) to its resellers (as specified in its Application) without the words "recommended price"; and
  - (b) For having affixed price tags on pharmaceutical products, it supplies to pharmacies, without the mention of 'Recommended price'. As part of its application, PNL submitted information and evidence in support of the reported conducts viz., list of PNL resellers, its price lists without mentioning the words 'recommended price' and examples of VAT invoices issued by PNL.

# iii. The Investigation

- 1.8 Upon receipt of the Application and pursuant to section 51 of the Act, the Executive Director proceeded to investigate whether the reported conduct may amount to an RPM within the ambit of section 43 of the Act.
- 1.9 Upon completion of his investigation, the Executive Director submitted a report on the matter to the Commission on 26 December 2018 (the 'Report'). The Report contains the findings of the Executive Director, his assessment of whether the proposed Undertakings address all the concerns identified by him, and his recommendations in respect of the Application.
- 1.10 The Executive Director's findings are that PNL -
- (a) qualifies as enterprise engaged in commercial activities for gain or reward in the supply of pharmaceuticals, general goods, dyestuffs and chemical auxiliaries as a supplier in the upstream market;
- (b) is in a vertical business relationship with the resellers in as much as it is a wholesale supplier selling pharmaceuticals, general goods, dyestuffs and chemical auxiliaries to its resellers;
- (c) has admitted having participated in or otherwise having engaged in a conduct which falls within the ambit of section 43 of the Act in so far as the pharmaceutical products (excluding medicines), para pharmaceutical and other products are concerned *viz.*, price lists provided by PNL, with regards to resale prices without the mention of 'recommended' price; and the affixing of price labels by PNL, without the mention of 'recommended' price on products; and

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- (d) has maintained continuous and complete cooperation with the Competition Commission from the time of its Application to the present Report.
- 1.11 The Executive Director has further assessed the Undertakings offered by PNL. The Executive Director takes the view that the proposed Undertakings satisfactorily addresses the concerns identified in the Report for the following reasons –
  - a. PNL has undertaken that it shall, where it affixes price tags on its products which are distributed to its resellers, state clearly that the resale price is a recommended price, and in relation to price list to include a clause which clearly states that the recommended price is not binding on the resellers and the resellers are free to determine their own resale prices. PNL has to this effect submitted a template of its new proposed price list; and
  - b. PNL has undertaken that it shall not, in any manner whatsoever, enter into or otherwise facilitate, either explicitly or implicitly, the implementation of any agreement with the above-mentioned resellers and/or any other reseller that involves resale price maintenance.
- 1.12 The Executive Director recommends that the Commission accept the Undertakings and grant immunity from financial penalty to the Applicant for its participation in the reported RPM conduct.

# III. Legal Framework

- 1.13 Section 43 of the Act prohibits and renders void 'any vertical agreement between enterprises to the extent that it involves resale price maintenance'. RPM is in turn defined at under section 2 of the Act as 'an agreement between a supplier and a dealer with the object or effect of directly or indirectly establishing a fixed or minimum price or price level to be observed by the dealer when reselling a product or service to his customers'.
- 1.14 Having regard to the conditions prescribed under the RPM Amnesty Programme, an enterprise will benefit from immunity from financial penalty if it is involved in a conduct(s) that falls within the scope of section 43 of the Act and satisfies the conditions of the said programme.
- 1.15 In addition to admitting having participated in one or more RPM agreement(s), the applicant-enterprise is required to provide full and complete disclosure of all information, evidence and records available to it that relate to the reported RPM conduct. The enterprise is also required to maintain continuous and complete co-operation from the time of its

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application until the conclusion of any action by the CC on the matter, including by securing the cooperation of its directors, officers and employees in view of effectively and expeditiously concluding the assessment process.

1.16 Pursuant to section 63(3) of the Act, the threshold for the acceptance of undertakings under section 63(3) is that the Commission must be satisfied that the undertakings address "all the concerns it has about any prevention, restriction [or] distortion (...) of competition" which may arise from the matter at hand.

