

ANNUAL REPORT

2021-2022





“Sound competition policy is all the more important in moments of crisis to ensure that the crisis is solved and the subsequent economic recovery, as fast and sustained as possible.”

Organisation for Economic Co-operation and Development (OECD)



CONTENT

MISSION AND VISION STATEMENTS	02
CHAIRPERSON'S FOREWORD	04
EXECUTIVE DIRECTOR'S MESSAGE	07
CORPORATE GOVERNANCE	10
OPERATIONAL REVIEW	22
OUTREACH INITIATIVES	35
COOPERATION	38
HUMAN ASSET MANAGEMENT	42
STRATEGIC DIRECTIONS	49
FINANCIAL STATEMENTS	53



MISSION

To enhance market competition, creating more economic opportunities for the benefit of all Mauritians

VISION

An impactful institution within the Mauritian economy, shaping business landscape and driving economic progress through the force of competition





CHAIRPERSON'S

FOREWORD

I have the pleasure of presenting the tenth edition of the Competition Commission's Annual Report for the fiscal year 2021/2022. It is also with deep regret and sadness that our Commission has parted ways with one of its members, Commissioner Mr Candhayalallsing Seebaluck, CSK, upon his demise in March 2022. Late Commissioner Mr Seebaluck, CSK, has impeccably served our Commission for five years and his departure is truly a great loss for our institution. On behalf of the Commission, I extend my sincere sympathies to his family, friends, colleagues, and staff members. I also note, in the same breath, the departure of Commissioner Mrs Mariam Rajabally whose term of office came to an end in September 2021 while Commissioner Mrs Sharda Dindoyal joined our ranks during that same month. I take this opportunity to extend my heartfelt thanks to Mrs Rajabally for the commendable work accomplished during her tenure in office while extending a warm welcome to Commissioner Mrs Dindoyal whose professional experience shall bring much value to our Commission.

The pages of our Annual Report unfold the work of the Commission during yet another challenging year. We have not seen the last of the Covid-19 epidemic that repercussions of the conflict in Ukraine are being felt at home. This calls for even greater resilience and adaptiveness of our organisation and that of our competition system.

This year has seen a peculiar focus on the anti-cartel front with the Commission issuing all five of its decisions in this area and impacting key sectors as education, medical insurance, and public health supplies. Three such decisions pertained to the vertical pricing restrictions, also known as the resale price maintenance, involving three different wholesale importers and their respective retailers when selling secondary school books (SSBs) on the market. The Commission found that the way wholesale supply of SSBs was being concluded among those wholesalers and retailers unnecessarily revolved around retail pricing; creating much ambiguity around retailers' ability to set their own prices for SSBs purchased from their wholesalers. Retail pricing became uniform across retailers who tended to shun altogether discounts to end-consumers. This competition problem did not just cover the quasi-totality of SSBs markets but had been anchored as a normal way of doing business. Industry practices that appear innocuous to business operators can seriously distort the process of competition and hamper innovation in a market. SSBs are a must-buy for parents and students who tend to be price-insensitive as they seek to acquire their school textbooks ahead of the school year. Any pricing alleviation, through discounts, that can benefit this category of consumers should not be missed. The Commission is hopeful that its decision in this regard will have brought down a pervasive, long-standing anticompetitive practice causing operators in this market to spring back to competing on the merits with consumers playing a catalytic role by shopping around for best available deals.

The Commission further issued two infringement decisions with financial penalties against firstly members of a trade association, the Association of Private Health Plans and Administrators (APHPA) as well as against two suppliers of medical gases to the Ministry of Health and Wellness (MoHW) for participating in collusion. In both cases, the parties had collaborated with the Competition Commission, which helped expedite proceedings before the Commission.

In the first case, the APHPA members were found to have anticompetitively agreed to set a maximum amount that would be reimbursed to patients for gynaecological treatments. They had also issued a joint communication to doctors cautioning that they would not entertain claims for certain overseas treatments, except in specified circumstances. The role of insurance providers is to negotiate lower prices for consumers from health service providers while competing among themselves to offer value

propositions that cover the services and drugs that people need at a price they can afford. This case exhibited contrary features where anticompetitive trade association decisions led to conducts that not only served to restrict market competition but carried high risks for consumers through higher out-of-pocket pay-outs by insured patients and artificially limiting coverage. The parties were directed to terminate their existing agreements and after leniency, fines totalling Rs 11.3 million were imposed on the members.

The second case saw the Commission impose directions alongside fines, after leniency, of Rs 3.59 million against two long-standing suppliers of medical gases – Gaz Carbonique Ltée and Les Gaz Industriels Ltd – for having colluded to fix prices, share markets through hospital allocation, and restrict output on two occasions when supplying their medical gas products to MoHW between 2012 and 2020. The parties' collusion resulted from a decision taken to jointly supply medical gases to MoHW through an unincorporated joint venture known as 'Medical Gases JV' which facilitated collusive outcomes that were detrimental to the MoHW.

The Commission had during the preceding year, in April 2021, issued its first decision ordering divestment in New Goodwill Investment Co. Ltd (New Goodwill)'s proposed acquisition of a majority stake in Medine Distillery Co. Ltd. The Commission's decision was initially appealed against before the Supreme Court, but New Goodwill subsequently withdrew its appeal and decided to align to the Commission's directions. The Commission welcomes the stand adopted by New Goodwill, which balances the commercial interests of the merging parties with consumer benefits sought by the Commission. While fully respecting the parties' statutory right of appeal should they be dissatisfied with any order or direction issued against them, the Commission reiterates that its decision-making must align to the objective of the law – to regulate competition for the ultimate benefit of our consumers and the economy. Our Competition Act clearly recognises that certain merger transactions are risky for competition and empowers the Competition Commission to investigate and deliver effective remedies to address the competitive harm resulting from problematic transactions. The sooner such transactions are detected, the sooner they can be satisfactorily remedied.

I am also pleased to report that the Commission continued to expand its network of competition

peers with the aim of fostering inter-agency collaboration and fulfilling its statutory duty of cooperating with foreign competition agencies. In February 2022, the Commission signed a Memorandum of Understanding (MoU) with the Competition Commission of India, which also marks a year into the conclusion of the first trade agreement between India and Mauritius - the 'Comprehensive Economic Cooperation and Partnership Agreement'. As countries web together through globalisation and digitalisation, the role of competition enforcement will also exponentially increase with the novel forms of competition issues that agencies need to catch-up with. It goes without saying that the joint impact of collaborative competition enforcement will be stronger than the sum of their individual interventions. This MoU will undoubtedly enable both partners to step up their learning curve through sharing of experience and best practices. The ball is in our court to strive to uphold our MoU commitments in advancing further our mission.

Competition that prevails in a market leaves no room for complacency on the part of businesses. Complacency also has no part in a competition regulator's armoury. We are part of the public service and must be driven by a spirit of service to

the community. This can only be achieved when we play our part by ensuring that our markets function well and inspire confidence to businesses and consumers. Consumers are battling the rising cost of living from the uncertainties created by the Covid-19 and the war in Ukraine, while businesses seek to grow in the aftermath of the pandemic. We are not allowed to rest on our laurels. The responsibility is ours to improve our understanding of the issues that our markets are facing so that we can prioritise efforts and drive coordinated action to make a real impact on the ground.

In conclusion, I wish to thank my fellow Commissioners, the Executive Director and his management team, as well as the staff of the Commission for striving through uncertain times with drive and commitment in order to reach our set objectives. We shall work with even greater resilience in mapping our interventions against our mission: shaping markets and furthering progress. I also take this opportunity to thank all our stakeholders who have worked with us for advancing the competition cause within and beyond borders.

Me Mahmud Aleem Bocus
Chairperson



EXECUTIVE DIRECTOR'S MESSAGE

The financial year 2021/2022 was a year of great hope for economic recovery but ended to be yet another tough year for economies around the world. We steadfastly delivered on our mandate while adapting to the challenging economic context. We reckon that the turbulent environment calls for even more versatility. The market realities are undoubtedly changing and so is the need for our strategic orientation. One thing remains certain in this uncertain environment – the role of competition policy is even more important to rapidly and sustainably restore market equilibriums through the forces of competition, while shielding markets and consumers from anticompetitive practices. This report provides a snapshot of our deliveries in the last financial year and sheds light on our upcoming strategies and plans focusing on the changing market dynamics.

Robust Enforcement

We maintained our rigor and determination in enforcing the Competition Act for more competitive markets. We completed seven investigations whereby we recommended the imposition of directions in two investigations, and of fines in one. We also recommended to accept undertakings in two investigations. Moreover, the first merger divestment remedy was implemented during the year.

We also conducted 25 enquiries during the year in diverse sectors of the Mauritian economy and assisted the COMESA Competition Commission in the review of 36 merger notifications having a regional bearing.

In line with our mandate, we have also carried out one cross country market study in relation to the determination of roaming costs in Mauritius, and we have also assessed the pricing of onion seeds and made recommendation thereon.

During the year a total financial penalty of Rs 14.9 million was imposed by the Commission against companies in two cartel cases which were submitted to the Commission last year. The first case related to agreements in the supply of medical insurance while the second case pertained to an agreement for the supply of medical gas.

The year was also marked with the launching of three investigations, namely, the betting and automotive sectors and the commercial space.

We have also embarked on two market studies which, respectively, concern the distribution of foodstuffs and household products, and price regulation in Mauritius.

The objective of the former is to identify any potential competition issues that may be having an adverse effect on the retail market in Mauritius. The study on price regulation, for its part, aims to assess the impact of price regulations on competition and to come up with policy recommendations. Of note, we have also embarked on a project to monitor the price of essential products.

Proactive advocacy and collaboration

Our proactiveness in polarizing competition policy continues throughout the year. We believe that competition policy can be more effective with a close collaboration with our key stakeholders for compliant businesses and pro-competition policies. Indeed, one of our focuses was to promote competition friendly policies and to enhance collaboration with regulators and ministries.

In April this year, we published a 'Guidance for Public Procurers on Bid Rigging' in collaboration with the Procurement Policy Office. The objective was to raise awareness amongst procurement officials at all levels, on the possible signs of bid rigging – beginning from the conception of the process, going through the bidding exercise until the post bidding stages have been reached.

The Competition Commission also conducted one-to-one engagements with several ministries, public bodies and associations in view of inculcating a competition culture in decision making, raising awareness and promoting compliance amongst the various stakeholders as well as helping in the detection and deterrence of anti-competitive conducts.

In a bid to reinforce cooperation and collaboration with public bodies, we signed a Memorandum of Understanding (MoU) with the Office of Ombudsperson for Financial Services. At the international level, early this year, we signed an MoU with our sister agency, the Competition Commission of India. Such collaboration shall not only facilitate the exchange of information between the two agencies but shall also boost-up and encourage the sharing of best practices and experience in the field of competition law.



Responsive competition policy

The markets dynamics are changing. Demand and supply are fluctuating; costs and prices are rising. There are several calls for price interventions. On our part we have to be on our guard. While it is not the role of the Competition Commission to regulate price, it has nevertheless the mandate to intervene where the rise in price is the result of an anticompetitive practice or itself exploitative of a monopoly situation.

We are keeping an eye on the market evolutions and where there is need to intervene, we will. Like several authorities around the world, we are being more proactive on potential exploitative conducts. With the changing economic context, we are more open to intervene where firms make abuse of their market power to the detriment of consumers, and in so doing, we ensure that our intervention is well calibrated.

As mentioned, a market study is also being conducted into price regulations with the aim to assist the Government in price interventions by designing appropriate framework that ensures such intervention does not overly disrupt market dynamics.

We also intend to organise important advocacy initiatives in the coming year, in the form of a competition forum, centred around the role of

competition policy in the current turbulent economic context and for economic recovery. It will enable us to advocate, and foster competition culture for more competitive markets while reflecting on the role of competition agencies in sustainable economic recovery.

The coming year will also mark a reorganisation of the enforcement team for a revamped and more robust enforcement. We will leverage on new areas while consolidating existing ones by adopting a matrix structure. We expect that this reorganisation will enhance our delivery and contribution in consumer and economic welfare.

The benefits of competition policy to consumers and the economy are undisputable. Our strategies aim to focus on change for continuous improvement while rigorously enforcing the Competition Act. We shall strive to work tirelessly to consolidate our enforcement activities, enhance the competition law, and boost our advocacy initiatives to foster a pro-competitive environment in Mauritius for the betterment of all Mauritians.

Deshmuk Kowlessur
Executive Director

CORPORATE GOVERNANCE



CORPORATE GOVERNANCE

Introduction

The Competition Commission is a statutory body established under the Competition Act 2007 (the Act) and it operates under the aegis of the Ministry of Commerce and Consumer Protection.

The Act provides the legal framework for regulating and promoting competition across markets for the benefit of consumers and the economy at large. The Competition Commission, established under the Act, administers and enforces the Act. The Competition Commission, through its respective organs, carries the mandate of investigating anticompetitive practices on the part of businesses, issuing directions and financial penalties against those found infringing the provisions of the law, advocating pro-competitive policies and state actions, and raising awareness on the provisions of the law and the activities of the institution.

The Competition Commission's commitment to honouring good governance principles is grounded within the provisions of the Act requiring adherence to fundamental principles of integrity, transparency and accountability. Going a step further in ensuring that the organisation complies with the highest standards of governance, the eight Principles in the National Code of Corporate Governance (NCCG) 2016 have all nearly been implemented.

The Competition Commission has, in 2018, set up a Corporate Governance Committee, the primary function of which is to drive the implementation of the eight principles set out in the NCCG 2016 and to ensure compliance with the governance principles, and review the mandate of the Audit & Risk Committee. The details of the functions and purposes of both Committees are elaborated in their respective Terms of References. The Commission further adopted a Code of Ethics in August 2020 and is currently in the process of drafting its board charter and corporate objectives statement.

CORPORATE GOVERNANCE (CONTD.)

Principle 1 - Governance Structure

The Act establishes the Competition Commission as a unitary organisation comprising two different arms that are mandated with distinct roles and functions. The office of the Executive Director is vested with investigatory mandate and powers while the Commission is the adjudicative arm consisting of a chairperson, a vice-chairperson and three Commissioners called upon to determine cases brought before them and issue their decisions.

The Executive Director is called upon to investigate restrictive business practices believed to impede the proper functioning of markets. The Executive Director also shoulders additional functions of market monitoring and advocacy, undertaking general studies of markets, cooperating with foreign competition authorities and advising the Minister on international agreements relevant to competition matters and to the Act. Overall, the Executive Director is responsible for the day-to-day running of the Competition Commission and conducts his statutory duties with the support of staff under his administrative control.

Under the Act, the Commission is vested with adjudicative functions of conducting hearings with parties/ relevant persons and determining matters as reported to them by the Executive Director. The Commission makes decisions in its own deliberate judgment without fear, influence, or favour. It is worth highlighting that hearings are only mandatory under the Act where the Commission is minded to imposing directions and/or financial penalty on any enterprise in proceedings before it. Respect for due process, principles of fairness and equality among parties, and rules of natural justice are sacrosanct to the Commission in the conduct of its proceedings. Decisions of the Commission must be reasoned and are published in compliance with confidentiality obligations under the Act. In the exercise of their statutory duties and functions, neither the Executive Director nor any Commissioner is subject to the direction and control of each other, any person or authority.

Principle 2 - The Structure of the Board and its Committees

The Commissioners also meet once monthly whereby they take cognizance of the updates from the Executive Director on the day-to-day running of the Competition Commission and any strategic decision taken by the Executive Director. They also grant approval of the annual budget and decisions regarding staff matters. It is to be noted that the Commissioners have a duty to declare any actual or potential conflict of interest in any matter submitted to them for consideration and they do not participate in the deliberation thereof.

The Commissioners

Mr Mahmad Aleem BOCUS - Chairperson

Mr Bocus is a Barrister at Law, holding a Bachelor of Laws with Honours (LLB (Hons)) from the University of Mauritius and a Master's degree in Regulation and Policy (Telecommunications) from the University of West Indies. Mr Bocus has been in private practice since his admission to the Mauritian Bar in 1992 and he served as District Magistrate/Senior District Magistrate between 1994 and 2000. Prior to joining the Competition Commission, Mr Bocus was the Chairperson of the Information and Communication Technologies Authority (ICTA) and Board Member of the Independent Broadcasting Authority from March 2017 to October 2019. He was the Director of Legal Affairs/ Board Secretary of the ICTA between August 2002 and January 2006. Mr Bocus assumed office as Chairperson of the Competition Commission on 25 February 2020.

Mr Alberto MARIETTE - Vice Chairperson

Mr Mariette holds a 'Diplôme d'Etudes Universitaires Générales (DEUG) en Sciences Economiques' from Université de la Réunion and a 'Maîtrise en Economie Internationale' from Université Paris X. He has some 30 years' experience in the retail sector and is currently the Human Resource and Project Director at Somags

CORPORATE GOVERNANCE (CONTD.)

