

ANNUAL REPORT
2022-2023

PROMOTING COMPETITION
PROMOTING

Growth



competition
commission

shaping markets, furthering progress



CONTENTS

CHAIRPERSON'S FOREWORD	3
EXECUTIVE DIRECTOR'S MESSAGE	5
CORPORATE GOVERNANCE	7
OPERATIONAL REVIEW	16
OUTREACH INITIATIVES	26
COOPERATION	29
HUMAN ASSET MANAGEMENT	32
STRATEGIC DIRECTIONS	37
FINANCIAL STATEMENTS	40





Our Mission

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

Our Vision

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

Chairperson's Foreword



On behalf of the Commission, it gives me pleasure to present to you the Competition Commission's Annual Report for the financial year 2022 - 2023. Much ground has been covered over the past year in addressing market impediments with the aim of creating opportunities for consumers and businesses.

Over the last two years, the world has known profound changes linked to the Covid-19 pandemic and the Russo-Ukrainian geopolitical conflict. And so has our economy. Our rules-based economic order is shifting to one that is less stable and less predictable. All these changes have deep implications; creating new risks but also openings where competition policy has a significant role in mitigating the negative effects of economic transitions, while maximising the potential for reaping the benefits thereof.

Despite these transformative events, competition enforcement has continued unabated across the board. We remained guided by our compliance and enforcement priorities, securing significant outcomes that sent a strong deterrence message. The Commission adopted six decisions for the financial year 2022 - 2023. Three of these decisions pertained to cartel cases in the markets for supply of fertilizers, deer/venison, and media space and related services. The remaining decisions dealt with a merger in the betting sector and two cases of abuse of monopoly in the market for the supply of commercial space and of original equipment parts for Hyundai-make motor vehicles, respectively.

On the anti-cartel front, the Commission found that five producers of deer in Mauritius have breached section 41 of the Competition Act 2007 (the Act) by agreeing to fix the price at which they supply deer/venison to a meat processor in Mauritius and imposed fines totaling Rs 1.4million on the infringing producers of deer/venison. The Commission has also imposed directions on three enterprises involved in the supply of media space for having participated in collusive agreements. The breach in this case concerned the agreement reached by the main parties in respect of a company which they own jointly, and which operates as a media buying company, that is, an agency specialised in negotiating and buying media space from media owners, which it then resells to advertising agencies or to client advertisers for purposes of disseminating advertising contents. In the cartel case involving the supply of fertilizers, after leniency, the Commission imposed reduced financial penalties of Rs 5.4 million on MCFI (now Ingenia), one of the parties under investigation, for breaching the cartel prohibitions of the Act. In relation to the other party under investigation, United Investments Ltd (UIL), the Commission issued a separate decision where it considered its overriding principle that a party must be afforded a fair hearing within a reasonable time. As an adjudicative organ, the Commission also considered its duty to uphold the principles of natural justice, ensure fairness between parties, protect the integrity of its proceedings in all matters that come before it and in so doing, to ensure public confidence in its administration of justice. In this regard, the Commission granted, through a majority

decision, a stay of proceedings as four years had elapsed since UIL made a request for a substantive hearing, seeking disclosure for the purposes of raising its substantive defenses during the hearing, neither of which had occurred as of date of the hearing. The Commission put emphasis on the principles of natural justice in as much as its exercise of powers and passing of the orders under the Act cannot be arbitrary. It must be in consonance with the principles of natural justice, our rules of procedure and the procedure evolved before the Commission. Natural justice has three indispensable facets, that is, grant of notice and hearing and passing of reasoned orders/decisions – all of which are procedural requirements that have to be met. Parties are required to be heard, appropriate directions are to be issued, the orders are required to be passed upon due application of mind and for valid reasons. The Commission is alive to the fact that its work attracts public scrutiny and makes it a priority to inspire public confidence and trust by enforcing the Act and performing its duties without fear, favour, or prejudice.

The Commission also dealt with a merger case whereby it made legally binding the undertakings offered by the majority shareholder of SMS Pariaz Ltd on the acquisitions of Peerless Ltd, J.S. Henry Co Ltd, Peak Pools Ltd and K. Chai Hai Limited, thus addressing competition concerns related to the pool betting sector, sweepstake market and fixed-odds football betting market. The Commission considered that the set of structural and behavioural measures which include the divestment of shares in J.S. Henry Co Ltd to an independent purchaser, as well as periodic reporting on the status of the implementation of the divestment to the Competition Commission, satisfactorily addressed all the concerns which it had regarding any possible substantial lessening of competition intervening within the identified markets from the transaction.