# IV. Determination under sections 59(7) and 63 of the Act

- 1.17 Having regard to the Application submitted by PNL, the concerns which have been identified by the Executive Director in his Report, and the Undertakings offered by the Applicant, the Commission determines that
  - PNL has, in its Application, admitted its participation in specified reported conducts which fall within the ambit of section 43 of the Act viz., -
    - (a) for having provided price lists with pre-determined resale prices for specified products (as listed in the corresponding Annexure to its Application) to its specified resellers without the words "recommended price"; and
    - (b) for having affixed price tags on the products it supplies to resellers, without the mention of "recommended price".
  - PNL has complied with requirements (ii) and (iii) of paragraph 5.6A(b) of the CC 3 Guidelines, as stated in the Report;
  - 3) The Undertakings submitted by PNL satisfactorily address the Commission's concerns in so far as
    - a. PNL has ceased its participation in/terminated all RPM agreements to which it was a party, as reported in its Application;
    - b. PNL has undertaken that it shall, where it affixes price tags on its products which are distributed to its resellers, state clearly that the resale price is a recommended price, and in relation to price list to include a clause which clearly states that the recommended price is not binding on the resellers and the resellers are free to determine their own resale prices. PNL has to this effect submitted a template of its new proposed price list; and

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c. PNL has undertaken that it shall not, in any manner whatsoever, enter into or otherwise facilitate, either explicitly or implicitly, the implementation of any agreement with the above-mentioned resellers and/or any other reseller that involves resale price maintenance.

# V. Decision

#### NOW THEREFORE,

For the reasons set out in this Decision, the Commission decides as follows:

- We accept that the Application made by Pharmacie Nouvelle Ltd satisfies the conditions prescribed under the RPM Amnesty Programme as set out in paragraph 5.6A of the CC 3 Guidelines on Collusive Agreements;
- We grant immunity from financial penalty to Pharmacie Nouvelle Ltd pursuant to section 59(7) of the Act for the reported RPM conducts;
- We accept the Undertakings offered by Pharmacie Nouvelle Ltd, which are being published as per section 63(4) of the Act (see Annex);
- 4) The Undertakings shall be effective as from the date of this decision.

Done at Port-Louis this 29 June 2020

Mr. M. A. Bocus (Chairperson)

Mr. C. Seebaluck (Commissioner)

Mrs. V. Bikhoo (Commissioner)

Competition Commission

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ANNEX: Undertakings offered by Pharmacie Nouvelle Ltd under section 63 of the Competition Act 2007 pursuant to paragraph 5.6A of the CC 3 Guidelines – Collusive Agreements (RPM Amnesty Programme)

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**Confidential version** 

# Undertakings to the CCM

Undertakings provided by Pharmacie Nouvelle Ltd to the Competition Commission

Pursuant to an Application for Amnesty dated 18th October 2017

In connection with the Competition Commission's Amnesty Programme for Resale Price Maintenance

11<sup>th</sup> December 2018

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For the purpose of the present undertakings, the following terms shall have the following meanings:

Pharmacy Nouvelle Ltd (herein 'Pharmacle Nouvelle') : Pharmacy Nouvelle includes its branches, subsidiaries, or affiliates;

Affiliate: any enterprise directly or indirectly controlled by Pharmacie Nouvelle;

Act: the Competition Act 2007;

Commission: the Competition Commission established under section 4 of the Competition Act 2007;

Effective Date: the date on which the Commission delivers its decision to accept these Undertakings;

Full Implementation Date: a maximum of three (3) months as from the effective date;

Resale price maintenance: means an agreement between a supplier and a dealer with the object or effect of directly or indirectly establishing a fixed or minimum price or price level to be observed by the dealer when reselling a product or service to his customers;

**RPM:** resale price maintenance.

2. Background:

The Pharmacie Nouvelle is a distributor of pharmaceuticals, general goods, dyestuffs and chemical auxilirales in Mauritius.

By its letter dated 18th October 2017 addressed to the Competition Commission and pursuant to paragraph 5.6A of the 'CCM 3 Guidelines - Collusive Agreements' (amended June 2017), Pharmacie Nouvelle has made an application for amnesty under the CCM Amnesty Programme for Resale Price Maintenance (RPM) (the 'Application').