Ltée. Prior to that, he occupied several senior positions at Spar Mauritius of Rogers Group, ATELEC, the local agent of ALCATEL France, and Courts (Mauritius) Ltd. He was also the Chairman of SIT Leisure in 2005. Prior to the appointment of the Chairperson on 25 February 2020, Mr Mariette also acted in this capacity during Commission meetings from 12 July 2018 to 24 February 2020.

Late Mr Candhayalallsing SEEBALUCK, CSK - Commissioner (until 03 March 2022)

Mr Seebaluck was admitted as Attorney at Law in 1980 in Mauritius and was made Senior Attorney in 2010. He was elevated to the rank of Commander of the Order of the Star and Key of the Indian Ocean (CSK) on 12 March 2015. During his lengthy career as a legal practitioner, he has been the Attorney and Legal Advisor of several private clients, authorities, companies, and federations, including the State Bank of India, the Truth and Justice Commission and the then Ministry of Women's Right, Child Development and Family Welfare amongst others. He has also been the Secretary of the Rose Belle Sugar Milling Company and Mauritius Film Corporation, a member of the Cooperative Development Council and Cooperative Appeal Tribunal, and past Treasurer and President of the Mauritius Law Society. Mr. Seebaluck has served as Commissioner at the Competition Commission from 15 April 2016 until he passed away on 3 March 2022.

Mrs Vedwantee BIKHOO - Commissioner

Mrs Bikhoo holds a Post Graduate Diploma in Educational Leadership and Management and a Degree of Bachelor of Education in Business Studies from the University of Mauritius, as well as a Teacher's Diploma from the Mauritius Institute of Education. Mrs Bikhoo has been teaching Accounting at secondary school level for the past 25 years.

Mrs Mariam RAJABALLY, LLB, ACA – Commissioner (until 16 September 2021)

Mrs Rajabally holds an LLB from the London School of Economics and Political Science and is qualified as a Chartered Accountant (ACA) with PricewaterhouseCoopers, London. She specialises in the field of transaction advisory services including valuation services, corporate finance, transaction support services and restructuring. Mrs Rajabally also advises on local and international tax matters. She regularly conducts workshops and training on a number of accounting and tax topics. Mrs Rajabally has served a full term as Commissioner which ended in the year under review on 16 September 2021.

Mrs Sharda Devi Dindoyal - Commissioner

Mrs Dindoyal graduated in Economics and obtained a post graduate diploma at the Centre D'Etudes Economiques et Bancaires in Paris. She followed advanced training in Singapore in the management of public enterprises for Chief Executives and further followed a number of courses for financial sector professionals. The Stock Exchange Commission was implemented under her supervision as Chief Executive. She gained membership for Mauritius at the International Organisation of Securities Commissions (IOSCO). She was the first Chairperson of the Committee of Insurance, Securities and Non-Banking Financial Authorities (CISNA) of the SADC. Having started her career as an Industrial Economist, she kept moving up the ladder as Principal Economist, Chief Executive, Consultant for the Commonwealth secretariat, and Director of Internal Affairs at the Mauritius Revenue Authority. She also served as Member of the Central Procurement Board. Mrs Dindoyal joined the Commission on 20 September 2021.

Sub Committees

The Audit & Risk Committee and the Corporate Governance Committee are important pillars for the proper functioning of the Competition Commission in that they provide the necessary support and guidance to the Commission, as an entity, in fulfilling its statutory duties and responsibilities. They were established in light of recommendations made by the National Code of Corporate Governance (NCCG) in its report in 2016.

CORPORATE GOVERNANCE (CONTD.)

The Audit and Risk Committee

The Audit & Risk Committee is chaired by Mr Alberto Mariette, Vice-Chairperson (who stepped in after the departure of former Commissioner, Mrs Mariam Rajabally and is assisted by Commissioners Mrs Vedwantee Bikhoo and Mrs Sharda Dindoyal. This Committee meets on a quarterly basis and has met six times during the year under review. The terms of reference of the Audit & Risk Committee are: -

1. to assist the Commission in its oversight of the integrity of the financial reporting of the Competition Commission, including supporting the Commission in meeting its responsibilities regarding the preparation of the financial statements, financial reporting systems and internal controls;
2. to review, on behalf of the Commission, the findings of internal and external auditors and the adequacy of management's response and actions to issues identified;
3. to provide input to the Commission in its assessment of risks and determination of risk tolerance of the Competition Commission;
4. to assist the Commission in its oversight of the risk management framework, monitoring the effectiveness and performance of procedures implemented to protect against and mitigate risks.

The Audit & Risk Committee, principally, examined the management reports submitted by the Executive Director; made recommendations with regards to the financial statements and Annual Report for the year 2020/2021; ensured that comments made in the management letter by the National Audit Office for the financial year that ended June 2021 were addressed and approved the budget estimate of the Competition Commission for the year 2022/2023.

The Corporate Governance Committee

The Corporate Governance Committee was chaired by late Mr Candhayalallsing Seebaluck, who was succeeded by Mrs Sharda Dindoyal as from 30 March 2022. Other members of the committee were Mr Alberto Mariette and Mrs Vedwantee Bikhoo.

The terms of reference of the Corporate Governance Committee are: -

1. to assist the Commission in its ongoing oversight of the quality of governance;
2. to monitor and evaluate the effectiveness of the Board of Commissioners;
3. to make recommendations on all corporate governance provisions to be adopted so that the Board of Commissioners remains effective and complies with prevailing corporate governance principles; and
4. to ensure that the reporting requirements, whether in the annual report or otherwise, are in accordance with the NCCG 2016 and other legal requirements.

The Committee met once during the year under review. The Committee has, during this year, worked towards the implementation of the recommendations made under the NCCG 2016, including the drafting of the Competition Commission's Board Charter.

Principle 3 - Director Appointment Procedures

In accordance with the Act, appointment of Commissioners is made by the President of the Republic of Mauritius on the advice of the Prime Minister following consultation with the Leader of the Opposition. Commissioners hold office for a term of five years and not more than two consecutive terms in case they are re-appointed. They are appointed by virtue of their qualifications and experience in law, economics, accountancy, or commerce and must comprise people from the public and private sectors as well as from the academia.

CORPORATE GOVERNANCE (CONTD.)

Principle 4 - Director Duties, Remuneration and Performance

Meetings of the Commission

The Commission is required to meet as often as is necessary and expedient for the proper discharge of its duties under the Act and further required to meet at a minimum once monthly. All necessary documents are circulated to the Commissioners prior to the meetings by the Secretary to facilitate discussions and decision-taking during the meetings.

At any meeting, a minimum of three Commissioners must be present to constitute the quorum. The Commission met on a minimum of twelve occasions for the year ending 30 June 2022. In addition to attending their statutory meetings, the Commissioners have, during the year under review, also convened for purposes of adjudicating on reports submitted to them, in the context of hearing proceedings, in fulfilment of their roles as members of Audit & Risk Committee as well as the Corporate Governance Committee or otherwise in view of deliberating on important matters. The table below shows attendance of respective Commissioners at statutory Commission meetings for the financial year 2021/2022 (excluding hearings and other meetings convened in the context of their adjudicative function).

COMMISSIONER	MEETINGS ATTENDED	APPOINTMENT DATE	FEES FOR YEAR ENDED 30 JUNE 2022
Mr Mahmad Aleem Bocus	12	25 February 2020	Rs 1,377,000
Mr Alberto Mariette	10	15 April 2016	Rs 1,009,500
Late Mr Candhayalallsing Seebaluck	5	15 April 2016	Rs 499,301
Mrs Vedwantee Bikhoo	11	15 April 2016	Rs 757,110
Mrs Mariam Rajabally	1	15 April 2016	Rs 150,337
Mrs Sharda Dindoyal	10	20 September 2021	Rs 598,754

Principle 3 - Director Appointment Procedures

In accordance with the Act, appointment of Commissioners is made by the President of the Republic of Mauritius on the advice of the Prime Minister following consultation with the Leader of the Opposition. Commissioners hold office for a term of five years and not more than two consecutive terms in case they are re-appointed. They are appointed by virtue of their qualifications and experience in law, economics, accountancy, or commerce and must comprise people from the public and private sectors as well as from the academia.

Principle 4 - Director Duties, Remuneration and Performance

Meetings of the Commission

The Commission is required to meet as often as is necessary and expedient for the proper discharge of its duties under the Act and further required to meet at a minimum once monthly. All necessary documents are

CORPORATE GOVERNANCE (CONTD.)

circulated to the Commissioners prior to the meetings by the Secretary to facilitate discussions and decision-taking during the meetings.

At any meeting, a minimum of three Commissioners must be present to constitute the quorum. The Commission met on a minimum of twelve occasions for the year ending 30 June 2022. In addition to attending their statutory meetings, the Commissioners have, during the year under review, also convened for purposes of adjudicating on reports submitted to them, in the context of hearing proceedings, in fulfilment of their roles as members of Audit & Risk Committee as well as the Corporate Governance Committee or otherwise in view of deliberating on important matters. The table below shows attendance of respective Commissioners at statutory Commission meetings for the financial year 2021/2022 (excluding hearings and other meetings convened in the context of their adjudicative function).

The terms and conditions of Commissioners' appointment are determined by the Prime Minister's Office and are reviewed by the Pay Research Bureau during its pay review exercises.

During their tenure of office, the Commissioners are provided with necessary trainings for them to be fully aware of their role and responsibilities and keep abreast of pertinent developments in competition adjudications by overseas authorities. They had opportunities to attend overseas workshops and conferences as well as hearing sessions at other Competition Authorities, such as that of France and South Africa in the past, to reinforce their knowledge on competition matters and to help in the performance of their duties as Commissioners.

Principle 5 – Risk Governance and Internal Control

Risk Management

A proper risk management system enables organisations to proactively identify potential risks and apply well-defined strategies to avoid or mitigate exposure to risks. A description of the key risk areas is given below together with any relevant risk management policies.

Reputational risk

Negative perceptions of the institution's conduct or practices may adversely impact on its work. It is always a risk that wrongful acts and doings of employees, Commissioners or the Executive Director may impact on the reputation of the Competition Commission.

Certain provisions of the Act, the Competition Commission's Human Resources Manual and the Code of Ethics are strong safeguards to the reputation of the Competition Commission.

Financial Risk

Due to its specific characteristics and mandate, the Competition Commission, as a public sector entity, is not much exposed to financial risks, including credit, liquidity, foreign currency exchange and interest rate risk.

Operational Risk Management

Operational Risk Management is a methodology for organizations looking to put into place real oversight and strategy when it comes to managing risks. It is admitted that they cannot be entirely eliminated but at the level of the Competition Commission, every employee, Commissioner and the Executive Director are aware of the importance of containing and managing these risks.

CORPORATE GOVERNANCE (CONTD.)

Legal Risk

It is a fact that all business activities are exposed to legal risks due to non-compliance with laws related to the business. The Competition Commission, though not a profit-making organisation, is alert to the possibility of encountering serious claims of damages should it fail to measure and manage legal risks associated with its duties and responsibilities. To circumvent such risks, external lawyers and the State Law Office are regularly solicited for assistance.

The Competition Commission has also commissioned a consultancy exercise from a legal firm to assist it in developing and implementing its data protection policy, in line with the Data Protection Act 2017, to mitigate the risks associated with the handling of various categories of personal data – be it in the day-to-day running of its affairs or the fulfilment of its statutory mandate, as competition agency. The Competition Commission is mindful of the need to strike a proper balance between respect for data privacy rights of data subjects and the need to effectively carry through its statutory mission. The Competition Commission has neared the end of the process for finalising the set of technical and organisational protection measures that shall comprise its data protection policy.



CORPORATE GOVERNANCE (CONTD.)

Principle 6 – Reporting with integrity

Policies and Practices regarding ethical, health, social and environmental issues

Ethics

Commissioners, the Executive Director, and staff of the Competition Commission are expected to conduct their work with professionalism, integrity, and fairness. They are required to uphold the reputation of the organisation by treating parties, external stakeholders, and the general public in a helpful and courteous manner.

The following measures are in place at the Commission:

- A Human Resources Manual has been designed to guide employees on their values, philosophy and conduct at and outside work. It also provides for procedures of disciplinary actions against employees for their misconduct.
- A confidentiality code that provides guidelines when dealing with information. The Act makes further provisions, requiring the Commissioners, the Executive Director, and every staff member not to disclose information relating to the affairs of the Competition Commission, except in circumstances provided in the Act; any contravention to those provisions shall cause the person concerned to be liable to a fine not exceeding Rs 200,000 and to imprisonment for a term not exceeding 5 years. In addition, they are required to sign an oath of confidentiality when joining the Competition Commission.
- An IT Usage policy that establishes operating principles and acceptable usage policies relating to the use of the Internet, email system and access to other computer resources of the Competition Commission, with the aim of every user works in a secure and productive environment.
- As per the Act, the Commissioners, the Executive Director, and every staff member, are required, on a financial yearly basis, to declare their assets and liabilities as well as those of their spouse and children, to the Independent Commission Against Corruption (ICAC).
- The Act also provides for every member of the Competition Commission to disclose any interest he or she may have in any enterprise which is subject to the control of the Competition Commission. A Commissioner shall make a declaration of conflict of interests if he or she finds that he has interest, directly or indirectly, in an enterprise which has been investigated by the Executive Director or which is a party to a hearing.
- The Code of Ethics helps Commissioners, the Executive Director, and the staff to understand the responsibilities and obligations and also provides guidance if faced with an ethical dilemma or conflict of interest in their performance of duties or doubt as to their responsibilities.

Health and Social

The Competition Commission has a Health and Safety Manual to ensure that the work environment contributes to the health, safety, and welfare of the staff members. It also provides a fully funded medical and surgical insurance scheme as well as a 24-hour personal accident insurance cover. In addition, staff benefits from an annual medical check-up, and sponsorship to gym and other sports activities with a view to promote a healthy



CORPORATE GOVERNANCE (CONTD.)

lifestyle. In further consideration of the well-being of staff, they are also provided with ergonomic stands for their laptops. Finally, staff may take advantage of a short-term soft loan scheme that has been put in place.

Environmental

The role of the Competition Commission as an enforcement body and the nature of its operation are considered to have minimal negative impact on the environment.

Nonetheless, certain actions to preserve the environment are being taken, as follows:

- printing of documents is kept to a minimum to reduce use of paper;
- paper waste is recycled; and
- gradual move to energy saving lights.

Principle 7 – Audit

External Auditing and Accounting

The Competition Commission ensures the preparation of the Annual Report, including the financial statements, for each financial year. The Annual Report is then submitted to the National Audit Office (NAO), which examines the financial statements and submits its report to the Commission.

In its report, the NAO gives its opinion on the financial statements, and also makes an assessment of the extent of compliance with relevant legislations such as the Statutory Bodies (Accounts and Audit) Act and the Public Procurement Act.

The Commission, under the scrutiny of the Audit and Risk Committee, has always promptly addressed the recommendations of the external auditors.

CORPORATE GOVERNANCE (CONTD.)

The Annual Report, which includes the audited financial statements and the audit report, is then laid before the National Assembly through the Minister responsible for subject of competition matters and is published on its website.

Internal Audit

Internal auditing is an important function as it provides an independent and objective assurance to Management and Commissioners on the internal controls, risk management systems and governance prevailing at the Competition Commission.

However, in view of the small size of the institution, the Competition Commission does not have an established internal audit division, but the support of the Internal Control Cadre of the Ministry of Finance, Economic Planning and Development is solicited to conduct internal audit exercise whenever required.

Principle 8 – Relations with shareholders and other Key Stakeholders

Related Party Transactions

Parties are considered to be related to the Competition Commission if they have the ability, directly or indirectly, to exercise significant influence over its financial and operating decision-making process.

The Government of Mauritius is considered to have some form of influence over the Competition Commission, more precisely over its financial decisions, given that the institution relies entirely on the Government's grant.

Key management personnel are those having authority over the activities of the Competition Commission, and it includes the Commissioners and Executive Director. The remuneration of key management personnel has been disclosed in the table at page 15 and in the notes to the financial statements.

Relations with key stakeholders

No competition agency, that seeks to develop an effective competition culture, can work in a vacuum. Considering international best practices, the Competition Commission has gradually built a network of contacts with stakeholders, from public and private spheres, and has regular interactions with those key stakeholders in view of promoting and raising awareness on the competition laws and the activities of the Commission. This is described in detail in the "Outreach Initiatives" section of this Report.

CORPORATE GOVERNANCE (CONTD.)

Statement of the Commission

Responsibility on the Financial Statements

The Statutory Bodies (Accounts and Audit) Act requires boards to prepare financial statements for each financial year, which fairly present the state of affairs of the organisation as at the end of the financial year.

