



# **Decision of the Competition Commission**

**CCM/DS/0030/65**

**Non-Confidential**

**Application for immunity under the Amnesty  
Programme for Resale Price Maintenance**

**by**

**Inas & Co. Ltd**

**21 June 2019**

# Competition Commission

**Decision of the Competition Commission (the 'Commission') on the application made by Inas & Co. Ltd for immunity under the Amnesty Programme for Resale Price Maintenance.**

## THE COMMISSION –

Mrs. M. Rajabally - Commissioner,  
Mr. C. Seebaluck - Commissioner,  
Mrs. V. Bikhoo - Commissioner,

Having regard to the Competition Act 2007,

Having regard to the Competition Commission Rules of Procedure 2009,

Having regard to the Undertakings given by Inas & Co. Ltd on 20 December 2018,

Having regard to a report of the Executive Director of the Commission (the 'Executive Director') dated 15 February 2019 on the Undertakings given by Inas & Co. Ltd,

We, Commissioners, decide as follows:

### Introduction

- 1.0 This Decision relates to an application for immunity dated 20 October 2017 made by Inas & Co. Ltd (the Applicant), pursuant to the Competition Commission's Amnesty Programme for Resale Price Maintenance (RPM) prescribed under paragraph 5.6A of CCM3 Guidelines on Collusive Agreements. As part of the conditions set out thereunder, undertakings ('the Undertakings'). have been offered to the Commission by the Applicant on 08 March 2019.
- 2.0 Having taken cognizance of a report (the Report) of the Executive Director dated 30 April 2019 in respect of this matter, the Commission has determined the present matter under section 59(7) of the Competition Act (the Act), the conditions prescribed under paragraph 5.6A of CCM3 Guidelines on Collusive Agreements and considering in particular, the Undertakings offered pursuant to section 63(3) of the Act.

### The law

- 3.0 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 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’.

- 3.1 An enterprise can only benefit from immunity to financial penalty if it is involved in conduct(s) that falls within the scope of section 43 of the Act and satisfies the conditions prescribed for the RPM Amnesty Programme, that is if it -
  - 3.1.1 admits its participation in an agreement involving RPM;
  - 3.1.2 provides the Commission with all the information, documents and evidence available to it regarding its RPM conduct;
  - 3.1.3 maintains continuous and complete co-operation until the conclusion of any action by the Commission in relation to the matter; and
  - 3.1.4 offers undertakings that satisfactorily address the competition concerns of the Commission.
- 3.2 The threshold for accepting undertakings under section 63(3) is that the Commission must be satisfied that they address “all the concerns it has about any prevention, restriction [or] distortion (...) of competition”.
- 3.3 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, 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 CCM3 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’).

#### Facts

- 4.0 The Applicant is a private company, trades under the name of ‘Lolo’ and bears Business Registration Number C07074075. It is a reseller of consumer goods to end users. Its registered office situates at Royal Road, Morcellement St André.
- 5.0 From the Application and documents in support thereof, it is established that the Applicant has participated in RPM conduct in the following manner:-
  - 5.1 the price lists of the suppliers as submitted by the Applicant contain information on the normal resale price, listed as ‘Normal Prix Conso TTC’, ‘Normal RSP’, ‘Normal Price’, ‘Prix Public TTC’, ‘Trade Price excl VAT’, ‘Prix de vente minimum TTC’, ‘Normal Prix de Vente TTC’, ‘Normal Retail

Public Price', 'RSP', 'Prix Normal Public TTC', 'Public Price', 'Retail Price per unit', and 'normal selling price'.

- 5.2 the price lists of the suppliers as submitted by the Applicant contain information on the promotional resale price, listed as 'Promo RSP', 'Promotion Prix Conso TTC', 'Promotion PV minimum TTC', 'Special price together with clause 'minimum retail price should not be below the above indicate promotion prices unless alternatively agreed upon', 'promotion prix vente minimum' and 'promo selling price'.
- 5.3 A letter issued by one of Applicant's supplier, Govinda's Gift Ltd, contains the clause 'please do needful to keep retail price 8% below our normal unit price'.
- 6.0 The above pricing policies set by the suppliers and complied with by the Applicant, according to the Executive Director, may have the object of establishing a minimum or fixed price and as such, the Applicant's conduct, in the circumstances, may amount to a Resale Price Maintenance by object.