The reported activity involves the following practices whereby Pharmacie Nouvelle has:

- In its own name, sent an email to a reseller, which contain possible Resale Price (i) Maintainance practice; ( the 'Practice I');
- Affixed price tags on pharmaceutical products it supplies to pharmacles as per The (11) Consumer Protection (Consumer Goods) (Maximum Mark-up) Regulations 1998 GN 150/1998. However, the price tags did not contain the terms "recommended price"; ( the 'Practice II'); and

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Communicated its price lists and involces, for its various products, to its dealers (Iii) without mentioning the terms "recommended price"; ( the 'Practice III').



Leal Green Py virtue of Section 30 and 31 of the Competition Commission Rules of procedure 2009, Pharmacie Nouvelle is hereby submitting the following documents, with the heading "restriction of publication claimed" and "confidential", in relation to:

- i. Practice I, the email sent to its dealer, which is herewith annexed as Annex A;
- Practle II,1 the lists of pharmaceutical products whereby price tags have been affixed and the name of the relevant dealers, which is herewith annexed as Annexes B and C respectively;
- III. Practice III, a list of distributors to which a price list has been communicated, including the price lists for years 2009 to 2016 and a sample of invoices, which is herewith annexed as Annexes D, E, F and G1 to G8.

The identified pharmacles and dealers/distributors shall altogether herein after be referred to as 'the Resellers' and are provided in Annexures C & D.

Section 43 of the Act prohibits resale price maintenance and section 43(3) of the Act provides that 'where a supplier or producer has recommended a minimum resale price to a reseller of goods and the resale price appears on the goods, the words 'recommended price' shall appear next to the resale price.'

With reference to Practices I to III above, Pharmacie Nouvelle verily believes that it has made a full and frank disclosure of all its commercial practices that might be in contravention of Section 43 of the Act, either directly or indirectly, and may therefore pose a concern in respect to the application of same.

With regards to the above reported activities and/or any similar commercial dealings which might have RPM concerns, Pharmacle Nouvelle avers that it have occurred during the period of the year 2009 to 20<sup>th</sup> October 2017 and is therefore claiming full immunity in regards of same.

The products supplied by Pharmacle Nouvelle, being pharmaceutical products, infant milk powder, para pharmaceutical and other products, have been classified in three categories:

- Medicines, which fall within the definition of 'Pharmaceutical products' under The Pharmacy Act 1983 and subject to the Consumer Protection (Price and Supplies Control) Act 1998 and Consumer Protection (Consumer Goods) Maximum Mark-Up Regulations 1998 and to which reg. 9 of the latter Regulations applies;
- II. Pharmaceutical products (excluding medicines) and infant milk powder which are subject to the Consumer Protection (Price and Supplies Control) Act 1998 and Consumer Protection (Consumer Goods) Maximum Mark-Up Regulations 1998 and to which reg. 9 of the latter Regulations does not apply; and

lii. Para pharmaceutical and other products not subject any of the aforementioned regulations.

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With reference to Practices III and IV, Pharmacle Nouvelle Is given to understand that these agreements may be in contravention of Section 43 of the Competition Act 2007, excluding its application or parts thereof which relate to the practice of affixing maximum prices on medicine, and may therefore pose as concerns which have arisen during an investigation in respect to the application.

Pursuant to the conditions laid down in the CCM 3 Guidelines (amended June 2017), for the purpose of obtaining RPM Amnesty, Pharmacie Nouvelle Is, by the present, providing undertakings, for the other products excluding medicines (as Annex H), related specifically to the Impugned agreement and any restrictive effects it has had on competition under section 63 of the Competition Act 2007 with a view to allaying any possible concerns of the Competition Commission in relation thereto and obtaining the requested amnesty.

Pursuant to the conditions laid down in the CCM 3 Guidelines (amended June 2017), for the purpose of obtaining RPM Amnesty, Pharmacie Nouvelle is, by the present, without prejudice, providing undertakings to the above reported activities and/or any similar commercial dealings and any restrictive effects it has had on competition under section 63 of the Competition Act 2007 with a view to allaying any possible concerns of the Competition Commission in relation thereto and obtaining the requested amnesty.