The Commission acknowledges its responsibilities for:

- keeping proper accounting records, which disclose with reasonable accuracy, at any time, its financial position;
- safeguarding its assets, designing, implementing and maintaining effective internal controls relevant for the preparation and presentation of financial statements that are free from material misstatements;
- making reasonable and prudent judgments and estimates in preparing its financial statements;
- ensuring that its financial statements are prepared in accordance with the International Public Sector Accounting Standards (IPSAS) issued by the International Public Sector Accounting Standards Board (IPSASB), a Board of the International Federation of Accountants (IFAC); and
- ensuring that the financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

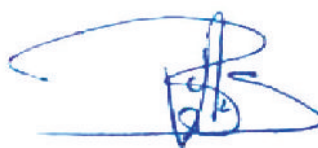
The Commission has complied with the above requirements and the relevant statutes as regards the preparation of the financial statements, which give a true and fair view of its assets and liabilities.

National Code of Corporate Governance for Mauritius

As a statutory body, the Competition Commission has been looking into the continued implementation of the eight corporate governance principles designed by the National Committee on Corporate Governance (NCCG). Accordingly, it is on record that procedures for the appointment of Commissioners and the Executive Director are consistent, as aforesaid, with provisions of the Act. In addition, the appointment of a Secretary to assist the Commission, the setting up of a Corporate Governance Committee and a proper Audit & Risk Committee, the implementation of a Code of Ethics, routine yearly accounting control exercised by the National Audit Office, issuance of annual reports and submission of same to the parent ministry for tabling in the National Assembly are evidence of the high importance given to and the interest in implementing the recommendations in the NCCG 2016. The Commission has, to the best of its knowledge, partially complied with the Corporate Governance Code for Mauritius throughout the financial year under review, pending the implementation of its commission charter and corporate objectives statement, and the elaboration of a risk management framework.

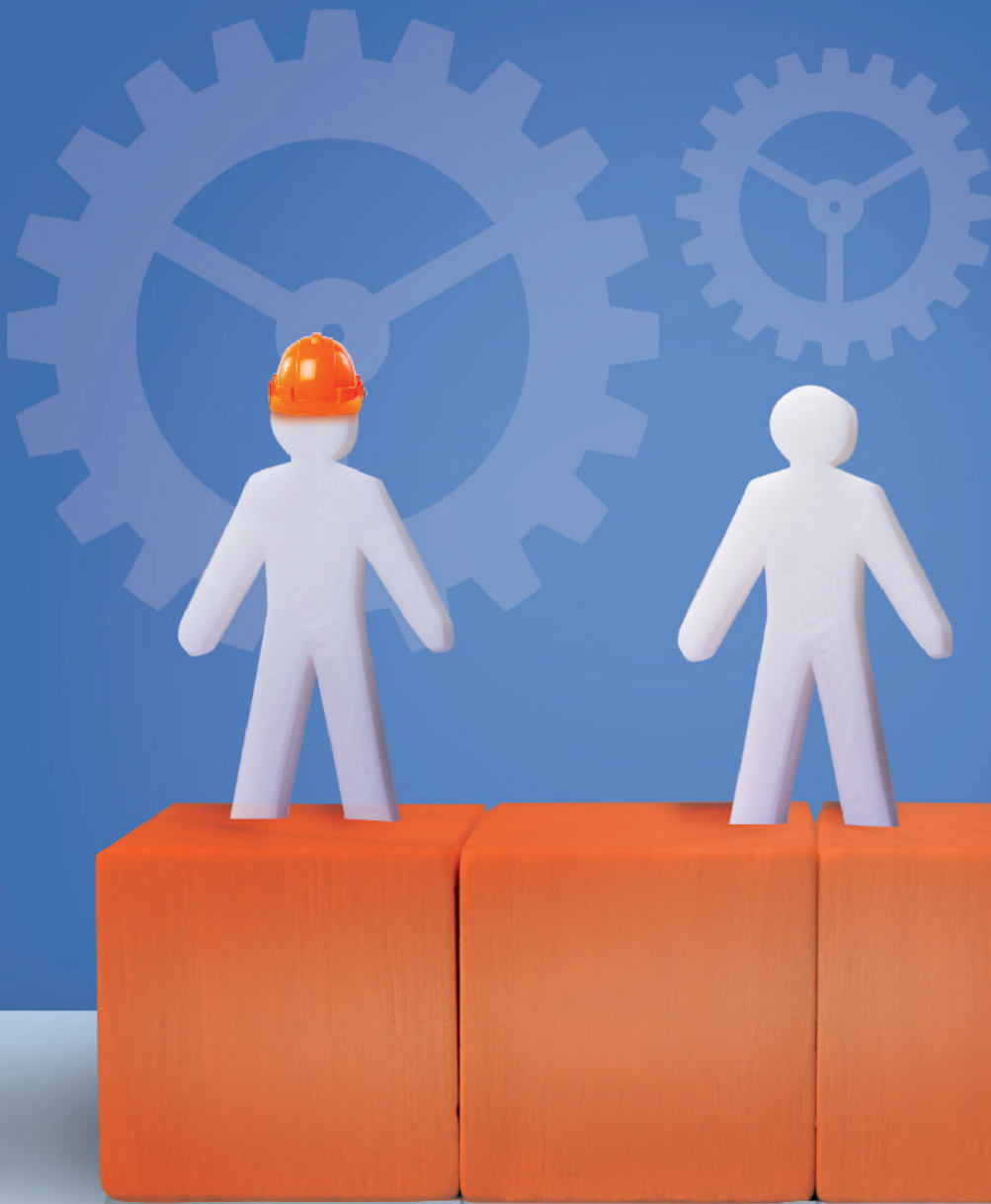


Mrs Sharda Dindoyal
Chairperson of the Corporate
Governance Committee



Mrs. Vedwantree Bikhoo
Member
Governance Committee

OPERATIONAL REVIEW



OPERATIONAL REVIEW

Enquiries

During the period under review, 51 complaints were reported to the Competition Commission and 23 competition issues were generated internally. The matters related to various sectors of the economy, namely the Media, Information and Communications Technologies, Construction and Property Development, Agriculture, Freight and Logistics, Banking and Finance, among others.

The assessment of complaints received, and issues generated internally generated 23 enquiries. This figure, added to the number of ongoing enquiries at the start of the period under review, brought the total number of enquiries handled by the Competition Commission during 2021/2022 to 48. Out of these, 22 enquiries were closed on the basis that no reasonable grounds were found as to the occurrence of potential restrictive business practices; 4 proceeded to market studies/investigations.

	CARTEL	ABUSE OF MONOPOLY	MERGER REVIEWS	ADVICE	MARKET REVIEWS	Total
Ongoing enquiries as of 1 July 2021	9	7	6	1	2	25
New Enquiries	8	9	5	0	1	23
Enquiries recommending Market Studies/Investigation	0	2	1	0	1	4
Enquiries with no reasonable grounds to further pursue the matter	4	11	6	1	0	22
Ongoing enquiries as of 30 June 2022	13	3	4	0	2	22

Table1: The figures pertain to enquiries conducted from July 2021 to June 2022, providing a breakdown in terms of the different provisions of the law under which they were assessed.

OPERATIONAL REVIEW (CONTD.)

The table below provides an overview of the enquiries completed in this reporting period, except for those held confidential.

SECTOR	FORM OF RESTRICTIVE BUSINESS PRACTICE	COMPETITION ISSUE	ASSESSMENT
Pay-tv and Over the top app	Abuse of dominance	A pay-tv operator was allegedly restricting access to its over-the-top application ('OTT app') for premium content to broadband internet subscribers having concurrent subscription with other broadband operators apart from its parent company. This situation was likely to lead the pay-tv operator to leverage his market power from this market to the broadband market.	Following the gathering of information and the evaluation of the alleged conduct, the matter was closed with no further action as objective justifications were provided by the pay-tv operator. Additionally, the OTT app was now accessible for all broadband operators' subscribers via the open internet.
Lubricant Oil	Abuse of dominance	Oil companies were allegedly encouraging garages and big companies to purchase lubricants only from their respective oil companies. This was being done through discounted price of petrol and diesel and the sponsoring of infrastructure. This practice was likely to result in the abuse of their market power, having foreclosure effects on their rivals, and it was likely to have lock-in effect on private servicing and maintenance garages.	Based on information gathered, no competition concern was identified. Taking into consideration the non-existence of a monopoly situation in the concerned relevant market, the regulated price of petrol and diesel, and the existence of separate bidding process for fuel and lubricants, the matter was closed with no further action.
Broadband and Pay-tv services	Abuse of dominance	It was reported that an internet service provider in Rodrigues was allegedly not offering broadband internet services on stand-alone basis. By offering only broadband internet bundled with pay-tv content, the service provider was thus restricting the choice of customers and ultimately harming competition in the premium content pay-tv market.	The information gathered revealed that contrary to the allegation, customers in Rodrigues had the option to purchase stand-alone broadband internet services. The matter was therefore closed with no further action.

OPERATIONAL REVIEW (CONTD.)

SECTOR	FORM OF RESTRICTIVE BUSINESS PRACTICE	COMPETITION ISSUE	ASSESSMENT
Motor Vehicle Spare parts	Abuse of dominance	<p>It was alleged that the sole importer and distributor of a motor vehicle make and the related products in Mauritius was imposing a quotation fee on private auto repair workshops/garages for providing the price lists for its spare parts.</p> <p>This practice was viewed as a potential exploitative monopoly abuse towards private/individual garages and workshops which procured original equipment parts from the concerned operator at the detriment of end-customers (motor vehicle owners).</p>	Based on reasonable grounds to the effect that such a conduct constituted a restrictive business practice, an investigation was opened.
Cement	Abuse of dominance	A state-owned shipping line company was discriminating in the allocation of load capacity on its vessel for cement transportation to Rodrigues. This was putting other shippers at a competitive disadvantage.	The information gathered does not sustain the allegation that the state-owned shipping company privileged a particular shipper to the detriment of others in the allocation of cement load capacity. Objective justifications were found for the lower number of cement containers embarked for Rodrigues.
Broadcasting services	Abuse of dominance	<p>It was submitted that a television broadcaster was charging different pricing policies for the broadcasting rights of its satellite channel to different pay-tv operators.</p> <p>This alleged practice could likely be resulting into a price discrimination by the television broadcaster, leading to potential anti-competitive foreclosure.</p>	Further to the enquiry, no reasonable grounds were identified to believe that a restrictive business practice was occurring. The television broadcaster was offering the satellite channel on the same terms to all the concerned pay-tv operator.
Banking	Abuse of dominance	Local banks were forcing their clients to pledge their business income upon the provision of business loans. It was submitted that such a clause in a loan contract would limit customers' ability to switch to other banks.	Salary pledging for loans in the retail banking segment and routing business transactions appear to be a common practice for loan conditions in Mauritius. The enquiry was closed with no further action.

OPERATIONAL REVIEW (CONTD.)

SECTOR	FORM OF RESTRICTIVE BUSINESS PRACTICE	COMPETITION ISSUE	ASSESSMENT
Public Procurement	State Action	A policy directive, conferring a higher margin of preference of 40% to local manufacturing SMEs holding the "Made in Moris" label, was allegedly discriminatory against other local SMEs which benefit from a margin of preference of only 30%. This could act as a structural barrier to entry for other SMEs.	Assessment revealed that the policy directive was based on economic justifications and marketing and promotion strategies. As the policy directive did not impinge the ability of SMEs with the "Made in Moris" label to compete in the procurement market for goods, the enquiry was closed with no further action.
Recruitment services (Cruise)	Abuse of dominance	<p>An international manning company was likely favouring a specific medical service provider for medical tests for the purposes of recruitment of crew members for cruises.</p> <p>This conduct was potentially distorting the markets for:</p> <ul style="list-style-type: none"> a) recruitment (screening and recommendation) services in Mauritius for cruises; and b) medical examination services to potential crew members. 	Based on the information gathered, no reasonable grounds were identified to believe that a restrictive business practice within the meaning of the Act was occurring.
Allocation of number resources	Abuse of dominance	There was an alleged excessive pricing as well as a potential restriction to inter-region transfers of a number of resources on the part of a Regional Internet Register. These practices were believed to result into an exclusionary abuse.	The enquiry revealed that the fees charged on the range of the allocated IP addresses were not generally higher and no grounds were identified to believe that there was an exclusionary abuse. The matter was closed with no further action.
Purchase of electricity	Abuse of dominance	<p>An alleged restrictive and discriminatory bidding exercise for the purchase of electricity from Solar Photovoltaics (PV) farms was reported.</p> <p>This practice was being undertaken by the sole buyer, who was in a monopsony position, in the upstream market for the acquisition of electrical energy from solar PV farms.</p>	The matter was closed with no further action as objective justifications were found. These were established based on technical grounds in terms of limited load capacity and specific transmission infrastructure requirements, among others.

OPERATIONAL REVIEW (CONTD.)

SECTOR	FORM OF RESTRICTIVE BUSINESS PRACTICE	COMPETITION ISSUE	ASSESSMENT
Technology	Abuse of dominance	GS1 Mauritius, the sole issuer of GS1 barcodes in Mauritius, was imposing a minimum purchase requirement of 1,000 barcodes for a fee of Rs 16,000, renewable after two years. According to the complainant, GS1 Mauritius was abusing of its monopoly position by imposing a higher number of barcodes while smaller businesses may not require such an amount.	The fee for obtaining 1,000 barcodes was much lower for small businesses than submitted in the complaint. The fee structure constituted of a one-off training fee (refundable under Government scheme for SMEs) and annual membership. Moreover, the fee was found to be very competitive compared to other jurisdictions. As such, the matter was closed with no further action.
Commercial Spaces	Abuse of dominance	A shopping mall imposed a restrictive radius clause in its tenancy agreements to strengthen its market position. The clause was preventing existing tenants and prospective competitors from expanding their outlets to other shopping malls and entering the market respectively, thus affecting competition.	Based on the information gathered, reasonable grounds were disclosed to believe that the radius clause in the tenancy agreement could raise competition concerns. The matter proceeded with an investigation.
Fast moving consumer goods <i>[Product detail confidential]</i>	Cartel	An enquiry was launched to carry out a market screening exercise that would assess the prevailing market characteristics for indicators of collusive outcomes in the concerned market. The product was identified from market intelligence observations of price movements.	Based on indicators assessed, the exercise was not conclusive of high propensity for collusion and no further action was undertaken.
Fast moving consumer goods <i>[Product detail confidential]</i>	Cartel	An enquiry was launched to carry out a market screening exercise that would assess the prevailing market characteristics for indicators of collusive outcomes in the concerned market	Based on indicators assessed, the exercise was not conclusive of high propensity for collusion and no further action was undertaken.

OPERATIONAL REVIEW (CONTD.)

SECTOR	FORM OF RESTRICTIVE BUSINESS PRACTICE	COMPETITION ISSUE	ASSESSMENT
Milk Powder	Cartel	The concern pertained to possible existence of industry-wide practice where suppliers of milk powder were not clearly publishing milk powder prices as the 'maximum recommended retail price' (as required by prevailing regulations) and this could have been construed as prevailing market prices at which to resell said products on the market.	Assessment has shown that most milk suppliers were publishing product prices in conformity with the regulations and/or clearly communicating their prices to retailers as recommended resale prices. Furthermore, milk powder became a price-regulated product with applicable maximum pricing. Suppliers were therefore not publishing milk powder prices for the foreseeable future. The enquiry recommended no further action.
Medical Insurance – Covid 19	Cartel	Restriction of medical insurance coverage – Exclusion of Covid-19 related treatments	An enquiry was launched following a press release regarding the exclusion of treatment for COVID-19 under medical insurance schemes. The enquiry found that this exclusion was part of the general omissions for pandemics, which predates the COVID-19 pandemic. It was also gathered that some service providers were covering for COVID-19 treatment. The matter was therefore closed.
Retail	Merger	Potential merger situation involving "Lavazza" and Distribution Automatique Mauricienne Ltée (Ti- Break)	This enquiry related to a potential acquisition of the Lavazza vending machine business activity by Distribution Automatique Mauricienne Ltée. However, following the enquiry, the Executive Director found no reasonable grounds to believe that the transaction may amount to a reviewable merger situation within the meaning of the Act in view of the particularities of the transaction and its rationale.
Manufacturing/ Distribution	Merger	Acquisition of shares in IORC Holdings Limited by International Distillers (Mauritius) Ltd	The enquiry was into the potential acquisition of shares in IORC Holdings Limited by International Distillers (Mauritius) Ltd from Excelsior United Development Companies Limited. It was found that the transaction was unlikely to give rise to substantial lessening of competition in the market in which the target operates and as such the enquiry was closed with no further action.

OPERATIONAL REVIEW (CONTD.)