The Commission also looked into an abuse of monopoly case following an investigation launched into a restrictive clause allegedly imposed by Ascencia Ltd on tenants of Bagatelle Mall of Mauritius. The 5-km radius 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. As a result, the tenants of Bagatelle Mall could not open outlets in competing malls within the said parameters, which in turn allowed Bagatelle Mall to maintain exclusiveness of its tenant mix, likely affecting the ability of other shopping malls to attract popular retail outlets and compete on level playing field. However, Ascencia Ltd's voluntary offer of undertakings in this matter was viewed to satisfactorily address the competition issues identified whereby the company offered to unconditionally remove the restrictive clause and not subject any existing or new tenants to such conditionality.

The Commission has further accepted undertakings offered by Bamyris Motors Ltd to address a competition

concern in relation to a quotation fee for Hyundai original equipment (OE) spare parts. The competition concern emanates from an allegation according to which Bamyris Motors Ltd was imposing a quotation fee of Rs 2,000 to provide its price list for Hyundai-make OE spare parts. Such conduct could distort competition by raising the costs of private garages and thus impeding their ability to compete effectively in the aftermarket of repairs and maintenance. Vehicle owners would be impacted as they would be paying more for the repairs. To address the competition issue identified, Bamyris Motors Ltd offered not to impose such a quotation fee and to inform its clients through a notice on its website. Pursuant to section 63 of the Act, the Commission considered that the undertakings submitted by Bamyris Motors Ltd satisfactorily addressed the competition concerns identified.

The cooperation framework, as envisaged under the Act, enables the Commission to resolve cases efficiently and effectively while cooperating parties are given the opportunity to own up to their wrongdoings and have the case settled short of having to go through protracted litigation. Therefore, the Commission welcomes genuine and effective cooperation from parties, which assists in effectively addressing competition issues, expediting resolution of matters before the Commission, and allowing resources to be directed at other cases involving anticompetitive conducts thereby requiring attention. The cooperative stance of the parties in the cases above has indeed helped the Commission to expedite proceedings and ensure the delivery of effective remedies to address the competitive harm resulting from problematic transactions and conducts.

In conclusion, I would like to register my deep appreciation to the Commission's investigative arm led by the Executive Director for their unremitting diligence and dedication in fulfilling a core function of our institution, and to my fellow Commission members for their wise counsel over the past year. I take this opportunity to extend a warm welcome to Commissioner Mr. Michael Lennon who assumed office in October last and whose professional experience will bring much value to our Commission.

Me Mahmad Aleem Bocus
Chairperson

Executive Director's Message



It is with great pleasure that I pen down these words to present the Competition Commission's Annual Report for the financial year 2022-2023. This financial year has particularly been challenging; not only for the Commission as the competition law enforcer but also for the various economic operators and consumers at large.

While economies across the globe were still recovering from and adapting to the COVID-19 pandemic, we started facing new challenges such as the Russia-Ukraine geopolitics conflict and adverse climatic conditions. These external shocks led to further distortions in global supply chains, especially for essential food commodities and adversely impacted on consumers' purchasing power due to of commodity price hikes and shortages of supply in certain cases. Under these conditions, the Competition Commission had to be even more vigilant in screening and addressing potential anti-competitive practices to prevent further harm to consumer welfare.

To this end, the Competition Commission has handled a number of cases during the financial year 2022-2023. It concluded 22 enquiries in different sectors of the economy, namely, custom brokerage, insurance, entertainment, construction, pharmaceutical, agriculture, gambling, retail, petroleum, among others. It also completed two investigations during the period under review, namely an alleged abuse of monopoly case involving the supply of automobile spare parts

and a case of suspected collusion in the supply of media space; and launched five investigations into sectors covering financial services, agro-industry, petroleum products, and public procurement. In addition, the Competition Commission reviewed 28 mergers affecting the Common Market for Eastern and Southern Africa (COMESA). The COMESA Competition Commission solicited our views on those mergers notified to them with a regional dimension.