3. Measures proposed as Undertakings

Pursuant to section 63 of the Act, Pharmacle Nouvelle hereby, undertakes to apply, by the full implementation date, the following measures in its commercial dealings with the abovementioned resellers, in the resale of their respective goods or services in Mauritius:

3.1. Behavioural Undertakings

In relation to Practices II and III, where Pharmacle Nouvelle affixes price tags and/or issues a price list to resellers which contains a resale price as determined by Pharmacie Nouvelle, it undertakes to state clearly that the resale price is a recommended price, and in relation to price list it undertakes to include a clause which clearly states that the recommended price is not binding on the retailers and the retailers are free to determine their own resale prices (as Annex I).

In relation to Practices I, Pharmacle Nouvelle undertakes not, in any manner whatsoever, enter into or otherwise facilitate, either explicitly or implicitly, the implementation of any agreement with the above-mentioned resellers and/or any other reseller that involves resale price maintenance;

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Pharmacie Nouvelle shall take all appropriate measures to ensure that all its Internal management, directors, and employees engaged in the purchase and/or resale of goods and/or services are fully aware of and actively implement the present undertakings when implementing Pharmacie Nouvelle pricing policy, in line with the provisions of the Act.

#### 3.3. Reporting

Pharmacle Nouvelle shall provide the Commission with a copy of any amended price lists governing its commercial relationship with each of the above-mentioned retailers as proof that Pharmacle Nouvelle has irrevocably ceased the impugned resale price maintenance;

Pharmacie Nouvelle shall, as from the effective date, take all reasonable steps to ensure that all communications, negotiations, arrangements with the above-mentioned resellers are properly documented and archived to demonstrate compliance with the present undertakings when selling goods to the above-mentioned resellers;

Pharmacie Nouvelle shall, by the full implementation date, submit a written report to the Commission detailing the implementation of this undertaking.

For the avoidance of doubt, the above undertakings do not preclude Pharmacle Nouvelle from continuing to price competitively, and in so doing increase or decrease its prices and/or volumes and/or market shares (in compliance with the "Act"), in any market in which it participates currently or which it may enter into in the future.

Finally, all the documents that the Pharmacie Nouvelle has produced and all the information that Pharmacie Nouvelle has revealed to the CCM are strictly confidential and LMC is therefore formally informing the Commission not to divulge, reveal or disclose in full or in part, those documents and any information contained therein, to any third party without Pharmacie Nouvelle's prior written authorization.

#### 4. Entry into force

These undertakings shall be effective as from the date it is accepted by the Commission in the form of a decision of the Commission and shall be fully implemented by full implementation date.

[Signature of Director No 1] Name: MR DANIEL D'ARIFAT Position: CHIEF EXECUTIVE OFFICER

Duly authorised for and on behalf of: Pharmacie Nouvelle Ltd

[Signature of Director No 2] Name: MR JEAN-NOEL LENNON Position: CHIEF OPERATING OFFICER Duly authorised for and on behalf of: Pharmacle Nouvelle Ltd

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General Notice No. 1190 of 2020



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# Decision of the Competition Commission

CC/DS/0030/75 Non Confidential

Application for Immunity made by Udis Ltée under the Competition Commission Amnesty Programme for Resale Price Maintenance

29 June 2020

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# Decision of the Commissioners of the Competition Commission of 29 June 2020

relating to a proceeding under section 59(7) of the Competition Act 2007 further to a Report of the Executive Director on the matter referred to as 'INV042/RPM/069 – Review of Udis Ltée RPM Amnesty application'

(CC/DS/0030/75 – Application for Immunity made by Udis Ltée under the Competition Commission's Amnesty Programme for Resale Price Maintenance)

# THE COMMISSION

Mr. M. A. Bocus	211	Chairperson,
Mrs. M. B. Rajabally	- (î	Commissioner,
Mrs. V. Bikhoo	-	Commissioner,