SECTOR	FORM OF RESTRICTIVE BUSINESS PRACTICE	COMPETITION ISSUE	ASSESSMENT
IT	Merger	Acquisition of Linkbynet by Accenture	It was found that the transaction was unlikely to substantially affect the state of competition in markets in Mauritius and as such, the enquiry was closed with no further action
IT	Merger	Notification of potential merger situation involving Exclusive Networks Topco South Africa Proprietary Limited, Exclusive Networks SAS, Networks Unlimited Africa (RF) Proprietary Limited, Networks Unlimited Proprietary Limited and Networks Unlimited Africa Limited.	A joint notification was received involving Exclusive Networks Topco South Africa Proprietary Limited, Exclusive Networks SAS, Networks Unlimited Africa (RF) Proprietary Limited, Networks Unlimited Proprietary Limited and Networks Unlimited Africa Limited. The focus of the assessment was in relation to the supply security software, more particularly firewalls. The transaction was cleared as it was unlikely to result in substantial lessening of competition.
Financial Services	Merger	Notification of potential merger situation involving Tsusho Capital (Mauritius) Limited and CIM Financial Services Ltd	The transaction was cleared in view of the fact that it was unlikely to result in substantial lessening of competition in the concerned market which was that of supply of leasing, particularly motor lease.
Manufacturing	Collusive agreement	Potential collusive agreement among certain producers	The investigation was launched in relation to a potential collusive agreement in relation to the supply of a product, which is nonetheless confidential. The investigation was discontinued and closed.
Healthcare	Collusive agreement	Potential collusive agreement in the healthcare sector	The investigation related to a potential collusive agreement in the supply of services (confidential) in the healthcare sector. It was alleged that the suppliers may have agreed on the price of the services. The investigation was closed with no further action.

OPERATIONAL REVIEW (CONTD.)



Investigations

A core function of the Competition Commission is the enforcement of the Act, through investigations, led by the office of the Executive Director. Pursuant to Section 51(2) of the Competition Act, upon the completion of investigations, the Executive Director submits a report on his findings to the Commissioners. Thereupon, directions or penalties are determined in following the reasoned decisions of the Commissioners and consequently enforced. This is done with the aim of deterring and remedying anti-competitive practices.

Section 35(2) of the Act provides that the Annual Report of the Competition Commission shall, as far as possible, give an account of the investigations that were carried out during the year under review, their outcomes as well as any decision of the Commissioners in respect of completed investigations. Between 1 July 2021 and 30 June 2022, the Executive Director initiated 3 investigations and completed 7 investigations, out of which 4 were confidential. At the end of the financial year, there were 7 ongoing investigations. The text below provides an overview of the investigations completed in this reporting period, except for those held confidential.

INV 062 - Shopping Mall

In February 2022, the Executive Director initiated an investigation into the restrictive radius clause allegedly imposed by Ascencia Ltd on tenants of Bagatelle Mall of Mauritius. The said clause contractually prevented tenants of Bagatelle Mall from owning, operating, or having any interest (financial or otherwise) in retail outlets within a distance of 5 km from the mall.

OPERATIONAL REVIEW (CONTD.)

As a result, tenants of Bagatelle Mall could not operate outlets in competing malls within a 5-km distance. This was likely to affect the ability of other shopping malls to attract popular retail outlets and compete on level playing field to the benefit of consumers.

At an early stage of the investigation and pursuant to Section 63 of the Act, Ascencia Ltd voluntarily offered undertakings to address the concerns of the investigation. The undertakings were about the unconditional removal of the restrictive clause and not to subject any existing or new tenants to such conditionality.

The Executive Director assessed the efficacy of the undertakings offered by Ascencia Ltd and concluded that same are likely to address the competition concern identified. Owing to the undertakings offered by Ascencia Ltd, existing and new tenants of Bagatelle Mall would no longer be facing the issue of operating retail outlets in other shopping malls. While competition among shopping malls is likely to be encouraged, consumers would benefit from the increased rivalry among the competitors in terms of prices, choice, and mall amenities.

In May 2022, the Executive Director submitted his report recommending that the Commission accepts the undertakings offered by Ascencia Ltd.

INV044 - Alleged collusion in the supply of media space and related services

Following the reception of a complaint, the Executive Director opened an investigation into the supply of media space and related services by three communication agencies through their very own incorporated and collaborative venture operating as a media buying agency (MBA). The three advertising agencies were the only shareholders and directors of the MBA.

An MBA is a specialised agency which negotiates and buys media space from media owners (such as radio stations, TV broadcast company, press, etc.) for resale. A media agency may also offer other services such as providing advertisers with strategic advice with regard to advertising as well as offering media performance monitoring and reporting.

The three communication agencies were buying media space through their MBA, which they sold back to its shareholders and other customers as well. The agencies were also selling media space to clients that approached them directly. The investigation assessed the three agencies' involvement and decisions in relation to the pricing and commercial policies of their MBA in the supply of media space/media buying services together with the agencies' own frequent exchanges and interactions with one another, as competitors, through the platform of their MBA.

The Executive Director concluded his investigation in June 2022 and submitted his report on the matter to the Commission for their determination.

INV 054 - Resale Price Maintenance in Secondary School Books (SSBs) market

Following two prior investigations into resale price maintenance (RPM) by two distinct importers/wholesalers of secondary school books (SSBs), the SSB market has been the subject of another such investigation against Edubooks Ltd (Edubooks) concluded by the Executive Director in August 2021.

OPERATIONAL REVIEW (CONTD.)

Edubooks is an importer/wholesale distributor of SSBs which it commercialises at wholesale to dealers (that is, to retail bookshops). The investigation found that Edubooks' practice of concluding wholesale dealings for SSBs with its dealers, as determined by the said wholesaler and as set out in its price list was objectionable. The investigation further revealed that the distributor's 'peak sales agreements' with retailers linked wholesale discounts to the prices mentioned in its price lists.

Edubooks' communications on retail pricing to retailers were found to eliminate market uncertainties and distort resellers' commercial independence in setting their own retail pricing for SSBs. The manner of concluding the wholesale business /discounting based on retail price lists for SSBs accentuated such distortion and facilitated an understanding among booksellers that retail prices communicated to them by the supplier are to be observed as market prices when selling school textbooks to end-consumers. The investigation found Edubooks' conduct to be contravening the RPM prohibition in the Act and recommended the imposition of directions to ensure the termination of the impugned conduct. Edubooks collaborated fully during the investigation and volunteered measures to address both its infringing and commercial practices to become compliant with the law.

In its decision, the Commission has upheld the findings of the breach and imposed directions on Edubooks to cease the practice of communicating retail prices to retail bookshops during wholesale dealings and to clearly inform the latter of their retail pricing freedom when selling to customers.

INV 050 – Supply of deer/venison meat

The investigation concerned horizontal collusive agreements under section 41 of the Act, by local producers of deer/venison and through the operation of the Mauritius Deer Farming Cooperatives Society (MDFCS), in relation to the supply of deer/venison meat in Mauritius. The finding of the investigation is that the main parties, have been party to a single continuous infringement by agreeing on a common price in respect of their supply to meat processor/wholesale distributor, over a period of five years from 2015 to 2019, both during the hunting and the closed seasons. Thus, amounting to price fixing in breach of section 41 of the Act.

It is noteworthy that the main parties have individually volunteered for cooperation with the view of expediting the completion of the matter both at the level of the investigation by the Executive Director and at the adjudication level by the Commission. Such cooperation was favourably considered as a mitigating factor pursuant to paragraph 2.16(e) of Competition Commission 6 Guidelines and was reflected in the Executive Director's recommendations for a reduction in the financial penalties imposable on the parties.

Market Studies

Pursuant to Section 30 of the Competition Act 2007, which provides that the Executive Director of the Competition Commission shall undertake general studies on the effectiveness of competition in individual sectors of the economy in Mauritius, one market study was carried out between 1 July 2021 and 30 June 2022.

MS009 - Determining the cost of roaming charges in Africa (ACF)

The Competition Commission pursued its collaboration within the African Competition Forum (ACF) by conducting a market study to determine mobile roaming charges in Mauritius. This study was part of the ACF initiative for cross-country research relative to the determination of mobile roaming charges in Africa.

OPERATIONAL REVIEW (CONTD.)

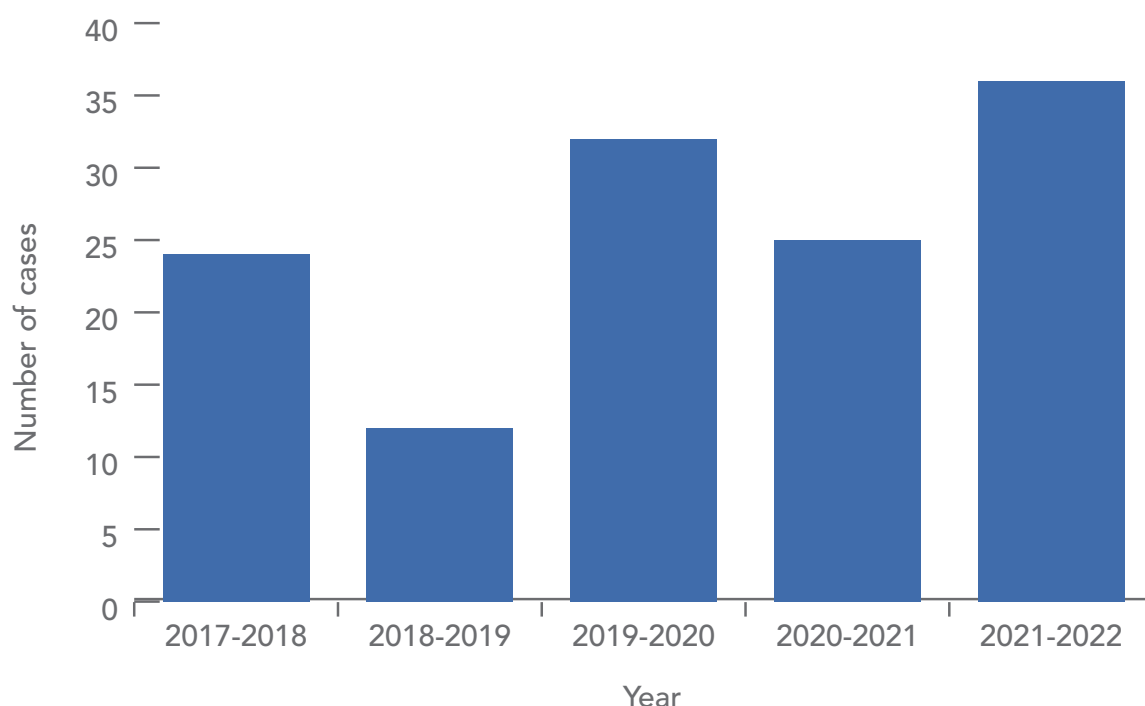
The prime objective of the ACF project was to understand the market structure, state involvement and the regulatory setting of the telecommunications industry in ACF member countries, with a particular eye on the determination of roaming charges that impact on continental trade and tourism. The study focused mainly on understanding the market dynamics, state involvement and the regulatory setting in Mauritius.

It was observed that the local mobile telecommunications industry comprises three mobile network operators (MNOs) with two, namely Cellplus Mobile Communications Ltd and Emtel Ltd, sharing a combined market share in excess of 90%. The Government of Mauritius has majority stake in the major operator, namely Cellplus, through the Mauritius Telecom. The local mobile telecommunications industry, which is highly concentrated, is also highly regulated by the Information and Communication Technologies Authority (ICTA) in terms of licensing, spectrum allocation and tariff approvals.

The study found that MNOs in Mauritius charged lower than the regional average across the three mobile roaming segments: voice, SMS and data. However, these roaming rates were not necessarily the most competitive in the African region. A benchmarking analysis for voice roaming against international long-distance call and domestic rates for SMS and data roaming charges revealed roaming charges of local MNOs to be potentially high.

Mergers reviewed in the COMESA region

Pursuant to the COMESA Competition Regulations (the Regulations), the COMESA Competition Commission (CCC) is mandated to regulate mergers and acquisitions with cross border effect in the COMESA region. As Mauritius is a Member State of the COMESA, the Competition Commission works in close collaboration with the CCC in reviewing mergers having a regional dimension, and which may have an impact on Mauritian markets. Over the years, the footprint of the CCC in the region has increased. There has also been a surge in the number of mergers in which the Competition Commission has collaborated with the CCC, as illustrated in the below diagram.



OPERATIONAL REVIEW (CONTD.)

During the last financial year, the Competition Commission provided its views and input on some 36 mergers notified to the CCC. These involved various sectors like freight & logistics, construction, technology, airline, healthcare and finance. Some of the transactions reviewed are highlighted below.

A notification was received relating to the proposed acquisition by Taylor Smith Investment Limited of Lafarge (Mauritius) Cement Ltd, Holcim Madagascar SA, Holcim Madagascar Immobilier (HMI) (SARL), Lafarge Cement Company (Seychelles) Limited and Lafarge Comores SA. The acquirer is incorporated in Mauritius as an investment holding company while the target also has a physical presence in Mauritius and is engaged in the importation, manufacturing, distribution, and sale of cement products. The Competition Commission did not find any competition concerns in relation to the proposed transaction in so far as it concerned any markets in Mauritius.

A notification was received in relation to the proposed joint venture involving the SAS Shipping Agencies Services Sàrl, Kenya Ports Authority and Kenya National Shipping Line Limited. It was gathered that the acquiring group operates in Mauritius through, inter alia, the Mediterranean Shipping Company (Mauritius) Ltd. However, in view of the limited activities of the target in Mauritius, no competition concerns were identified.

The Competition Commission also assessed the proposed transaction concerning the acquisition of a majority stake in Gateway Real Estate Africa Limited (GREA) by Grit Real Estate Income Group Limited (GRIT). The latter holds assets in the Hospitality Property Market in Mauritius and the Office Property Market, while GREA has projects in the Office Property Market and the Healthcare Property Market in Mauritius. The Competition Commission assessed the potential impact of the proposed transaction in Mauritius and concluded that it was unlikely to substantially lessen competition locally.



OUTREACH INITIATIVES



OUTREACH INITIATIVES

Workshop with PPO and Dissemination of Guidance document

The Competition Commission has published a reference document entitled 'Guidance for Public Procurers on Bid Rigging', in collaboration with the Procurement Policy Office. The document was launched on 27 April 2022, during a half-day workshop at the Caudan Arts Centre, in Port-Louis.

The workshop was organised as a joint initiative of the Procurement Policy Office (PPO) and the Competition Commission. A presentation was also made on the latest amendments brought to the public procurement legislation in 2021.

The Director of the PPO, Mr Hirendranath Rambhojun, the Executive Director of the Competition Commission, Mr Deshmuk Kowlessur, as well as several representatives from public bodies were present.

The 'Guidance for Public Procurers on Bid Rigging' is intended to be an integral part of the public procurers' toolkit and to serve as a referral point.

The main objective behind the publication of this document was to raise awareness of procurement officials at all levels of their respective hierarchies, on the possible signs of bid rigging: the conception of the pre-bidding process, bidding as well as post bidding stages.

This guidance document will help procurers in identifying potential risks of collusion in bidding exercise and gives general directions on how to deal with suspicious case of bid rigging.

Webinar on Guidance on Mergers & Acquisition and ensuring compliance with the Competition Act Law Firms and Legal Professionals

The Competition Commission organised a webinar on Seeking Guidance on Mergers & Acquisitions and Ensuring Compliance with the Competition Act on 1 April 2022.

It mainly targeted lawyers who usually deal with mergers and acquisitions. The purpose of the webinar was to showcase the "business friendly" notification mechanism put in place by the Competition Commission and to sensitize on the importance of seeking the guidance of the Competition Commission on mergers & acquisitions. Explanations were also given on pre-notification discussions as well as the process to notify a merger or acquisition.

Raising Awareness among Finance Professionals in collaboration with the Mauritius Institute of Professional Accountants (MIPA)

The Competition Commission, in collaboration with the Mauritius Institute of Professional Accountants (MIPA), held a webinar to raise awareness among Finance Professionals on 16 July 2021. The webinar was open to all members of MIPA whose database consists of more than 3,300 registered professional accountants. The objectives of the webinar were as follows:

- Giving an overview of the Competition Commission: how it conducts its work, statistic of cases, areas of harm under the competition law, and the relevance of the Competition Act for finance professionals.

OUTREACH INITIATIVES (CONTD.)

- Providing explanations on the provisions of the law regarding mergers which finance professionals should consider during the merger review process. The finance professionals were also made aware about the possibility of seeking the Competition Commission's guidance on the matter.
- Explaining the provisions of the law to finance professionals involved in the pricing strategy of their organisation, so that they comply with same when formulating such strategies. Several areas were covered, namely predatory pricing, price fixing, margin squeeze, bundling, rebates, etc.
- Informing finance professionals involved in the preparation of bid documents for Government tenders about the do's and don'ts during a procurement exercise, including, bid rigging and the risks associated with it.

Networking and Outreach activities

With a view to better advocate the law on competition for compliance and for detecting anti-competitive behaviours, the Competition Commission, as part of its objectives for the current financial year, reviewed its advocacy approach. Instead of holding group workshops or webinars, which may not necessarily have the intended effect, the Competition Commission held one-to-one sessions with some identified stakeholders.