The Competition Commission was also proactive in screening markets to identify potential anticompetitive conducts and continued with competition advocacy. In this regard, the Commission pursued its collaboration with public bodies for detecting potential collusions in public procurement. Dedicated sessions were organised for officers of the Public Procurement Office, Central Procurement Board, and the Independent Review Panel to empower them with necessary knowledge and tools to detect and report suspected bid rigging cases. It also reached out to the Rodrigues Regional Assembly to deliver interactive sessions on competition law enforcement, with emphasis on bid rigging. For the business community, a webinar was conducted to sensitise them on the importance of competition law compliance and the need and ways to report potential anti-competitive practice that may be creating artificial barriers to competition.

In the financial year 2022-2023, the Competition Commission started monitoring prices of essential

products, as part of its mandate to keep markets under constant review. Assessment of the extent and analysis of the causes of price increases for key essential food items were carried out. In this regard, the Competition Commission benchmarked local prices with international comparators and assessed potential cost drivers behind those increases. This exercise was intended to inform enforcement actions and provide information which authorities may use to take necessary actions under their mandate. The scope of food price monitoring exercise has been extended to cover other non-food items such as construction materials.

The Competition Commission also reinforced its cooperation with sector regulators by signing a Memorandum of Understanding (MoU) with the Independent Broadcasting Authority. Through this MoU, the Competition Commission is now in better position to enforce competition law in a more effective manner in the audiovisual sector. The Competition Commission intends to sign similar cooperation agreements with other public institutions to consolidate its existing working relationships with sector regulators to effectively enforce competition law in the different economic spheres.

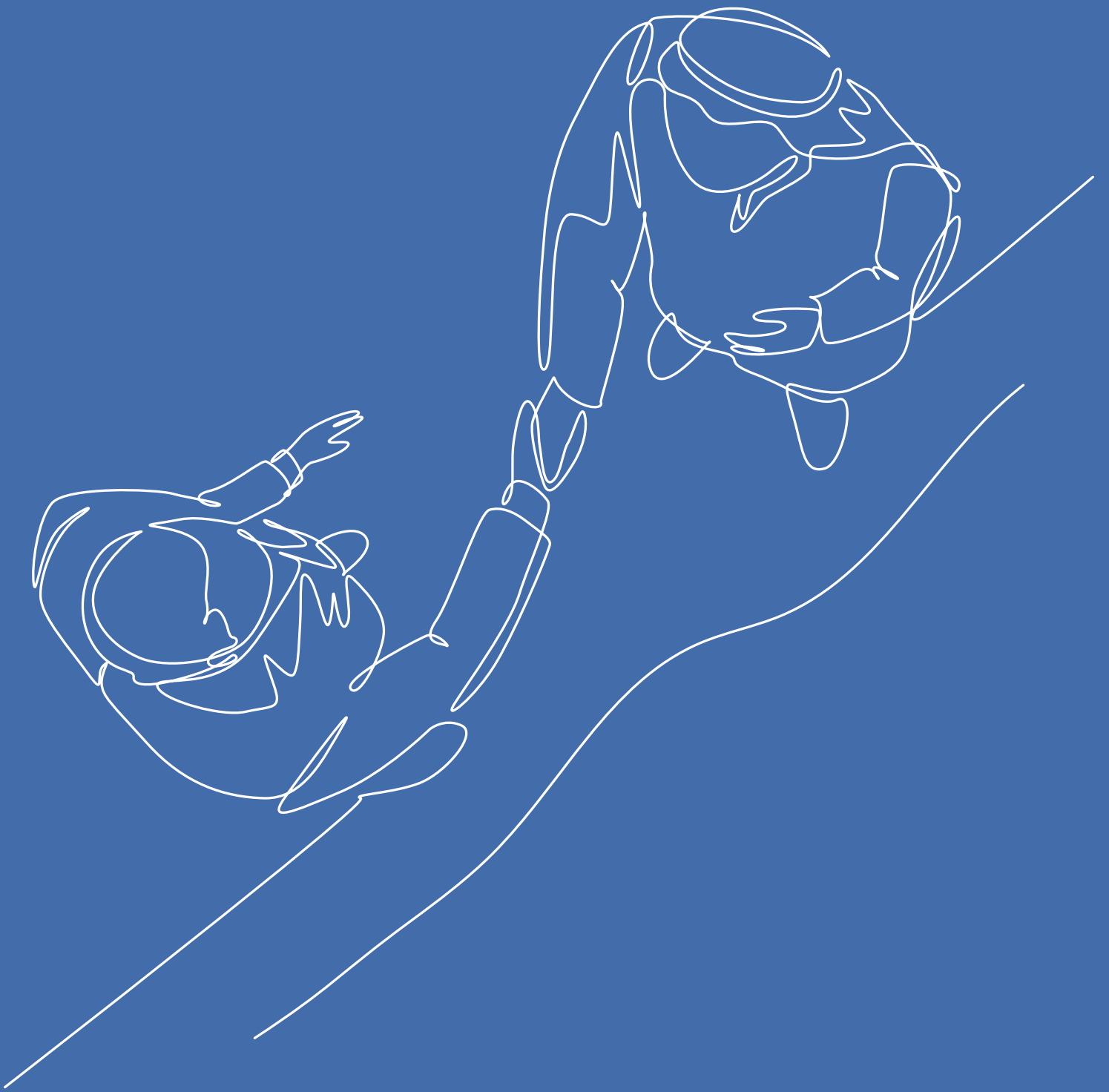
Recognising the importance of sharing experience with peers for mutual enforcement capacity development, the Competition Commission welcomed a delegation from the Nigerian competition authority (the Federal Competition and Consumer Protection Commission). A full day working session was organised on 19 March 2023 to exchange enforcement experience, with particular focus on merger control. In the same vein, a 3-day study tour was conducted to the Competition