Having regard to the Competition Act 2007,

Having regard to paragraph 5.6A of CC3 Guidelines on Collusive Agreements regarding the Competition Commission's Amnesty Programme for Resale Price Maintenance,

Having regard to the Competition Commission Rules of Procedure 2009,

Having regard to the undertakings offered by Udis Ltée on 05 March 2019,

Having regard to a report of the Executive Director dated 30 April 2019,

#### WHEREAS:

- I. Introduction
  - 1.1 This Decision relates to an application for immunity dated 20 October 2017 made by Udis Ltée pursuant to the Competition Commission's Amnesty Programme for Resale Price Maintenance prescribed under paragraph 5.6A of CC3 Guidelines on Collusive Agreements (the 'Application'). As part of the conditions set out thereunder, undertakings have been offered to the Commission by Udis Ltée on 05 March 2019 ('the Undertakings').
  - 1.2 Having taken cognizance of a report of the Executive Director dated 30 April 2019 on the matter, the Commission has determined the present matter on the basis of the provisions of section 59(7) of the Competition Act 2007 (the 'Act'), the conditions prescribed under paragraph 5.6A of CC3 Guidelines on Collusive Agreements and considering in particular, the Undertakings offered pursuant to section 63(3) of the Act.

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#### II. Background

## i. Competition Commission's RPM Amnesty Programme

- 1.3 Pursuant to section 59 of the Act, the Commission may grant immunity or leniency to any person in such circumstances as may be prescribed. Effective from 05<sup>th</sup> June 2017 until 20<sup>th</sup> October 2017 inclusively<sup>1</sup>, the Commission put in place a one-off, time-limited amnesty programme for any enterprise involved in resale price maintenance by waiving the restriction at paragraph 5.3 of CC3 Guidelines on Collusive Agreements, *viz.*, that only RPM which facilitates a cartel can benefit from leniency and the associated footnote 3 thereat and subject to the applicant-enterprise fulfilling the conditions prescribed under paragraph 5.6A (b) of the said Guidelines (the 'RPM Amnesty Programme').
- 1.4 The conditions prescribed under the RPM Amnesty Programme for providing immunity from financial penalties to any enterprise applying for RPM Amnesty are that the applicant
  - i. admits its participation in an agreement involving RPM,
  - provides the Competition Commission (CC) with all the information, documents and evidence available to it regarding the RPM, and as required by the CC,
  - iii. maintains continuous and complete co-operation until the conclusion of any action by the CC in relation to the matter, and
  - iv. offers undertakings that satisfactorily address the competition concerns of the CC.

#### *ii.* The Applicant and the Application

- 1.5 The Applicant, Udis Ltée, is a private company limited by shares incorporated under the laws of Mauritius with Business Registration Number (BRN) C8088 and the registered nature of its respective business being, among others, 'Hypermarket carrying a general line of goods'. The applicant owns the 'Super U' chain of hypermarkets. Super U is a hypermarket carrying a general line of consumer goods and was incorporated in 1989. It has 3 distribution outlets in Mauritius respectively located in Flacq, Belle Rose and Grand Bay.
- 1.6 The Applicant has, by way of a letter dated 20 October 2017, applied for immunity under the RPM Amnesty.

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<sup>&</sup>lt;sup>1</sup> The Commission had extended the validity of the RPM Amnesty (CC 3 Guidelines - Amended 3<sup>rd</sup> October 2017) from 05<sup>th</sup> October 2017 to 20<sup>th</sup> October 2017.

- 1.7 Udis Ltée applied for RPM Amnesty for the following conducts (the 'reported conducts'):
  - a. for having accepted products with a resale price as determined by the supplier affixed on those products,

b. for having entered into a written agreement with suppliers containing a clause on the resale prices of products which may amount to an RPM conduct.