The approach was three-phased in most cases, that is, networking exercise to obtain the details of a contact person with whom to deal on competition matters; advocacy so as to promote the law and expose the role of the stakeholder with regards to competition; and collaborative engagements so as to share information on competition issues and to lay emphasis on compliance with the law. During the current financial year, the Competition Commission had one-to-one engagement with several ministries, public bodies, and associations.

Owing to its engagement with ministries and public bodies, the Competition Commission has been able to implement working arrangements with some, to share information on procurement exercises for the screening of bid rigging, and on transactions that may lead to anti-competitive situations. The Competition Commission has also been able to promote the importance of undertaking competitive assessment during policy making and has described the methodology thereof. These collaborations are still ongoing and have reached higher level of engagement.

Meetings were also held with consumer associations, namely the Association des Consommateurs de l'Île Maurice (ACIM) and Consumer Advocacy Platform (CAP) with a bid to detect anti-competitive practices. These are continuous and regular engagements over the year.

The Competition Commission also networked with stakeholders involved with Small and Medium Enterprises (SMEs), such as the Ministry of Industrial Development, SMEs and Cooperatives, SME Mauritius and SME Federation. A workshop was held with the technical cadre of SME Mauritius to expose the relevance of the law to SMEs, to discuss about potential competition issues faced by them, and the mechanism implemented to report such issues. A workshop was also held with the Association of Mauritian Manufacturers to raise awareness, to promote compliance to the law among its members and to encourage the reporting of potential competition issues.

COOPERATION



COOPERATION

Signing of MoU with the Competition Commission of India

The Competition Commission signed a Memorandum of Understanding (MoU) with the Competition Commission of India (CCI) on 23 February 2022. The signatories were Mr Mahmad Aleem Bocus, Chairperson of the Competition Commission and his counterpart Mr Ashok Kumar Gupta, Chairperson of the CCI. The signature ceremony took place virtually in the distinguished presence of H. E. Mrs S. B. Hanoomanjee (G.C.S.K.), High Commissioner of Mauritius to India and H.E. Mrs K. Nandini Singla, High Commissioner of India to Mauritius.

Recognising the importance of international cooperation and mutual consultation in better enforcing competition law and policies across jurisdictions, both institutions have formalised this collaboration to build enforcement capacity and to facilitate the exchange of information pertaining to matters of mutual interest. The MoU has been concluded as a result of proactive engagement between the two authorities. The signing of the MoU between the Competition Commission and the CCI is a steppingstone towards better enforcement of competition law. It defines the framework for collaboration between the two bodies in terms of sharing of best practices and experience, technical cooperation and information exchange for the benefit of the Mauritian and Indian economies in general.

The MoU is also relevant to the recently concluded Comprehensive Economic Cooperation Partnership Agreement (CECPA) between India and Mauritius in addressing potential cross-border anti-competitive practices and in improving the enforcement of Competition laws in both jurisdictions.

The Competition Commission has similar formalised bilateral cooperation with sister agencies in other countries such as the Fair Trading Commission of the Republic of Seychelles, the Competition Commission of South Africa, and the COMESA Competition Commission.

Signing of MoU with the Office of the Ombudsperson for Financial Services

A Memorandum of Understanding (MoU) was signed between the Office of the Ombudsperson for Financial Services and the Competition Commission on 25 May 2022. The MoU was signed by Dr. Mitrajeet Dhaneshwar Maraye, Ombudsperson for Financial Services, and Mr Deshmuk Kowlessur, Executive Director of the Competition Commission.

This MoU sets out a framework of co-operation between the Competition Commission and the Office of the Ombudsperson for Financial Services, to enable both institutions to effectively enforce their objectives and discharge functions under their respective legislations.

COOPERATION (CONTD.)

Contribution in the formulation and adoption of competition policy within the regional economic blocks (Tripartite FTA and AfCFTA)

The Competition Commission is actively participating in the formulation and adoption of the regional competition policy at the levels of both Tripartite Free Trade Area (Tripartite FTA) and African Continental Free Trade Area (AfCFTA). It is also contributing, in so far as competition is concerned, to other bilateral or multilateral economic partnership agreements that Mauritius is negotiating.

The Tripartite FTA brings together 28 countries that are members of the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC) and the Southern African Development Community (SADC) for regional development, based on the three pillars: market integration, industrial development, and infrastructural development. The AfCFTA has been established by the African Union comprising 55 member States, to create a single continent-wide market for goods and services and to promote the movement of capital and natural persons.

At the Tripartite FTA level, the Competition Commission serves as the representative of Mauritius on the Technical Working Group (TWG) on Competition Policy. As a member of the TWG, the Competition Commission contributed to the situational analysis of competition policy across the three regional blocks (EAC, COMESA and SADC) and further contributed to the elaboration of the Draft Tripartite Competition Policy. The Competition Commission is currently representing Mauritius at the level of the Tripartite Trade Negotiation Forum for the adoption of the Draft Final Tripartite Competition Policy.

The Competition Commission is also contributing to the elaboration of the African Continental Competition Policy. It is representing Mauritius at the Committee on Competition Policy (CoCP) of AfCFTA. The CoCP has been set up by the AfCFTA Council of Ministers to facilitate the negotiations and implementation of the AfCFTA competition policy.

Regarding economic partnership agreements, the Competition Commission has been active in various initiatives, including the Comprehensive Economic Cooperation Partnership Agreement with India. It is currently involved in negotiations between the European Union and the five Eastern and Southern African countries (Comoros, Madagascar, Mauritius, Seychelles and Zimbabwe) for implementing the interim Economic Partnership Agreement (iEPA). In this context, the Competition Commission is participating in negotiations relative to the provisions of competition policy in the iEPA.

African collaboration for regulation of competition in digital markets

The Competition Commission participated in the Heads of Competition Authorities Dialogue on Regulation of Digital Markets, held on 17 and 18 February 2022 and hosted by the Competition Commission of South Africa with the participation of Heads of competition authorities of Egypt, Kenya, Nigeria, and Mauritius.

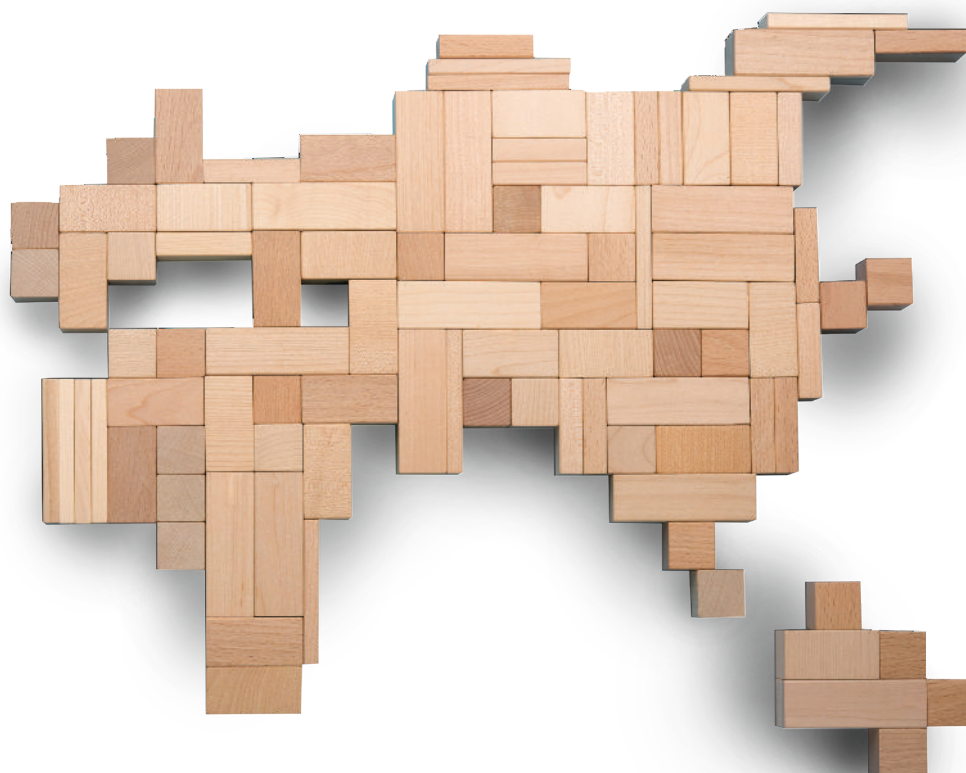
During the Dialogue, the participating competition authorities acknowledged the role and contribution of digital markets and services in shaping the global economy. They also recognised the various challenges stemming from these markets for competition law enforcement and policy. Thus, it is important for competition regulators to work closely to share knowledge, develop capacity and enhance mutual strategies.

At the end of the Dialogue, a joint statement was issued by the five competition authorities on the concerted collaborative approach in tackling competition issues in digital markets. In the joint statement, the Heads of the competition authorities expressed their collaboration in the regulation of digital markets by:

COOPERATION (CONTD.)

- scoping the conduct in digital markets which has been the subject of investigation in other jurisdictions, on African consumers, businesses and economies with the purpose of fair regulation and enforcement in Africa (where applicable);
- researching the barriers to the emergence and expansion of African digital platforms and firms that may contribute to enhanced competition and inclusion in these markets for the benefit of African consumers and economies;
- co-operating in the assessment of global, continental, and regional mergers and acquisitions in digital markets, including harmonising the notification framework, without prejudice to confidentiality commitments;
- sharing information in accordance with existing laws and applicable protocols; and
- imparting knowledge and building capacity in dealing with digital markets.

The proposed collaborative approach is key for the regulation of competition in the digital markets as it is likely to assist in developing effective enforcement strategies conducive to competitive markets for the benefit of the African continent.



HUMAN ASSET MANAGEMENT



HUMAN ASSET MANAGEMENT

One of the key pillars on which the Competition Commission rests is its employees, comprising an establishment of 29 persons from both investigative and administrative cadre. This section is dedicated to the Competition Commission's most precious assets, its employees.

Our Personnel

The table below provides details of filled positions as of 30 June 2022, as per the grading structure of the Competition Commission.

Position	Male	Female	Total
Executive Director	1	-	1
Head, Corporate Services	1	-	1
Head, Investigations	3	-	3
Manager, IT and Administration	-	1	1
Legal Secretary (<i>One officer in the grade of Senior Investigations Officer (Legal) assigned the duties of Legal Secretary</i>)	-	1	1
Senior Investigations Officer (Legal)	1	-	1
Investigations Officer (Legal)	-	2	2
Investigations Officer (Economics)	-	3	3
Assistant Investigations Officer (Legal)	-	2	2
Assistant Investigations Officer (Economics)	-	1	1
Accounts Officer	-	1	1
Assistant to the Executive Director	1	-	1
Administrative Assistant	-	1	1
Driver/Messengers	2	-	2
Total	9	12	21

It can be observed that from an establishment of 29 positions, 21 were filled as of 30 June 2022, which represents 75% of existing positions. In terms of gender balance, the male to female staff ratio was 1: 1.2, as of 30 June 2022 which is similar to previous financial year, thus fairly stable between both genders over the last twelve months.

HUMAN ASSET MANAGEMENT (CONTD.)

Distribution of Employees

The Competition Commission is structured into three different Investigative Working Groups and the Corporate Services Section, which provides administrative support. The table below provides an overview of the distribution of staff among the different teams.

Position	Investigative Working Groups			Corporate	Total
	Cartel	Merger	Unilateral Conduct		
Head, Corporate Services	-	-	-	1	1
Head, Investigations	1	1	1	-	3
Manager, IT and Administration	-	-	-	1	1
Senior Investigations Officer (Legal)	1	-	-	-	1
Investigations Officer (Legal)	-	1	1	-	2
Investigations Officer (Economics)	1	1	1	-	3
Assistant Investigations Officer (Legal)	1	-	1	-	2
Assistant Investigations Officer (Economics)	-	1	-	-	1
Accounts Officer	-	-	-	1	1
Assistant to the Executive Director	-	-	-	1	1
Administrative Assistant	-	-	-	1	1
Driver/Messengers	-	-	-	2	2
Total	4	4	4	7	19

The table excludes the position of Executive Director and that of the Legal Secretary, who report to the Commissioners.

Recruitment of staff

As of 30 June 2022, the recruitment exercise was in progress to fill the vacant positions and several new recruits joined in July and August 2022.

HUMAN ASSET MANAGEMENT (CONTD.)

Capacity Building

Since its establishment, the Competition Commission has placed significant emphasis on the capacity building of its human assets. This is critical as competition law and economics are highly technical fields. Over the years, our staff has gained significant exposure to competition practices through secondments to other competition authorities, attendance at overseas trainings and workshops, and hiring of international experts. All these have built strong internal capacities that have enabled people at the Competition Commission to better enforce the competition law. This section describes the capacity building exercises conducted by the Competition Commission for the year under review.

Overseas workshops, seminars, and conferences

ICN Cartel Workshop, 17 – 19 November 2021, Lisbon

The Portuguese Competition Authority hosted the 2021 Cartel Workshop of the International Competition Network (ICN) in Lisbon, from 17 to 19 November 2021. Topics comprised enforcement in the context of economic recovery, detection, and investigative tools, including dawn raids and digital evidence, crisis cartels, hub-and-spoke, cartels in labour markets, and collusion and algorithms, among others. The Executive Director and another staff member attended the workshop.

Discussion on Digital Markets, 17 – 18 February 2022, Johannesburg

The Competition Commission of South Africa convened a Head of Agencies digital markets meeting on 17 and 18 February 2022 in South Africa, to which one officer from the Competition Commission participated. The meeting provided a platform for the participating agencies, namely South Africa, Egypt, Kenya, Nigeria, and Mauritius to identify the institutional and legislative constraints faced by the participating African authorities. Following the meeting, the five agencies issued a joint statement on their plan for co-operation in the regulation of competition in African digital market.

21st Annual Conference of the ICN, 3 – 6 May 2022, Berlin

The International Competition Network (ICN) held its annual conference in Berlin from 3 to 6 May 2022. The ICN conference focused on vigorous enforcement in digital markets, agency operations during the pandemic and recovery, and fundamentals of effective enforcement in markets across member economies. The conference also held panels and breakout discussions on addressing killer acquisitions, regulatory and competition law tools in digital markets, and economic tools to evaluate large volumes of data. The Executive Director and one Commissioner attended the workshop.

ACF Research workshop in Roaming and Generic Pharmaceuticals, 28 – 29 April 2022, Johannesburg

The Competition Commission of South Africa hosted the African Competition Forum (ACF) Research Workshop on 28 and 29 April 2022 in Johannesburg, South Africa. The workshop was conducted in the context of the ACF cross-country research study in the Data Roaming and Pharmaceutical sectors, which was attended by one officer from the Competition Commission. Participating countries Angola, Botswana, Kenya, Nigeria, South Africa, Gambia, Zambia, Zimbabwe and Mauritius presented their respective working in progress study and discussed about the various issues that they were facing in obtaining information.

HUMAN ASSET MANAGEMENT (CONTD.)

4th Meeting of the AfCFTA Committee on Competition Policy, 11 – 15 April 2022, Accra

The Competition Commission has been actively contributing to the elaboration of the African Continental Free Trade Area (AfCFTA) Protocol on Competition Policy. In this context, the Competition Commission participated in the 4th AfCFTA Committee on Competition Policy (CoCP), which was held from 11 to 14 April 2022 in Accra, Ghana. During the meeting, the CoCP deliberated on the various aspects of the envisaged continental competition protocol. It is to be highlighted that the Assembly of African Union Heads of State has set the target for the conclusion of AfCFTA Phase II negotiations, which includes the Protocol on Competition Policy, for end of 2022.

Annual Regional Case Handlers' Workshop on Restrictive Business Practices, 27 to 28 June 2022, Eswatini

The COMESA Competition Commission hosted a regional workshop on Restrictive Business Practices in Eswatini from 27 to 28 June 2022, which was attended by two officers of the Competition Commission. The workshop aimed at providing case handlers with tools to plan and to conduct dawn raids, interviewing techniques, as well as the sharing of experience on gathering evidence during investigations.

Regional Training Workshop on Merger Assessments, 29 – 30 June 2022, Eswatini

The COMESA Competition Commission hosted a second workshop, focused on Merger Assessment, in Eswatini, back-to-back after the one on Restrictive Business Practices. Two officers of the Competition Commission took part in the event which was held on 29 and 30 June 2022. The workshop covered competitive effects analysis, focusing on assessment for non-horizontal mergers and digital mergers, and cooperation.

Online courses, trainings, and workshops

Master of Commerce in Competition and Economic Regulation, online 2-years course

With a view to further enhance the knowledge of its staff in competition, the Competition Commission implemented a scheme, whereby staff are sponsored Master or PGD courses in competition law or economics. During the outgoing year, one staff was pursuing a Master of Commerce in Competition and Economic Regulation, offered by the University of Johannesburg. The programme course started during the previous financial year. It is one of the first specialist master's degrees in competition and economic regulation offered in Africa and it aims at equipping participants with the knowledge and skills required to undertake rigorous economic analysis in competition and regulatory matters.