Commission of India (CCI) in June 2023. The main objective of this study tour was to benchmark our enforcement process and learn from best practices and experience of the CCI. The Competition Commission has an MoU with the CCI which promotes such experience sharing exchanges. It also facilitates cooperation between the two agencies for effective enforcement of their competition laws.

On a concluding note, I would like to highlight that this financial year has been marked by the setting up and operationalisation of a dedicated department for market studies and advocacy. This new department will focus on identifying potential market failures and propose recommendations for addressing same. It will also support the enforcement team in terms of market research and competition advocacy. I am confident that the new organisational set up will bring greater efficiency in the fight against anticompetitive business practices, thus contributing to consumer and overall economic welfare of the Mauritian society.

Deshmuk Kowlessur
Executive Director

Corporate Governance



Corporate Governance

Introduction

The Competition Commission is a statutory body established under the Competition Act 2007 (the Act), operating 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 is mandated to investigate anticompetitive business practices, to issue directions and financial penalties against those found infringing the provisions of the law, to advocate pro-competitive policies and state actions, and to raise 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. A draft Commission charter and corporate objectives statement are currently under consideration at the Competition Commission.

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 by the Executive Director to the Commissioners. 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 Commission and its Committees

The Commissioners meet once monthly whereby they take cognizance of updates on the day-to-day running of the Competition Commission and any strategic decision taken by the Executive Director. They also grant approval for 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 has 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. Formerly, Mr. Bocus has also been 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 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 has also acted in this capacity during Commission meetings held between 12 July 2018 to 24 February 2020. Mr. Mariette joined the Commission on 15 April 2016.



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. Bikhoo joined the Commission on 15 April 2016.



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. Mrs. Dindoyal 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 has 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 has also served as Member of the Central Procurement Board. Mrs. Dindoyal joined the Commission on 20 September 2021.



Mr. Michael Lennon
Commissioner

Mr. Michael Lennon holds a BA Specialisation in Economics and a BA Major in French Literature from Concordia University, Montreal, Canada as well as an MBA from the H.E.C (Hautes Études Commerciales), Montreal, Canada. He has 35 years' experience in the private sector and is currently the Managing Director of Meubles X-Pert Ltee, a company involved in interior design and project management. Prior to that, Mr. Lennon has occupied several senior positions, such as General Manager at Coromad S.A, a textile factory in Madagascar and as Chief Operating Officer at Pharmacie Nouvelle Ltd. Mr. Lennon assumed office as Commissioner of the Competition Commission on 19 October 2022.