#### iii. The Investigation

- 1.8 Upon receipt of the Application and pursuant to section 51 of the Act, the Executive Director proceeded to investigate whether the reported conduct may amount to an RPM within the ambit of section 43 of the Act.
- 1.9 Upon completion of his investigation, the Executive Director submitted a report on the matter to the Commission on 30 April 2019 (the 'Report'). The Report contains the findings of the Executive Director, his assessment of whether the proposed Undertakings address all the concerns identified by him, and his recommendations in respect of the Application.
- 1.10 The Executive Director's findings are that -
- (a) Udis Ltee, to the extent that it operates supermarkets/hypermarkets around the island and is engaged in the resale of consumer goods at retail level, qualifies as an 'enterprise';
- (b) Insofar as Udis Ltee, through its retail outlets, supplies consumer goods to end customers, it operates in the downstream level of the supply chain and the Applicant is thus in a vertical relationship with its suppliers;
- (c) The Application meets all the requirements as set out under paragraph 5.6A of the CC3 Guidelines in as much as:
  - (ii) Udis Ltée has admitted having participated and/or being party to the following reported conducts, namely: for having accepted

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products with a resale price as determined by the supplier affixed on those products, with suppliers who deliver preprice labelled products, and for contracting commercial agreements with a minimum price/fixed price restriction clause with suppliers;

- (iii) Udis Ltée has provided the Competition Commission with all the information, documents and evidence available to it regarding the reported conducts, and as required by the Competition Commission:
- Udis Ltée has maintained continuous and complete collaboration with the Competition Commission throughout the whole amnesty process until the submission of undertakings; and
- (v) Udis Ltée has offered undertakings that satisfactorily address the competition concerns of the Competition Commission.
- 1.11 The Executive Director has further assessed the Undertakings offered by Udis Ltée. The Executive Director takes the view that the proposed Undertakings satisfactorily addresses the concerns identified in the Report for the following reasons –
  - a. Udis Ltée has undertaken to inform its suppliers

that it is no longer party to the restrictive clause constituting RPM in the written agreements entered into with the said suppliers (as mentioned at paragraph 1.7b above) and that it shall either modify the agreement or enter into a new agreement that does not contain RPM clauses with the suppliers. This will ensure that the applicant as reseller will be free to determine its own resale prices or promotional prices;

b. With respect to accepting products with a resale rice as determined by the suppliers



undertaken to ensure that the words 'recommended price' appear next to the resale price and that it will not accept such products

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from suppliers unless the words 'Recommended price' are duly fixed;

- c. The implementation of such undertakings will therefore ensure that Udis Ltée is no longer party to the RPM clause contained in the agreements and/or dealings between the Applicant and the abovementioned suppliers; and
- d. The undertakings provide for a reporting mechanism through which the Competition Commission will be able to monitor its implementation.
- 1.12 The Executive Director recommends that the Commission accept the Undertakings and grant immunity from financial penalty to the Applicant for its participation in the reported RPM conduct.

# III. Legal Framework

- 1.13 Section 43 of the Act prohibits and renders void 'any vertical agreement between enterprises to the extent that it involves resale price maintenance'. RPM is in turn defined at under section 2 of the Act as 'an agreement between a supplier and a dealer with the object or effect of directly or indirectly establishing a fixed or minimum price or price level to be observed
  - by the dealer when reselling a product or service to his customers'.
- 1.14 Having regard to the conditions prescribed under the RPM Amnesty Programme, an enterprise will benefit from immunity from financial penalty if it is involved in a conduct(s) that falls within the scope of section 43 of the Act and satisfies the conditions of the said programme.
- 1.15 In addition to admitting having participated in one or more RPM agreement(s), the applicant-enterprise is required to provide full and complete disclosure of all information, evidence and records available to it that relate to the reported RPM conduct. The enterprise is also required to maintain continuous and complete co-operation from the time of its application until the conclusion of any action by the CC on the matter, including by securing the cooperation of its directors, officers and employees in view of effectively and expeditiously concluding the assessment process.
- 1.16 Pursuant to section 63(3) of the Act, the threshold for the acceptance of undertakings under section 63(3) is that the Commission must be satisfied that the undertakings address "all the concerns it has about any prevention, restriction [or] distortion (...) of competition" which may arise from the matter at hand.