8th Annual Capacity Building Workshop and Symposium on Competition Law and Policy

Three officers attended the 8th Annual Capacity Building Workshop and Symposium on Competition Law and Policy, hosted by the Competition Authority of Kenya (CAK), from 20 to 29 September 2021. The workshop was held online during the 6th Annual Competition and Economic Regulation Week organised by the University

HUMAN ASSET MANAGEMENT (CONTD.)

of Johannesburg's Centre for Competition, Regulation and Economic Development (CCRED) during the above-mentioned period. The trainings covered key theoretical concepts and emerging issues in competition economics and law, and consumer protection. Each training included real-world case studies and drew on cases from within and outside Africa, with the view to enhance learning on how the theoretical principles are applied.

7th Winter School on Economics of Competition Law

Two officers virtually attended the 7th Winter School on Economics of Competition Law from 15 to 26 November 2021, organised by CUTS Institute for Regulation & Competition (CIRC). The course aimed at providing an insight of the increasingly important role that economics plays in understanding markets and at assessing the violation of competition law. It strongly focused on practical examples and direct application of the underlying economic theories and techniques on competition assessment.

Training on collusion detection by Prof. Martin Huber

On 26 and 27 January 2022, the cartel team attended a series of virtual trainings on cartel (bid) screening from Prof. Martin Huber, from Huber Analytics company in Switzerland. The training comprised both theoretical and practical sessions on the use of cartel detection software to conduct statistical screens on public bid data to test for indicators of collusion/bid rigging. The objective of the training was to understand why and how price patterns of suppliers may differ under competition and collusion, amongst others.

Local trainings and workshops in brief

- Project Management Training attended by the Heads of unit and the Manager IT and Administration in July – August 2021.
- Market Research and Data Analytics Training attended by three officers on 19 – 20 August 2021.
- Power BI Training attended by two officers on 18 – 19 November 2022.
- Data Protection workshop attended by one officer on 25 November 2022.
- Legal & Technical Aspects of Electronics & Digital (Online) attended by one officer on 1 December 2021.

Online subscriptions and other webinars

The Competition Commission also renewed its subscription to two online resources namely the 'Global Competition Review (GCR)' and 'Concurrences'. The first one is a global provider of competition law, regulation, and enforcement information. This subscription enables staff to have access, through daily emails, newsletters, etc, to the latest news and updates on competition worldwide.

As regard to the 'Concurrences' website, it is an independent legal publisher, dedicated to antitrust law and competition economics. Staff have access to over 30,000 articles and cases, books and webinars dedicated to competition law and economics.

Over and above webinars organised by 'Concurrences', staff also attended webinars by other competition agencies, namely the International Competition Network, the United Nations Conference on Trade and Development, the Organisation for Economic Co-operation and Development, etc.

HUMAN ASSET MANAGEMENT (CONTD.)

Staff Welfare and Well-Being

Medical Insurance Cover and Check-up Facilities

The Competition Commission provides a Medical Insurance Cover for the benefit of its employees since 2010. It offers various inpatient and outpatient benefits, which are reviewed as and when required. The monthly premium is funded for confirmed employees, who have the possibility to enrol their dependents into the scheme at their own cost.

Group Personal Accident

The Competition Commission also has in place a 24-hour Group Personal Accident Scheme, which provides an insurance cover to all employees who are injured in an accident on duty as well as outside working hours. Death arising out of an accident is also covered.

Fitness and Wellness Scheme

To promote health and well-being, employees at the Competition Commission are encouraged to do regular physical activities to keep them fit. As such, subscription to gym and other keep-fit facilities are sponsored on presentation of proof of membership and payment. The scheme also allows them to conduct regular medical check-up.

Soft loan facilities

Since the financial year 2019/2020, the Competition Commission has introduced a soft loan facility whereby employees benefit from a zero-rate interest loan, refundable over a period not exceeding twenty-four months.

STRATEGIC DIRECTIONS



STRATEGIC DIRECTIONS

This section presents the strategic plan of the Competition Commission in the enforcement of the Competition Act, for the benefit of consumers, businesses, and the economy.

Enforcement Activity

Under the Competition Act 2007, the Competition Commission is provided with powers to investigate restrictive business practices, namely cartels, unilateral conduct and anticompetitive mergers. As such, investigative actions are the core activities of the Commission towards the enforcement of the Act, for the ultimate interests of consumers, businesses and the Mauritian economy at large.

The aftermath of the COVID-19 sanitary crisis and the Russia-Ukraine conflict have triggered important changes in the global business landscape and the Mauritian economy. In such a turbulent environment, market dynamics are bound to change, and new forms of anticompetitive practices may emerge. The Competition Commission, therefore, deems it an imperative to stay on the alert to ensure that national competition policy remains optimal for the benefit of the country. The Commission already anticipates that it will need to adapt to the new environment with regard to the enforcement of the competition law and the way the institution conducts its investigative activities.

The Competition Commission will, therefore, adopt proactive approaches and respond to new forms of anticompetitive practices to safeguard an optimal market outcome to the benefit of the economy and consumers in general. The Competition Commission will carry out investigations, indiscriminately, into all sectors of the economy where restrictive business practices may exist, ensuring that over and above enquiries – which are preliminary assessment exercises to ascertain whether a restrictive business practice is occurring – 6 to 8 major investigations are completed annually.

The Competition Commission will also proactively undertake market research and market intelligence with the objective of detecting potential restrictive business practices. The Competition Commission plans to launch and complete an average of 2 market studies annually. The Commission will continue to advise the Government on competition matters to reinforce a pro-competitive environment, and to create a more efficient economy. It will also assist the COMESA Competition Commission in reviewing cross border mergers and taking an active part in investigations concerning Mauritius.

Improving Enforcement Capacity

With a view to improving the Competition Commission's enforcement capacity, several strategies have been identified for implementation. As from the financial year 2022/2023, a new and revamped organisational structure will be implemented. The previous structure certainly had its benefits, such as more ownership of work and more specialisation in each enforcement area, but it also had its limitations. The revamped structure will address those limitations and bring in some new specialised functions with the aim to increase capacity, create more synergy across existing departments and harmonisation in the enforcement works.

The new structure will comprise four departments, that is, three enforcement departments, namely 'Legal & Cartel Department', 'Economics Policy & Research Department', and 'Enforcement Strategy, Merger & Monopoly Department', and the Corporate Services Department. Furthermore, an overall Committee, falling under the chairmanship of the Executive Director and comprising Heads of departments, referred to as the Enforcement & Strategy Committee (ESC) will carry the mandate of guiding the development of policies across all enforcement areas, providing supervisory oversight of cases and projects, ensuring consistency of approach, and offering advice on high level legal, economic or policy issues as they arise. The ESC will also guide the advocacy and corporate strategies.

The Competition Commission will seek to finalise the review of the Act, Rules of Procedure, and various related guidelines so as to remedy shortcomings in the legal framework and be in alignment with international good practices and other regional commitments. It will evaluate the substantive elements of the Act, with a view to rationalising the key prohibitions and clarifying terminologies, procedures, scope of powers, and strengthening

STRATEGIC DIRECTIONS (CONTD.)

the Commission's procedural and investigative tools. The simplification of a number of legal provisions will also provide a more structured framework to facilitate and underpin enforcement and provide greater legal certainty. Such review will ultimately empower the Competition Commission to deliver on its mandate in a more efficient and effective manner.

Impactful Advocacy

Another mandate of the Executive Director under the Competition Act is to promote the provisions of the Act and the activities of the Competition Commission. As such, since its inception, the Competition Commission has endeavoured to develop various advocacy strategies to disseminate the provisions of the law and its work, and inculcate a competition culture in Mauritius. The Commission will continue to develop such strategies, targeting all stakeholders, from large to smaller businesses, public bodies and the public in general. This includes, amongst others:

- Working sessions and one-to-one engagement with public bodies and regulators to promote the adoption of a pro-competition mindset in public policymaking,
- Delivery of advocacy sessions among professionals, such as legal practitioners, to apprise them of anti-competitive behaviours and latest developments in competition,
- Delivery of targeted advocacy sessions with enterprises, SMEs and associations to inform them about the work of the Competition Commission and, most importantly, to create awareness about actions and behaviours that may constitute restrictive business practices,
- Enhancing the use of social media and other digital means for more effective advocacy and communications to disseminate the work of the Competition Commission, and
- Publication of newsletters to provide stakeholders with fresh updates on the work being conducted by the Competition Commission and developments in competition around the globe.

Strategic International Cooperation

The Executive Director is also entrusted with the function of liaising and exchanging information, knowledge, and expertise with competition authorities in other countries. As such, several Memorandum of Understandings (MoUs) and agreements have been signed with various relevant competition authorities around the globe, that would enable the Competition Commission, amongst others, to:

- Exchange views and experience on competition policy issues,
- Expand expertise in the field of case investigations,
- Exchange information on enforcement matters of common interest,
- Assist in investigations of common interest, and
- Staff exchange staff through secondments for the purpose of improving skills.

The Competition Commission will continue its existing collaborations while establishing relations and collaborations with new ones.

The Competition Commission will continue to contribute towards shaping regional competition policies and ensuring compliance with regional/international obligations. It will also take an active role in regulating competition at regional level through collaboration with other agencies for enforcement.

- As a Member of the COMESA, the Competition Commission will continue collaborating with the COMESA Competition Commission (CCC) on various competition matters. This collaboration may take the form of investigations of anticompetitive behaviours - in particular the review of mergers, but also of cartel activities among COMESA states, potentially affecting Mauritius.
- The Competition Commission is also a member of the African Competition Forum (ACF), where it holds the Vice-Chairperson position. The Competition Commission has recently completed several collaborations

STRATEGIC DIRECTIONS (CONTD.)

with the ACF, which consisted of market studies in the aviation and telecommunication sectors. Going forward, similar studies will be conducted, in which the Competition Commission will continue to provide its support.

- The Competition Commission will also continue to contribute in the formulation and adoption of the competition law and policy at the level of the Tripartite (COMESA-SADC-EAC) Free Trade Area and the African Continental Free Trade Area (AfCFTA).

The Competition Commission will leverage on the institution's network to keep abreast of latest developments and best practices with regard to competition law enforcement and policy, and benchmark itself for enhanced efficiency and effectiveness.

Staff Capacity Building

The Competition Commission considers it essential to foster an organisational culture that encourages continuous learning and professional development, that would ensure high standards of service. As such, it will continue investing in its personnel and strengthening their capabilities through various capacity building programmes such as, amongst others:

- Sponsorships of post graduate diplomas in competition economics and law,
- In-house training by foreign experts in the several fields of competition economics and law,
- Knowledge-sharing sessions among staff on key competition issues and contribution towards debates and sharing of ideas,
- Access to webinars and short online courses in the field of competition,
- Attendance to overseas workshops and secondments to more experienced competition authorities, and
- Productivity training courses.

FINANCIAL STATEMENTS





**REPORT OF THE
DIRECTOR OF AUDIT**

**On the Financial Statements
of the Competition Commission
for the year ended 30 June 2022**

NATIONAL AUDIT OFFICE



NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT TO THE COMPETITION COMMISSION

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Competition Commission, which comprise the statement of financial position as at 30 June 2022 and the statement of financial performance, statement of changes in net assets/equity, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Competition Commission as at 30 June 2022, and of its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report. I am independent of the Competition Commission in accordance with the INTOSAI Code of Ethics, together with the ethical requirements that are relevant to my audit of the financial statements in Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have determined that there are no key audit matters to communicate in my report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report of the Competition Commission, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Competition Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Competition Commission's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Competition Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Competition Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Competition Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Management's Responsibilities for Compliance

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible to ensure that the Competition Commission's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in an entity's financial statements.

Auditor's Responsibilities

In addition to the responsibility to express an opinion on the financial statements described above, I am also responsible to report to the Commission whether:

- (a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit;
- (b) the Statutory Bodies (Accounts and Audit) Act and any directions of the Minister, in so far as they relate to the accounts, have been complied with;
- (c) in my opinion, and, as far as could be ascertained from my examination of the financial Statements submitted to me, any expenditure incurred is of an extravagant or wasteful nature, judged by normal commercial practice and prudence;
- (d) in my opinion, the Competition Commission has been applying its resources and carrying out its operations economically, efficiently and effectively; and
- (e) the provisions of Part V of the Public Procurement Act regarding the bidding process have been complied with.

I performed procedures, including the assessment of the risks of material non-compliance, to obtain audit evidence to discharge the above responsibilities.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Statutory Bodies (Accounts and Audit) Act

I have obtained all information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.

As far as it could be ascertained from my examination of the relevant records:

- (a) the Competition Commission has complied with the Statutory Bodies (Accounts and Audit) Act; and
- (b) no direction relating to the accounts has been issued by the responsible Minister to Competition Commission.

Based on my examination of the records of Competition Commission, nothing has come to my attention that causes me to believe that:

- (a) expenditure incurred was of an extravagant or wasteful nature, judged by normal commercial practice and prudence; and
- (b) the Commission has not applied its resources and carried out its operations economically, efficiently and effectively.

Public Procurement Act

In my opinion, the provisions of Part V of the Act have been complied with as far as it could be ascertained from my examination of the relevant records.



C. ROMOOAH

Director of Audit

National Audit Office
Level 14,
Air Mauritius Centre
PORT LOUIS

2 May 2023

Competition Commission

Statement of Financial Position

as at 30 June 2022

	Note	30 Jun 2022 Rs.	30 Jun 2021 Rs.
ASSETS			
Current assets			
Cash and cash equivalents	4	47,528,364	6,102,578
Short-term staff loan receivable	5&6	822,913	456,071
Receivables and deposits		16,344,205	12,356,706
Prepayments		516,687	560,621
		65,212,169	19,475,976
Non-current assets			
Long-term staff loan receivable	5&6	849,825	-
Property, plant and equipment	7	5,795,640	5,225,110
Intangible assets	8	175,005	14,355
		6,820,470	5,239,465
Total Asset		72,032,639	24,715,441
LIABILITIES			
Current liabilities			
Trade and other payables	9	1,370,765	107,534
Employee benefits obligations	10	3,708,387	3,380,024
Short-term staff loan payable to the Accountant General	5	120,001	317,882
		5,199,153	3,805,440
Non-current liabilities			
Employee benefits obligations	10	10,202,356	10,530,883
Long-term staff loan payable to the Accountant General	5	640,000	-
Retirement benefits obligations	11	15,069,111	14,051,388
		25,911,467	24,582,271
Total Liabilities		31,110,620	28,387,711
NET ASSETS/LIABILITIES		40,922,019	(3,672,270)
NET ASSETS/EQUITY			
Revaluation Surplus		588,995	588,995
General fund		(15,359,805)	(19,704,265)
COMESA reserve	12	55,692,829	15,443,000
		40,922,019	(3,672,270)
TOTAL NET ASSETS/EQUITY		40,922,019	(3,672,270)

Amended financial statements approved by the Commission on 27 April 2023



Me. Mahmad Bocus
Chairperson



Mrs Sharda Dindoyal
Member

The notes on pages 64 o 80 form part of these financial statements.

Competition Commission

Statement of Financial Performance

for the year ended 30 June 2022

	Note	Year ended 30 Jun 2022 Rs.	Year ended 30 Jun 2021 Rs.
REVENUE			
Revenue from non-exchange transactions			
Government Grant		43,790,327	28,496,417
Income from COMESA		6,465,214	12,506,717
Gains on exchange rate		1,222,733	1,887
Total revenue		51,478,274	41,005,021
OPERATING EXPENSES			
Staff cost	13	30,353,125	30,904,207
Commissioners' fee		4,766,878	4,444,860
Training and Sponsorship		714,682	811,132
Public education and information programme		109,250	4,025
Overseas visits		1,200,947	-
Professional fees		2,457,310	2,337,261
Rent and utilities	14	3,730,686	3,630,706
Other operating expenses	15	1,991,688	1,807,343
Depreciation and amortisation	7&8	1,323,551	1,345,692
(Gain)/Loss on disposal of fixed assets		1,819	(11,446)
Total expenses		46,649,937	45,273,780
SURPLUS/(DEFICIT) FOR THE YEAR		4,828,337	(4,268,759)

During the year under review, the Competition Commission issued two infringement decisions with financial penalties amounting to Rs14,853,700 on enterprises involved in collusive agreements. Rs14,102,982.50 were received in FY2021/2022, of which Rs13,058,448.50 were remitted into the consolidated fund of the Government within the same financial year; the remaining balance of Rs1,044,534 were remitted after year end.

The notes on pages 64 to 80 form part of these financial statements.