#### Investigation and findings

- 7.0 Upon receipt of the Application and pursuant to section 51 of the Act, the Executive Director proceeded to investigate (INV042/RPM/062) whether the reported conduct may amount to an RPM within the ambit of section 43 of the Act.
- 8.0 The Executive Director submitted his Report on the matter to the Commission on 15<sup>th</sup> February 2019. 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.
- 9.0 The findings of the Executive Director further to the assessments carried out are that-
  - 9.1 the Application satisfies the conditions set out under paragraph 5.6A of CCM3 Guidelines for RPM amnesty;
  - 9.2 the Applicant in its capacity as reseller of consumer goods to end users, has engaged in a conduct that raises competition concerns under section 43 of the Act.
  - 9.3 the Undertakings offered as part of the Application satisfactorily address all the concerns he has about any prevention, restriction of competition as required under section 63 of the Act, in that the Applicant has undertaken:-
    - 9.3.1 to cease implementation of the terms of the agreements under paragraphs 5.1, 5.2 and 5.3, to inform its suppliers that it is not party to any price restriction agreements and to take all

necessary steps to ensure that future agreements with its suppliers will be in conformity with the Act;

9.3.2 not to, in any manner whatsoever, enter into or likewise facilitate, either explicitly or implicitly, the implementation of any agreement or part of the agreements with the above-mentioned suppliers and/or any other supplier that involves resale price maintenance;

9.3.3 to take all appropriate measures to ensure that all its internal management, directors and employees engaged in the purchase and/or resale of goods are fully aware of and actively implement the undertakings when designing and/or implementing its commercial policy; and

9.3.4 to ensure that all dealers become aware of and understand the undertakings.

#### Executive Director's recommendations

10.0 The Executive Director recommends that the Commission accepts the Undertakings and grant immunity from fines to the Applicant for its participation in the RPM conduct as aforesaid.

#### Determination

11.0. Having regard to the Application submitted by the Applicant, the concerns which have been identified by the Executive Director in his Report, and the Undertakings offered by the Applicant, the Commission determines that –

11.1 the Applicant has, in its Application, admitted, in clear and unequivocal terms, its participation in one or more RPM agreement(s) viz admission of having participated in or otherwise having engaged in conduct as reseller of consumer goods, that falls within the ambit of section 43 of the Act;

11.2 The Applicant has complied with requirements (ii) and (iii) of paragraph 5.6A(b) of the CCM 3 Guidelines, as stated in the Report; and

11.3 The Undertakings submitted by the Applicant satisfactorily address the Commission's concerns in so far as it will ensure that Applicant ceases its participation in RPM agreements.

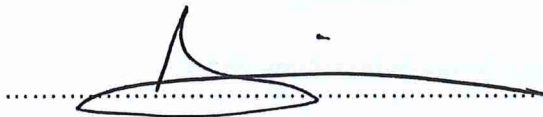


Decision

12.0 The Commission therefore decides as follows:

- 12.1 We accept that the Applicant satisfies the conditions prescribed under the RPM Amnesty Programme as set out in paragraph 5.6A of the CCM 3 Guidelines on Collusive Agreements.
- 12.2 We accept the Undertakings offered by the Applicant.
- 12.3 The Undertakings shall be effective as from the date of this Decision.
- 12.4 We grant immunity from financial penalty to the Applicant pursuant to section 59(7) of the Act in respect of dealings with its suppliers as per annexed list to the Report for the period 25 November 2009 to 20 October 2017 only.

Mrs. M. B. Rajabally  
(Chairperson)

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Mr. C. Seebaluck  
(Commissioner)

A blue ink signature of Mr. C. Seebaluck, written in a cursive style, positioned above a dotted line.

Mrs. V. Bikhoo  
(Commissioner)

A blue ink signature of Mrs. V. Bikhoo, featuring a stylized 'V' and 'B' with a horizontal line, positioned above a dotted line.

21 June 2019