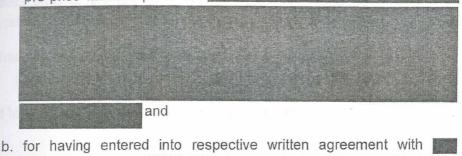
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# IV. Determination under sections 59(7) and 63 of the Act

suppliers:

- 1.17 Having regard to the Application submitted by Udis Ltée, the concerns which have been identified by the Executive Director in his Report, and the Undertakings offered by the Applicant, the Commission determines that
  - 1) Udis Ltée has, in its Application, admitted its participation in one or more RPM agreement(s) viz.,
    - a. for having accepted products with a resale price as determined by the supplier affixed on those products, with suppliers who deliver pre-price labelled products.



containing a clause on the resale prices of products which may amount to an RPM conduct.

- Udis Ltée has complied with requirements (ii) and (iii) of paragraph 5.6A(b) of the CC3 Guidelines, as stated in the Report;
- The Undertakings submitted by the Udis Ltée satisfactorily address the Commission's concerns in so far as –
  - a. the implementation of such undertakings will therefore ensure that Udis Ltée is no longer party to the RPM clause contained in the agreements and/or dealings with the suppliers concerned;
  - b. Udis Ltée has undertaken to inform all suppliers concerned that it is no longer party to the price restriction imposed upon it through the written agreements with them; and
  - c. Udis Ltée has, with respect to accepting products with a resale rice as determined by the suppliers, undertaken to ensure that the words 'recommended price' appear next to any pre-printed resale price and that it will not accept products from suppliers containing pricing unless the words 'Recommended price' are duly fixed.

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# V. Decision

# NOW THEREFORE,

For the reasons set out in this Decision, the Commission decides as follows:

- We accept that the Application made by Udis Ltée satisfies the conditions prescribed under the RPM Amnesty Programme as set out in paragraph 5.6A of the CC3 Guidelines on Collusive Agreements;
- We grant immunity from financial penalty to Udis Ltée pursuant to section 59(7) of the Act for the reported RPM conducts;
- We accept the Undertakings offered by Udis Ltée, which are being published as per section 63(4) of the Act (see Annex);
- 4) The Undertakings shall be effective as from the date of this decision.

Done at Port-Louis this 29 June 2020.

Mr. M. A. Bocus (Chairperson)

Mrs. M. B. Rajabally (Commissioner)

Mrs. V. Bikhoo (Commissioner)

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Competition Commission		<u></u>
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ANNEX: Undertakings offered by Udis Ltee under section 63 of the Competition Act 2007 pursuant to paragraph 5.6A of the CC 3 Guidelines – Collusive Agreements (RPM Amnesty Programme)

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# Undertakings to the CCM

Undertakings provided by Udis Litee to the Competition Commission

Pursuant to an Application for Amnesty dated 20<sup>th</sup> October 2017

In connection with the Competition Commission's Amnesty Programme for Resale Price Maintenance

5 March 2019

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# 1. Definitions:

For the purpose of the present undertakings, the following terms shall have the following meanings:

Udis Ltee: Udis Ltee and includes its branches, subsidiaries, or affiliates;

Affiliate: any enterprise directly or indirectly controlled by Udis Ltee;

Act: the Competition Act 2007;

Commission: the Competition Commission established under section 4 of the Act;

Dealer: any distributor, reseller, retailer, or other entity involved in the resale of Udis Ltee 's goods or services in Mauritius;

Effective date: the date on which the Commission delivers its decision to accept these Undertakings.

Full Implementation date: a maximum period of three (3) months as from the effective date.

Resale price maintenance: means an agreement between a supplier and a dealer with the object or effect of directly or indirectly establishing a fixed or minimum price or price level to be observed by the dealer when reselling a product or service to his customers;

**RPM:** Resale Price Maintenance

2. Background:

Incorporated in 1989, Udis Ltee owns the 'Super U' chain of hypermarkets. Super U is a hypermarket carrying a general line of consumer goods and has 3 outlets, namely located in Flacq, Belle Rose and Grand Bay.