• Sub Committees

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

The Audit and Risk Committee

The Audit & Risk Committee is chaired by Mr. Alberto Mariette, Vice-Chairperson and is assisted by Commissioners Mrs. Vedwantee Bikhoo and Mrs. Sharda Dindoyal. This Committee meets on a quarterly basis and has met four 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 2021/2022; ensured that comments made in the management letter by the National Audit Office are addressed and approved the budget estimate of the Competition Commission for the year 2023/2024.

The Corporate Governance Committee

The Corporate Governance Committee is chaired by Mrs. Sharda Dindoyal since 30 March 2022. Other members of the committee are Mr. Alberto Mariette (for the period 1 July 2022 to 25 May 2023), Mrs. Vedwantee Bikhoo and Mr. Michael Lennon (as from 25 May 2023).

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 Commission;
3. to make recommendations on all corporate governance provisions to be adopted so that the Commission 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 which met three times during the year under review has worked towards the implementation of the recommendations made under the NCCG 2016, including the drafting of the Commission's Charter.

Principle 3 - Director Appointment Procedures

In accordance with the Act, the 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 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 circulated by the Secretary to the Commissioners prior to the meetings 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 fourteen occasions for the year ending 30 June 2023. In addition to attending their statutory meetings, the Commissioners have, during the year under review, also met for purposes of adjudicating on reports submitted to them by the Executive Director, to attend to their roles as members of Audit & Risk Committee and the Corporate Governance Committee, or otherwise in view of deliberating on important matters. The table below shows the attendance of respective Commissioners at statutory Commission meetings for the financial year 2022/2023 (excluding hearings and other meetings convened in the context of their adjudicative function).

COMMISSIONER	MEETINGS ATTENDED	APPOINTMENT DATE	FEES FOR YEAR ENDED 30 JUNE 2023
Mr. Mahmud Aleem Bocus	14	18 February 2020	Rs. 1,434,000.00
Mr. Alberto Mariette	11	15 April 2016	Rs. 1,059,000.00
Mrs. Vedwantee Bikhoo	13	15 April 2016	Rs. 792,600.00
Mrs. Sharda Dindoyal	14	16 September 2021	Rs. 792,600.00
Mr. Michael Lennon	11	17 October 2022	Rs. 556,098.00

The terms and conditions of Commissioners' appointment are determined by the Prime Minister's Office and is 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 to keep abreast of pertinent developments in competition adjudications by foreign authorities. They had opportunities to attend overseas workshops and conferences as well as hearing sessions at other Competition Authorities, such as those 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

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 is aware of the importance of containing and managing these risks.

• 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 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 has neared the end of the process for finalising the set of technical and organisational protection measures that shall comprise its data protection policy.

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 Rs200,000 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 enabling every user to work 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/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 lifestyle. 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.

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 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 the 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 above table and in the notes to the financial statements.

• Relations with key stakeholders

No competition agency seeking 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.

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. Save and except the pending implementation of the Commission's charter and corporate objectives statement, the Commission has, to the best of its knowledge, complied with the Corporate Governance Code for Mauritius throughout the financial year under review.



Mrs. Vedwantee Bikhoo
Member of the Corporate
Governance Committee



Mr. Michael Lennon
Member of the Corporate
Governance Committee

Operational Review



Operational Review

Enquiries

During the period under review, 31 complaints were reported to the Competition Commission and 13 competition issues were generated internally. The matters related to various sectors of the economy, namely custom brokerage, insurance, entertainment, construction, pharmaceutical, agriculture, gambling, retail, petroleum, among others. The assessment of complaints received, and issues generated internally led to the opening of 31 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 2022/2023 to 53. Out of these, 18 enquiries were closed on the basis that no reasonable grounds were found as to the occurrence of potential restrictive business practices; 5 proceeded to market studies/ investigations. The table below provides figures pertaining to enquiries conducted from July 2022 to June 2023, and are split in terms of the different provisions of the law under which they were assessed.

