



Decision of the Commissioners of the Competition Commission

Decision

**8th September 2011
CCM/DS/005**

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COMMISSION/DS/005 - Commingling of Pools between Automatic Systems Limited (ASL) and Globalsports Limited (GSL)

Commissioners present – *Mr. Rajiv Servansingh – (Acting Chairperson) - Chairperson*

Mr. Rodney Rama – Commissioner

Mr. Reshad Sadoo – Commissioner

Mrs. Selvam Poonoosamy- Commissioner

On the 8th September 2011, the Commission held a meeting where the Commissioners have taken cognizance of the following:

Facts of the Case

On 25th May 2011, the Executive Director of the Competition Commission of Mauritius (CCM) started an Investigation on the proposed commingling of pools by Automatic Systems Limited (ASL) and Globalsports Limited (GSL).

On 16th June 2011, the CCM issued a Statement of Issues whereby it expressed its concerns about the said commingling of pools, in that the proposed commingling of pools Agreement between ASL and GSL might be in breach of section 41 of the Competition Act 2007 (the Act)

On 11th August 2011, ASL and GSL offered Undertakings to the CCM pursuant to Section 63 of the Act, in an attempt to address the competition concerns of the CCM as set out in the Statement of Issues.

Upon receipt of the Undertakings by ASL and GSL, the Executive Director of the CCM produced a Final Report on 5th September 2011 titled: 'Commingling of Pools between Automatic Systems Ltd and Globalsports Ltd'.

Conclusion of Report of Investigation

In the Report, the Executive Director concluded that:

- a) The undertakings offered by ASL and GSL, seek to address the specific concerns which the CCM had at SOI stage and during the investigative process in general. The CCM's main concern about the commission rate has been addressed as the parties have undertaken not to increase their commission rates above their current levels, but more importantly, they have undertaken to accept lower commission rates, independent of each other. The CCM welcomes this measure as it believes that such a measure is fundamental is there is to be rigorous competition in this industry.
- b) Further, by undertaking to advertise their services independently of each other, the parties have reassured the CCM that even though the respective pools have been commingled, there will still be competition between the two totalisators in terms of advertising.
- c) More generally, the CCM believes that the undertakings would indeed prevent any potential breaches of Section 41 of the Act identified earlier in this report.

Recommendations of the Executive Director

The Executive Director's recommendations to the Commissioners are as follows:

- a) The CCM believes that the undertakings offered by ASL and GSL are very elaborate and would indeed satisfactorily addresses all the concerns it has about any prevention, restriction distortion or substantial lessening of competition.
- b) The Executive Director therefore recommends that the undertakings offered by ASL and GSL be accepted by the Commission in toto and that they are published by the Commission as a decision of the Commission pursuant to Section 63 (4) of the Act.

Decision