By its letter dated 20<sup>th</sup> October 2017 addressed to the Competition Commission and pursuant to paragraph 5.6A of the CCM 3 Guidelines-Collusive Agreements (amended June 2017), Udis Ltee has made an application for amnesty under the CCM Amnesty Programme for Resale Price Maintenance (the 'Application').

The reported activity involves two practices whereby Udis Ltee has:

- Accepted products with resale prices pre-determined and pre-labelled on the products by its suppliers without the words "recommended price" appearing next to the resale prices; (the "Practice I"); and
- (ii) Entered, in its own name, into contractual agreements with suppliers, which contain minimum price restriction clauses on the resale prices of products (the "Practice II").

Practice I is in relation to the following suppliers:

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The agreement with respect to Practice II is in relation to the following suppliers:

The identified suppliers for Practice I and II shall altogether herein after be referred to as 'the Suppliers'.

Section 43 of the Act prohibits resale price maintenance and section 43(3) of the Act provides that 'where a supplier or producer has recommended a minimum resale price to a reseller of goods and the resale price appears on the goods, the words 'recommended price' shall appear next to the resale price.'

Pursuant to the conditions laid down in the CCM 3 Guidelines (amended June 2017) for the purpose of obtaining amnesty, Udis Ltee is, by the present, providing undertakings related specifically to the impugned agreement and any restrictive effects it has had on competition under section 63 of the Competition Act 2007 with a view to allaying the concerns of the Competition Commission in relation thereto and obtaining the requested amnesty.

## 3. Measures proposed as Undertakings

Pursuant to section 63 of the Act, Udis Ltee hereby undertakes to apply the following measures by the implementation date in its commercial dealings with the above-mentioned suppliers, in the resale of their respective goods or services in Mauritius:

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## 3.1. Behavioural Undertaking

Udis Ltee shall inform the suppliers in relation to Practice II that it is no longer party to the restrictive clause constituting RPM and shall either modify the agreement or enter into a new agreement which does not contain RPM clauses with the suppliers;

Udis Ltee shall not, in any manner whatsoever, enter into or otherwise facilitate either explicitly or implicitly, the implementation of any agreement with the above-mentioned suppliers and/or any other supplier that involves resale price maintenance;

Udis Ltee shall, where any of the above-mentioned suppliers and/or any other supplier has recommended a minimum resale price for its goods and the resale price appears on the goods, inform the supplier, in writing, that it shall make sure that the words 'recommended price' appear next to the resale price, and shall not accept/offer for sales such products.

#### 3.2. Information Dissemination

Udis Ltee shall take all appropriate measures to ensure that all its internal management, directors, and employees engaged in the purchase and/or resale of goods and/or services are fully aware of

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and actively implement the present undertakings when designing and/or implementing Udis Ltee pricing policy, in line with the provisions of the Act.

# 3.3. Reporting

Udis Ltee shall immediately inform the Commission, in writing, of any attempt on the part of the above-mentioned suppliers to implement or otherwise coerce or induce the implementation of resale price maintenance to be observed by Udis Ltee reselling the supplier's goods and shall provide the Commission with all documents, information, and evidence available to it in support thereof;

Udis Ltee shall provide the Commission with a copy of any amended agreement governing its commercial relationship with each of the above-mentioned suppliers as proof that Udis Ltee has irrevocably ceased the impugned resale price maintenance;

Udis Ltee shall, as from the effective date, take all reasonable steps to ensure that all communications, negotiations, arrangements with the above-mentioned suppliers are properly documented and archived to demonstrate compliance with the present undertakings when reselling the above-mentioned suppliers' goods;

Udis Ltee shall, by the full implementation date, submit a written report to the Commission detailing the implementation of this undertaking.

4. Entry into force

These undertakings shall be effective as from the date it is accepted by the Commission in the form of a decision of the Commission and shall be fully implemented by full implementation date.

[Signature of Director No 1] Pascal Tsin Sa Ah Vi CEO Duly authorised for and on behalf of: Udis Ltee

[Signature of Director No 2] Patrick Tsin Sa Ah Vi Director Duly authorised for and on behalf of: Udis Ltee

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By Authority: Government Printing Department, La Tour Koenig