	CARTEL	ABUSE OF MONOPOLY	MERGER REVIEWS	ADVICE	MARKET REVIEWS	Total
Ongoing enquiries as of 1 July 2022	13	3	4	0	2	22
New Enquiries	7	15	6	3	0	31
Enquiries recommending Market Studies/Investigation	3	0	2	0	0	5
Enquiries with no reasonable grounds to further pursue the matter	6	9	3	0	0	18
Ongoing enquiries as of 30 June 2023	11	7	7	3	2	30

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

SECTOR	RESTRICTIVE BUSINESS PRACTICE	ALLEGATION	ASSESSMENT
1) Cashless facilities for optical services	Abuse of dominance	An optical service provider submitted a complaint alleging that there was a likely concerted practice on the part of insurance companies for not including smaller service providers in their network for cashless facilities. This was potentially foreclosing smaller optometry/optical providers.	Upon information gathering and evaluation of the alleged conduct, the matter was closed with no further action given that other smaller service providers as well as the complainant had access to the cashless facilities. There were also objective criteria for onboarding of service providers on the network for cashless facilities.

SECTOR	RESTRICTIVE BUSINESS PRACTICE	ALLEGATION	ASSESSMENT
2) Custom Brokerage Services	Abuse of dominance	<p>Door to Door operators (D2D) were allegedly preventing competition in the custom brokering market:</p> <p>a. by forcing customers to choose their own brokering services through the retention of their parcels;</p> <p>b. by charging higher handling fees for handing over of document for clearance by other operators/custom brokers</p> <p>c. by charging higher clearing fee than other individual brokers for the same services</p>	<p>Based on information gathered, no competition concern was identified. The matter was closed with no further action taking into consideration that:</p> <p>a. There was a due process, upon arrival of the parcels of the customers, that was followed by the D2D operators depending on the applicable incoterms and service agreements. The customers were also notified of the arrival of the parcels.</p> <p>b. The handling fees were actually much lower than what was alleged and also entailed justified costs that were incurred during the different processes.</p> <p>c. There were objective justifications for the clearing fees charged by the D2D given the different business models.</p>
3) Freedom of Choice- Insurance	Abuse of dominance	<p>A very broad allegation was made against commercial banks, leasing companies and car dealers for non-adherence to freedom of choice such that:</p> <p>a. the commercial banks and leasing companies were allegedly coercing customers to sign insurance covers from selected preferred insurers for which they act as registered agents; and</p> <p>b. Car dealers were compelling customers to insure with specific insurance companies through bundling of insurance in the selling price of vehicles.</p>	<p>Subsequent to information gathering, it was noted that contrary to the allegation, customers had the freedom to opt for their preferred insurance service providers.</p> <p>The enquiry was closed with the following recommendations:</p> <p>a. monitoring of compliance to the decision of the Commission previously issued in a similar matter regarding freedom of choice; and</p> <p>b. carrying out joint initiatives with the Financial Services Commission to advocate for greater consumer education on freedom of choice.</p>
4) Copybooks	Abuse of dominance	<p>It was alleged that a copybook producer was charging a higher wholesale price to the complainant as compared to its other clients, potentially engaging in price discrimination.</p>	<p>Based on information gathered, no competition concern was identified. The matter was therefore closed with no further action given that clear dominance on the part of the copybook producer was not established.</p> <p>Also, an objective justification for the price discrimination was noted. Same was motivated by loyalty-inducing strategies.</p>