Competition Commission

Statement of Changes in Net Assets/Equity

for the year ended 30 June 2022

	Revaluation Surplus Rs.	General fund Rs.	COMESA Reserve Rs.	Total Rs.
Balance as at 01 July 2020	855,850	(13,822,272)	15,800,911	2,834,489
Revalued items disposed	(266,855)	208,770		(58,085)
(Deficit) for the year	-	(4,268,759)		(4,268,759)
COMESA Reserve (Note 12)			(357,911)	(357,911)
Remeasurement loss on retirement benefit obligations		(1,822,004)		(1,822,004)
Balance as at 30 June 2021	588,995	(19,704,265)	15,443,000	(3,672,270)
Balance as at 01 July 2021	588,995	(19,704,265)	15,443,000	(3,672,270)
Surplus for the year		4,828,337		4,828,337
COMESA Reserve (Note 12)			40,249,829	40,249,829
Remeasurement loss on retirement benefit obligations		(483,878)		(483,878)
Balance as at 30 June 2022	588,995	(15,359,805)	55,692,829	40,922,018

The notes on pages 64 to 80 form part of these financial statements.

Competition Commission

Cash Flow Statement

for the year ended 30 June 2022

	Note	Year ended 30 Jun 2022 Rs.	Year ended 30 Jun 2021 Rs.
CASHFLOW FROM OPERATING ACTIVITIES			
Net (deficit)/surplus for the year		4,828,337	(4,268,759)
Adjustments for:-			
Gains on exchange rate		(1,222,733)	(1,887)
Retirement benefit obligations	11	533,845	315,346
Depreciation and amortisation	7&8	1,323,551	1,345,692
Provision for refundable Leaves	10	(328,527)	1,846,860
(Gain)/Loss on disposal of fixed assets		1,819	(11,446)
Operating surplus/(Deficit) before working capital changes		5,136,292	(774,193)
(Increase)/decrease in receivables		(3,987,499)	(12,079,978)
(Increase)/decrease in prepayments		43,934	(200,441)
Increase/(decrease) in trade and other payables		1,263,231	(220,301)
Increase/(decrease) in employee benefits		328,363	220,155
Net Cash flow from operating activities		2,784,321	(13,054,757)
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant, equipment	7	(2,056,549)	(302,414)
Proceeds from sale of equipment		-	12,782
Loans granted to staff	6	(2,187,810)	-
Loans refunded to Accountant General	5	(397,881)	(1,497,162)
Net Cash used in investing activities		(4,642,240)	(1,786,794)
CASH FLOW FROM FINANCING ACTIVITIES			
COMESA reserve	12	40,249,829	(357,911)
Loans received from Accountant General	5	840,000	-
Loans repaid by staff	5&6	971,143	1,812,029
Net Cash flow from financing activities		42,060,972	1,454,118
Gains on exchange rate		1,222,733	1,887
Net increase/(decrease) in cash and cash equivalents		40,203,053	(13,387,433)
Cash and cash equivalents at the beginning of the year	4	6,102,578	19,488,124
		47,528,364	6,102,578
Cash and cash equivalents at the end of the year	4	47,528,364	6,102,578

- The indirect method has been used as basis in the preparation of Cash Flow Statement. It presents information about cash generated from operations and the effects of various changes in the balance sheet on cash position

The notes on pages 64 to 80 form part of these financial statements.

Competition Commission

Statement of Comparison of Budget and Actual amounts

for the year ended 30 June 2022

	Original Budget Rs.	Revised Budget Rs.	Actual Amount Rs.	Financial Statement Rs.
Revenue	67,075,000	67,075,000	86,516,865	51,478,274
Expenditures				
Staff cost	31,614,000	30,859,000	29,633,239	30,353,125
Commissioners' fees	4,445,000	4,770,000	4,766,878	4,766,878
Training and Sponsorship	1,300,000	1,150,000	728,637	714,682
Public education and information programme	500,000	500,000	109,250	109,250
Overseas visits	1,075,000	1,225,000	1,200,947	1,200,947
Professional fees	17,435,000	17,435,000	2,523,049	2,457,310
Rent and utilities	3,646,000	3,726,000	3,723,904	3,730,686
Other operating expenses	1,660,000	2,010,000	2,004,857	1,991,688
Depreciation and amortisation	-	-	-	1,323,551
(Gain)/Loss on disposal of fixed assets	-	-	-	1,819
Gain/(Loss) on exchange rate	-	-	-	-
Capital expenditures	5,400,000	5,400,000	1,959,259	-
	67,075,000	67,075,000	46,650,020	46,649,937

- The Competition Commission prepares its budget estimates on a cash basis annually, covering the period July to June, and submits same to the Parent Ministry for consideration. Based on the final grant amount received, the final budget is prepared.

- For the year ended 30 June 2022, the approved budget of the Competition Commission amounted to Rs 67.07 million and was financed from grant obtained from the Government, funds carried over from previous year and the COMESA Fees for capacity building projects.

- In the above comparison, the actual amount column provides the amount spent on capital expenditure, while in the Financial Statement, which is prepared on an accrual basis, the depreciated amount of capital items is presented.

- Reasons for variances between Original and Revised Budgets, and variances between Revised Budget and Actual Amounts are provided in notes 18 and 19 respectively. Note 20 provides the Reconciliation Statement of Actual with Financial Statements Amounts.

The notes on pages 64 to 80 form part of these financial statements.

Competition Commission Notes to the Financial Statements

for the year ended 30 June 2022

1. General information

(a) Legal form and objectives

The Competition Commission is a statutory body established in 2009, running under the aegis of the Ministry of Commerce and Consumer Protection, to enforce the Competition Act 2007. The Act established a competition regime in Mauritius, under which the Competition Commission can investigate possible anticompetitive behaviors by businesses.

The Competition Commission is domiciled on the 10th floor of Hennessy Court, Pope Hennessy Street, Port-Louis, and is mandated, among others, to:

- (i) keep the operation of markets in Mauritius and the conditions of competition in those markets under constant review;
- (ii) investigate any suspected breach of the prohibition of restrictive agreements;
- (iii) undertake general studies on the effectiveness of competition in individual sectors of the economy in Mauritius;
- (iv) liaise and exchange information, knowledge and expertise with competition authorities in other countries entrusted with functions similar to those of the Commission;
- (v) advise the Minister on international agreements relevant to competition matters and to this Act; and
- (vi) publish and otherwise promote and advertise the provisions of the Act and the activities of the Commission.

2. Accounting policies

The principal accounting policies adopted by the Competition Commission are as follows:

(a) Statement of Compliance and basis of preparation

The financial statements of the Competition Commission have been prepared in accordance with the International Public Sector Accounting Standards (IPSASs), issued by the International Public Sector Accounting Board (IPSASB) in line with amendments made in the Statutory Bodies (Accounts and Audit) Act.

Where an IPSAS does not address a particular issue, the appropriate International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) issued by the International Accounting Standards Board are applied.

(b) IPSAS not yet effective

- (i) IPSAS 41 - Financial Instrument (Effective 1 January 2023)

The objective of the new IPSAS is to establish new requirements for measuring and recognising financial instrument in replacement of IPSAS 29. The Competition Commission has not applied the standard in the Financial Statements.

- (ii) IPSAS 42 - Social Benefits (Effective 1 January 2023)

The objective is to help users of financial statements to assess the nature of social benefits provided by an entity, the features of the operation of social benefit scheme and the impact of social benefits on the entity's financial performance, financial position and cash flows. The Competition Commission has not applied the standard in the Financial Statements.

- (iii) IPSAS 43 - Leases (Effective 1 January 2025)

The objective of the new IPSAS is to establish new requirements for the treatment of leases in replacement of IPSAS 13, to increase transparency related to assets and liabilities that arise from lease contracts, to eliminate information asymmetry as there is no classification of leases as either finance or operating lease, and to increase comparability between financial statements. The Competition Commission has not applied the standard in the Financial Statements.

- (iv) IPSAS 44 - Non-current Assets Held for Sale and Discontinued Operations (Effective 1 January 2025)

Competition Commission

Notes to the Financial Statements

for the year ended 30 June 2022

2. Accounting policies (cont'd)

This new IPSAS has been developed to provide guidance on how to account for non-current assets when they are made available for sale, to increase transparency related to the sale of public sector assets, and to enhance disclosures among public sector entities in a consistent and comparable approach.

(c) Going Concern

The financial statements have been prepared on a going-concern basis and the accounting policies have been applied consistently throughout the year. They have been prepared on the historical cost basis, adjusted for revaluation of assets.

(d) Presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in Mauritian Rupees, which is the Competition Commission's measurement currency.

(e) Expenses

All expenses have been accounted on an accrual basis.

(f) Revenue recognition

The revenue of the Competition Commission, earned from exchanged and non exchanged transactions, is measured at fair value of the consideration received or receivable.

Revenue from Non-Exchange Transaction

Revenue comprises mainly Non-Exchange transactions, which consists primarily of government grants and 'Merger Fees' from the COMESA Competition Commission (CCC). Both are recognised to the extent that it is probable that economic benefits will flow to the organisation and the revenue can be reliably measured.

Grants received to meet recurrent expenditure and to finance capital expenditure are recognised in the Statement of Financial Performance in the year received.

The COMESA Merger Fees are granted for the purpose of developing and strengthening of the competition law and for capacity building as set in its rules. The fund received is recognised in the COMESA Reserve in the Statement of Financial Position and is amortised in the Statement of Performance when used for the purposes intended.

(g) Accounts receivable

Accounts receivable are stated at their nominal value, reduced by appropriate allowances for estimated irrecoverable amounts.

(h) Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at fair value. For the purposes of the cash flow statements, cash and cash equivalents comprise cash in hand and bank balances.

(i) Foreign currency transactions

Transactions in foreign currencies are translated to Mauritian Rupees at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date and gains or losses on translation are recognised in the Statement of Financial Performance.

Competition Commission

Notes to the Financial Statements

for the year ended 30 June 2022

2. Accounting policies (cont'd)

(j) Accounts payable

Accounts payable are stated at their fair value.

(k) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any identified impairment loss. Cost includes expenditures that are directly attributable to the acquisition of the assets.

(i) Depreciation policy

Depreciation is calculated to write off the cost of the property, plant and equipment in the Statement of Financial Performance. Depreciation is calculated as from the date of acquisition on a straight line basis and over the expected useful lives of the assets as provided below.

Furniture and fittings	10 - 20 years
Office equipment	8 - 15 years
IT equipment	4 - 10 years
Motor vehicles	8 years

(ii) Disposal

The gains or losses arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Financial Performance.

(iii) Capitalisation policy

Property, plant and equipment costing Rs 6,000 and less is expensed in the Statement of Financial Performance.

(l) Intangible assets

IT Software costs are recognised as intangible assets and amortized in the Statement of Financial Performance using the straightline method over their useful lives, not exceeding a period of 10 years.

(m) Revaluation

Assets are revalued internally and is recognised provided the change in the value of a class of assets exceeds 10%. Increase in carrying amount of a class of assets is credited directly to revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same class of assets previously recognised in surplus or deficit.

If the carrying amount of a class of assets is decreased, the decrease is recognised in surplus or deficit. However the decrease is directly debited to revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that class of assets.

On retirement or disposal of a revalued asset, the whole revaluation surplus in respect of that asset is transferred directly to the General Fund.

Items costing Rs 6,000 or less that were capitalised in the past, as well as those to be disposed are not subject to revaluation.

Competition Commission

Notes to the Financial Statements

for the year ended 30 June 2022

2. Accounting policies (cont'd)

(n) Impairment

At each reporting date, the Competition Commission reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Financial Performance, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount so that the increase in carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Financial Performance, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(o) Lease

The Competition Commission has a lease agreement for the occupation of the 10th floor at Hennessy Court for office purposes.

(p) Employee disclosure

As at 30 June 2022, the Competition Commission had 22 employees: 21 were employed on a permanent and pensionable basis with 4 on probation, and 1 was employed on contractual basis.

(q) Employee benefits

As per provisions made under the Statutory Bodies Pension Funds Act, the Competition Commission is a pensionable office. It operates both a defined benefit scheme and a defined contribution scheme. The schemes are partly funded by the Competition Commission (12%) and the employees (6%). Its assets are managed by the State Insurance Company of Mauritius Ltd.

(i) Retirement benefits under defined benefit pension scheme

Under the defined benefit scheme, the cost of providing the benefit is determined in accordance with actuarial review.

The present value of defined benefit obligations is recognised in the Statement of Financial Position as a non-current liability or non-current asset after adjusting for fair value of plan assets.

Service Cost, net interest expense/revenue, fund expenses are recognised in the Statement of Financial Performance. Remeasurement are recognised in Statement of Changes in Net Asset/Equity.

(ii) Retirement benefits under defined contribution pension scheme

A defined contribution pension scheme has been set up for new entrants as from 1 January 2013, following amendments to the Statutory Bodies Pension Funds Act 1978. Contributions to the scheme by the Competition Commission are charged to the Statement of Financial Performance in the period to which it relates.

Competition Commission Notes to the Financial Statements

for the year ended 30 June 2022

2. Accounting policies (cont'd)

(q) Employee benefits (cont'd)

(iii) Family protection scheme

For employees holding a permanent and pensionable post, a Family Protection Scheme has been set up and managed by SICOM Ltd; the Competition Commission and employees each contribute 2% to the scheme.

(iv) State Pension Plan

Contributions made into the Contribution Sociale Généralisée (CSG) on behalf of employees are expensed in the statement of financial performance in the period in which they fall due.

(v) Employee leave entitlement

Employees are entitled to refundable annual and/or sick leave as may be defined in their respective terms and conditions of employment. Any balance of accumulated refundable annual/sick leaves is valued at the end of the financial year and is recognised in the Statement of Financial Position.

A provision is also made in respect of accumulated vacation leaves at the end of the financial year in the Financial Statements.

(vi) Staff loans

Members of staff are entitled to car and soft loans.

- Car loans are provided in line with conditions stipulated in the Human Resources Manual of the Competition Commission and are funded by the Accountant General. Outstanding capital on car loan due by staff are disclosed into the accounts as an asset, and as a liability since the onus of ensuring reimbursement to the Accountant General is transferred to the Competition Commission.

- Soft loan is a new loan scheme that has been introduced in 2019/2020 as part of the welfare scheme to staff, whereby the latter is entitled up to four months' salary as soft loan, refundable within 24 months.

(r) Provisions

Provisions are recognised when the Competition Commission has a present obligation as a result of past events, and it is probable that it will be required to settle that obligation. Provisions are measured at Competition Commission best estimate of the expenditure required to settle the obligation at the Statement of Financial Position date, and are discounted to present value where the effect is material.

(s) Contingent Liabilities

As at 30 June 2022, an overall amount of Rs 1 million had been approved by the Commission for the settlement of fees for our legal representatives and any possible damages relating to the outcome of the case lodged against the former Executive Director of the Competition Commission, Dr. Sean Ennis, during the performance of his duty. As at the date of reporting, an amount of Rs 537,697 had been paid as fees to our legal representative and there are no other pending financial obligations.

(t) Related parties

Parties are considered to be related to the Competition Commission if they have the ability, directly or indirectly, to exercise significant influence over its financial and operating decisions-making process.

Transactions undertaken with related parties, if any, were carried at commercial terms and conditions.

Competition Commission

Notes to the Financial Statements

for the year ended 30 June 2022

2. Accounting policies (cont'd)

(u) Risk management policies

Risk management is considered essential by the Competition Commission to ensure achievement of its objectives. A proper risk management system enables organisations to proactively identify potential risks and apply well-defined strategies to avoid or mitigate exposure to risks. The institution adopts a conservative approach to risk management. A description of the significant risk factors are given below together with any relevant risk management policies:

(i) Financial Risk

The Competition Commission is not much exposed to financial risks. It does not use any derivative financial instruments to hedge risk exposures. It is not exposed to credit risk, currency risk and interest rate risk.

(ii) Operational risk management

Operational risk is a risk of direct and indirect loss resulting from inadequate or failed internal controls, operational processes or the system that supports them, or external events. It is recognised that such risks can never be entirely eliminated but the Competition Commission recognises its duty to ensure that operational risk is well mitigated and properly managed.

(iii) Legal risk

Legal risk is the risk that the business activities of the Competition Commission have unintended or unexpected legal consequences. It includes risks arising from :

- inadequate documentation, legal or regulatory incapacity, insufficient authority of a counterparty and uncertainty about the validity or enforceability of a contract in counterparty insolvency;

- actual or potential violations of law or regulation (including activities unauthorised for the Competition Commission and which may attract a civil or criminal fine or penalty);

- the possibility of civil claims (including acts or other events which may lead to litigation or other disputes);

The institution identifies and manages such risks through its internal legal team, the support of an external lawyer as and when required, and the State Law Office.

3. Accounting estimates and judgements in applying accounting policies.

The preparation of financial statements in conformity with IPSAS requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Competition Commission

Notes to the Financial Statements

for the year ended 30 June 2022

4. Cash and cash equivalents

	Year ended 30 Jun 2022 Rs.	Year ended 30 Jun 2021 Rs.
Cash at bank	47,513,364	6,076,896
Cash in hand	-	17,561
Petty cash balance	15,000	8,121
	47,528,364	6,102,578

No interest is earned on bank deposits; the fair value of cash is Rs47,528,364 (2020: Rs6,102,578).

5. Staff car loan, via Accountant General

	Year ended 30 Jun 2022 Rs.	Year ended 30 Jun 2021 Rs.
Opening balance	317,882	1,815,044
Loan granted to staff, via the Accountant General	840,000	-
Loan refunded by staff and consequently to the Accountant General	(397,881)	(1,497,162)
Closing balance	760,001	317,882
<i>Analysed as follows:</i>	-	-
Short-Term - Receivable/Payable within one year	120,001	317,882
Long-Term - Receivable/Payable after one year	640,000	-
	760,001	317,882

6. Staff soft loan

	Year ended 30 Jun 2022 Rs.	Year ended 30 Jun 2021 Rs.
Opening balance	138,189	453,056
Amount granted	1,347,810	-
Amount refunded	(573,262)	(314,867)
Closing balance	912,737	138,189
<i>Analysed as follows:</i>	-	-
Short-Term - Receivable within one year	702,912	138,189
Long-Term - Receivable after one year	209,825	-
	912,737	138,189

Competition Commission

Notes to the Financial Statements

for the year ended 30 June 2022

7. Property, plant and equipment	Furniture & fittings Rs.	Office equipment Rs.	IT equipment Rs.	Motor vehicles Rs.	Total Rs.
Cost					
At 01 July 2021	2,242,217	1,660,218	2,918,474	5,470,150	12,291,059
Additions	-	9,375	1,863,174	-	1,872,549
Disposal	-	(10,000)	-	-	(10,000)
At 30 June 2022	2,242,217	1,659,593	4,781,648	5,470,150	14,153,608
Depreciation					
At 01 July 2021	1,573,728	1,061,277	2,109,920	2,321,024	7,065,949
Charge for the year	130,935	85,601	399,894	683,769	1,300,199
Disposal	-	(8,181)	-	-	(8,181)
At 30 June 2022	1,704,663	1,138,698	2,509,814	3,004,793	8,357,968
Net book value					
At 30 June 2021	668,489	598,941	808,554	3,149,126	5,225,110
At 30 June 2022	537,554	520,895	2,271,834	2,465,357	5,795,640

Note: The Competition Commission is of the opinion that the net book value of the property, plant and equipment approximates its fair value.

Competition Commission

Notes to the Financial Statements

for the year ended 30 June 2022

8. Intangible assets

Cost

At 01 July 2021	143,561
Additions	184,000
Disposal	-
At 30 June 2022	327,561

Amortisation

At 01 July 2021	129,205
Charge for the year	23,351
Disposal	-
At 30 June 2022	152,556

Net book value

At 01 July 2021	14,356
At 30 June 2022	175,005

IT Software Rs.

9. Trade and other payables

	Year ended 30 Jun 2022 Rs.	Year ended 30 Jun 2021 Rs.
Trade creditors	298,692	91,534
Accruals	1,072,073	16,000
	1,370,765	107,534

10. Employee Benefits Obligation

	Year ended 30 Jun 2021 Rs.	Year ended 30 Jun 2020 Rs.
Current liabilities - Payable within one year		
Provision for gratuity	123,241	123,043
Provision for passage benefits	1,382,065	1,786,731
Provision for refundable leaves (<i>see below</i>)	2,203,081	1,470,250
	3,708,387	3,380,024
Refundable leaves payable:		
Current liabilities - Payable within one year	2,203,081	1,470,250
Non-current liabilities - Payable after one year	10,202,356	10,530,884
	12,405,437	12,001,134

In view of the uncertainty on the timing of disbursement, the provision made in respect of passage benefits is treated as payable within one year, as payment must be effected anytime upon request from employees in line with their terms and conditions of employment.

Competition Commission

Notes to the Financial Statements

for the year ended 30 June 2022

11. Retirement benefit obligations

(a) Defined Benefit Pension Plan

The Competition Commission operates a defined benefit pension scheme for qualifying employees which is held and administered independently by SICOM Ltd. Under the scheme, the employees are entitled to retirement benefits at 66.6 per cent of their final salary on attainment of retirement age. The schemes are funded schemes.

The most recent actuarial valuations of the plan assets and the present value of the defined benefit obligation were carried out at 30 June 2022 by SICOM Ltd.

Amounts recognised in statement of financial position at the end of the period	Year ended 30 Jun 2022 Rs.	Year ended 30 Jun 2021 Rs.
Present value of funded obligation	37,113,440	35,268,584
Fair value of plan assets	(22,044,329)	(21,217,196)
Liability recognised in statement of financial position at end of year	15,069,111	14,051,388

Amounts recognised in statement of comprehensive income:

Service Cost:

Current service cost	1,648,803	1,785,045
(Employee contributions)	(623,927)	(655,078)
Fund expenses	76,704	78,652
Net Interest expense/(revenue)	680,118	416,882
P&L Charge	1,781,698	1,625,501

Remeasurement

Liability (gain)/loss	(670,351)	2,396,352
Assets (gain)/loss	1,154,229	(574,348)
Net Assets/Equity (NAE)	483,878	1,822,004
Total	2,265,576	3,447,505

Movement in liability recognised in statement of financial position:

At start of year	14,051,388	11,914,038
Amount recognised in P&L	1,781,698	1,625,501
(Contributions paid by employer)	(1,247,853)	(1,310,155)
Amount recognised in NAE	483,878	1,822,004
At end of year	15,069,111	14,051,388

The plan is a defined benefit arrangement for the employees and it is a funded plan. The assets of the funded plan are held independently and administered by the State Insurance Company of Mauritius Ltd.

Competition Commission

Notes to the Financial Statements

for the year ended 30 June 2022

11. Retirement benefit obligations (Cont'd)

(a) Defined Benefit Pension Plan (Cont'd)

Reconciliation of the present value of defined benefit obligation

	Year ended 30 Jun 2022 Rs.	Year ended 30 Jun 2021 Rs.
Present value of obligation at start of year	35,268,584	29,378,487
Current service cost	1,648,803	1,785,045
Interest cost	1,763,429	1,145,761
(Benefits paid)	(897,025)	562,939
Liability (gain)/loss	(670,351)	2,396,352
Present value of obligation at end of year	37,113,440	35,268,584

Reconciliation of fair value of plan assets

Fair value of plan assets at start of year	21,217,196	17,464,449
Expected return on plan assets	1,083,311	728,879
Employer contributions	1,247,853	1,310,155
Employee contributions	623,927	655,078
(Benefits paid + other outgo)	(973,729)	484,287
Asset (loss) / gain	(1,154,229)	574,348
Fair value of plan assets at end of year	22,044,329	21,217,196

Distribution of plan assets at end of year

	Jun-22	Jun-21
Percentage of assets at end of year		
Government securities and cash	58.00%	54.80%
Loans	2.90%	2.80%
Local equities	13.60%	11.80%
Overseas bonds and equities	25.00%	30.10%
Property	0.50%	0.50%
Total	100.00%	100.00%

Additional disclosure on assets issued or used by the reporting entity

	Jun-22	Jun-21
Percentage of assets at end of year		
Assets held in the entity's own financial instruments	0.00%	0.00%
Property occupied by the entity	0.00%	0.00%
Other assets used by the entity	0.00%	0.00%

Components of the amount recognised in NAE

	Jun-22	Jun-21
Asset experience gain/(loss) during the year	(1,154,229)	574,348
Liability experience gain/ (loss) during the year	670,351	(2,396,352)
	(483,878)	(1,822,004)

Expected employer contributions for year ending 30 June 2023: **Rs 1,286,339**

The weighted average duration of the defined benefit obligation is 24 years

(Calculated as a % change in PV of liabilities for a 1% change in discount rate)

Competition Commission

Notes to the Financial Statements

for the year ended 30 June 2022

11. Retirement benefit obligations (Cont'd)

(a) Defined Benefit Pension Plan (Cont'd)

The plan is exposed to actuarial risks such as : investment risk, interest rate risk, longevity risk and salary risk. The risk relating to death in service benefits is re-insured.

The cost of providing the benefits is determined using the Projected Unit Method. The principal assumptions used for the purpose of the actuarial valuation were as follows:

	Year ended 30 Jun 2022 Rs.	Year ended 30 Jun 2021 Rs.
Discount rate	5.50%	5.00%
Future salary increases	3.50%	3.00%
Future pension increases	2.50%	2.00%
Mortality before retirement	Nil	A 6770 Ultimate Tables
Mortality in retirement	PA (90) Tables (Rated down by 2 years)	
Retirement age	65 Years	

The discount rate is determined by reference to market yields on bonds.

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based reasonably on possible changes of the assumptions occurring at the end of the reporting period.

- If the discount rate would be 100 basis points (one percent) higher (lower), the defined benefit obligation would decrease by Rs 7.6 million (increase by Rs 10.2 million) if all other assumptions were held unchanged.
- If the expected salary growth would increase (decrease) by 1%, the defined benefit obligation would increase by Rs 5.7 million (decrease by Rs 4.7 million) if all assumptions were held unchanged.
- If life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by Rs 0.8 million (decrease by Rs 0.8 million) if all assumptions were held unchanged.

In reality one might expect interrelationships between the assumptions, especially between discount rate and expected salary increases, given that both depends to a certain extent on expected inflation rates. The analysis above abstracts from these interdependence between the assumptions.

(b) Defined Contribution Pension Plan

The contribution of the Competition Commission to the defined contribution pension scheme for the year ended 30 June 2022 is Rs 371,055.33 (Rs 359,903.79 for year ended 30 June 2021).

Competition Commission

Notes to the Financial Statements

for the year ended 30 June 2022

12. COMESA Reserve

	Year ended 30 Jun 2022 Rs.	Year ended 30 Jun 2021 Rs.
Opening balance	15,443,000	15,800,911
COMESA Fees refunded from the Government	20,993,000	
Receiveables for the year	25,722,043	12,125,415
COMESA Funded projects for the year	(6,465,214)	(12,483,326)
Closing balance	55,692,829	15,443,000

The COMESA Reserve comprises of funds received from the COMESA, granted strictly for the purpose of developing and strengthening of the competition law and for capacity building as set in its rules.

As at 30 June 2021, due to the severe cut in Government Grant in FYs 2019/2020 and 2020/2021, an amount of Rs 20,993,000 were used from the COMESA Reserve to meet operational expenses. In FY2021/2022, the overall amount was refunded by the Government.

During FY2022/2023, an amount of equivalent to some Rs 16.12 million (USD 365,365) relating to period FY2021/2022 were received from COMESA and treated as receivables.

13. Staff cost

	Year ended 30 Jun 2022 Rs.	Year ended 30 Jun 2021 Rs.
Salary	17,366,095	18,102,097
Allowances	1,722,797	2,006,789
End of Year Bonus	1,444,275	1,447,229
Travelling	1,948,780	1,998,207
Pension	4,104,547	3,655,406
Gratuities	494,519	493,520
Passage benefits	737,558	770,357
Refund of leaves	1,632,921	1,814,403
Staff Insurance Schemes	447,011	445,252
Staff Welfare	201,815	140,780
Duty Free to Staff	193,700	-
Stipend to Trainees	59,107	30,167
	30,353,125	30,904,207

The decrease in staff cost is due mainly to vacancies during the year, while the increase in pension is due to the movement in the defined benefit pension scheme.

Competition Commission

Notes to the Financial Statements

for the year ended 30 June 2022

14. Rent and utilities

	Year ended 30 Jun 2022 Rs.	Year ended 30 Jun 2021 Rs.
Electricity	310,870	314,090
Telephone	399,371	313,034
Office Rent	2,759,892	2,759,892
Parking facilities	260,553	243,690
	3,730,686	3,630,706

15. Other operating expenses

	Year ended 30 Jun 2022 Rs.	Year ended 30 Jun 2021 Rs.
Advertising	272,954	139,380
Fuel and motor vehicle expenses	252,414	218,448
Office repairs and maintenance	182,207	118,292
Cleaning services	248,534	233,455
Insurance	10,214	9,208
Stationeries and consumables	286,793	284,114
Books, Periodicals and Publications	54,349	50,306
Postage	34,294	35,046
Bank charges	41,546	31,917
Other office expenses	134,095	184,869
IT Expenses	474,289	502,307
	1,991,688	1,807,342

The increase in advertising cost is due to notice for vacancies, while that of office repairs and maintenance is due to repairs on the heavy duty printer/photocopier/scanner.

16. Operating lease

The future minimum lease payments under the operating lease agreement for the occupation of floor spaces at Hennessy Court for office purposes are as follows:

	Year ended 30 Jun 2022 Rs.	Year ended 30 Jun 2021 Rs.
Payable within one year	689,973	2,759,892
Payable after one year	-	689,973
	689,973	3,449,865

Competition Commission

Notes to the Financial Statements

for the year ended 30 June 2022

17. Related party transactions

Key management personnel

Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Commission.

Year ended 30 Jun 2022 Rs.	Year ended 30 Jun 2021 Rs.
----------------------------------	----------------------------------

Total emoluments and benefits of key management personnel

9,285,002	8,939,266
-----------	-----------

Other Fringe Benefits

The Executive Director also benefitted from the exclusive use of an official car provided by the Competition Commission in January 2018.

18. Statement Showing Reasons for Variances between Original and Revised Budget for year ended 30 June 2022

	Original Budget Rs.	Revised Budget Rs.	Difference Rs.	Explanation on differences
Revenue	67,075,000	67,075,000	-	
Expenditures				
Staff cost	31,614,000	30,859,000	(755,000)	Funds reallocated
Commissioners' fees	4,445,000	4,770,000	325,000	Amount revised to cater for payment of arrears following revision in fees with the issue of the PRB Report 2021
Training and Sponsorship	1,300,000	1,150,000	(150,000)	Funds reallocated
Public education and information programme	500,000	500,000	-	
Overseas visits	1,075,000	1,225,000	150,000	Amount revised to cater for increase in overseas training
Professional fees	17,435,000	17,435,000	-	
Rent and utilities	3,646,000	3,726,000	80,000	Amount revised to cater for increase in telephone cost following upgrade to internet capacity
Other operating expenses	1,660,000	2,010,000	350,000	Amount revised to cater for increase in advertising cost, and repairs and maintenance
Capital expenditures	5,400,000	5,400,000	-	
	67,075,000	67,075,000	-	

Competition Commission

Notes to the Financial Statements

for the year ended 30 June 2022

19. Statement Showing Reasons for Variances between Revised Budget and Actual Amount for year ended 30 June 2022

	Revised Budget Rs.	Actual Amount Rs.	Difference Rs.	Explanation on differences
Revenue	67,075,000	86,516,865	(19,441,865)	Higher revenue amount relates to COMESA Fees received and is treated as deferred income
Expenditures				
Staff cost	30,859,000	29,633,239	1,225,761	Surplus is due to vacancies
Commissioners' fees	4,770,000	4,766,878	3,122	
Training and Sponsorship	1,150,000	728,637	421,363	Lesser paid training conducted
Public education and information programme	500,000	109,250	390,750	Advocacy activities were less costly and mostly done on a 1-to-1 basis with different stakeholders
Overseas visits	1,225,000	1,200,947	24,053	
Professional fees	17,435,000	2,523,049	14,911,951	Provision made for consultancy activities, including the law review, and for legal fees on court cases have not been spent yet
Rent and utilities	3,726,000	3,723,904	2,096	
Other operating expenses	2,010,000	2,004,857	5,143	
Capital expenditures	5,400,000	1,959,259	3,440,741	Implementation of the Case Management System is still in progress and other IT tools were less costly
	67,075,000	46,650,020	20,424,980	

Competition Commission

Notes to the Financial Statements

for the year ended 30 June 2022

20. Statement Showing Reconciliation of Actual Amounts spent with Financial Statements for year ended 30 June 2022

Rs.

Actual Amount spent as per Statement of Comparison of Budgets and Actual Amounts

Capital Expenditure

46,650,020

(1,959,259)

44,690,761

Non-cash Items:

Increase/(decrease) in provision for employee benefits

533,681

Depreciation and amortised expenses

1,323,551

Loss on disposal of fixed assets

1,819

1,859,052

Accounting Adjustments:

Opening and closing accruals

4,660

Opening and closing prepayment

(119,176)

Opening and closing receivables

(293)

Creditors

214,934

100,124




Expenditure as per Statement of Financial Performance

46,649,937



COMPETITION COMMISSION

10th Floor, Hennessy Court, Pope Hennessy Street
Port Louis 11404

 (230) 211 2005,  (230) 211 3107,  5 255 4759

 info@competitioncommission.mu

 www.competitioncommission.mu