SECTOR	RESTRICTIVE BUSINESS PRACTICE	ALLEGATION	ASSESSMENT
<p>5) Representation by the Mauritius Leasing Association</p>	<p>Advice under Section 19 of the Competition Act</p>	<p>It was alleged that the Industrial Finance Corporation of Mauritius Ltd (IFCM), a governmental institution set up following the National Budget 2020-2021 to support enterprises in the development of a new financial eco-system, was procuring cheaper funds from the Government to finance its leasing activities.</p> <p>It was further alleged that this was creating an unfair level playing field for other leasing companies which raise funds at higher rates and may have an adverse impact on their respective margins and operations.</p>	<p>The assessment showed that the entry of the IFCM in the market for the supply of leasing facilities in Mauritius did not foreclose the other leasing companies.</p> <p>Moreover, IFCM is not a profit-making institution and has been set up to meet the objectives of the Government. Through the IFCM, there is a continuity in the supply of the Leasing and Equipment Modernisation Schemes (LEMS) put in place by the Ministry of Finance, Economic Planning and Development, for the priority sectors which are the industrial, manufacturing, tourism, and agro-industry sectors.</p> <p>The finding was that the IFCM's entry into the market did not lead to adverse effects on competition.</p>
<p>6) Subsidy on edible oil through budgetary allocation to the State Trading Corporation (STC)</p>	<p>Advice under Section 19 of the Competition Act</p>	<p>This enquiry was launched to assess whether the subsidy provided by the Government on edible oil, through the STC, may potentially have adverse effects on competition in the market.</p>	<p>In line with the measure announced in the Budget 2022/2023 pertaining to the supply of essential goods by the STC, the latter proceeded to the launching of tenders for the procurement of edible oil. The premise of the assessment was that the STC had procured refined edible oil from local refineries only, thereby indirectly contributing to an increase in the market share of local refineries, to the detriment of import distributors.</p> <p>The assessment demonstrated that import distributors and local refineries were invited to bid for all the tenders. Import distributors were therefore not limited in their ability to compete for the market. It was further found that the STC tenders were awarded based on the most competitive offers, which were from local refineries, given their lower costs of imports, lower bid prices quoted and higher production capacity.</p> <p>The finding was that the subsidy measure did not lead to adverse effects on competition in the market.</p>
<p>7) Specialised Services [Confidential]</p>	<p>Cartel (Bid Rigging)</p>	<p>An enquiry was launched further to a referral from the Central Procurement Board (CPB) alleging possible bid rigging by two service providers (confidential).</p>	<p>Three issues were identified during the enquiry out of which two were moved to a separate enquiry and the remaining issue did not raise a concern as such the matter was closed with no further action.</p>

SECTOR	RESTRICTIVE BUSINESS PRACTICE	ALLEGATION	ASSESSMENT
8) Entertainment [Confidential]	Cartel (Bid Rigging)	An enquiry was launched further to information provided by a public body indicating difficulties it has encountered with some service providers (<i>confidential</i>) following invitations to bids, raising suspicions of possible agreement among bidders of the type prohibited under section 42 of the Act as bid rigging.	The enquiry led to the initiation of a formal investigation into the matter.
9) Specialised Services [Confidential]	Cartel (Bid Rigging)	An enquiry was launched to look into two issues identified by the Commission of suspected collusive behaviours between two bidders (<i>confidential</i>) in respect of several procurement exercises for specialised services. The issues concerned markets that shared similar traits and involving overlapping players.	The enquiry led to the initiation of a formal investigation into the matter.
10) Construction [product detail confidential]	Cartel (Collusive Agreement – price announcement)	The enquiry was internally generated after two main importers/distributors of materials in the construction market (<i>confidential</i>) have announced an increase in the price of their product. The issue is that the practice of making public announcements on prices (future prices) may be used by rivals for price signalling on which case it would restrict competition and amount to a collusive agreement	The enquiry did not find information which could indicate that there were reasonable grounds to believe that there was collusive agreement as such the matter was closed with no further action.
11) [product detail confidential]	Cartel Collusive Agreement)	The issue was internally generated further to reports in the media on the imposition of a specific service fee by operators in that sector. An enquiry was opened to assess whether there is a potential price fixing by the operators.	The enquiry did not find information which could indicate that there were reasonable grounds to believe that there was collusive agreement as such the matter was closed with no further action.
12) Pharmaceutical	Cartel (Bid Rigging)	An enquiry was launched following an anonymous complaint pertaining to an allegation of potentially anticompetitive conduct by two suppliers of pharmaceutical products (<i>confidential</i>). The reported issue is that the two suppliers, despite having the same directors and the same shareholders, have quoted on the same procurement exercises on several occasions.	The enquiry found that both companies being owned by the same parent company and having the same director is unlikely to pose any competition issues as per the Competition Act mainly because they are regarded as sister companies. The issue as reported by the complainant is viewed as an issue of conflict of interest rather than a prevention, restriction, or distortion of competition. It is to be noted that the issue of conflict of interest is being addressed at the end of the Procurement Policy Office (PPO) within the remit of the Public Procurement Act 2006. The matter was closed with no further action.
13) Food	Cartel (Collusive Agreement)	An enquiry was launched following a complaint alleging that food business operators (<i>confidential</i>) had held meetings which led to the increase in the price their food.	The enquiry did not find information which could indicate that there were reasonable grounds to believe that there was collusive agreement as such the matter was closed with no further action.

SECTOR	RESTRICTIVE BUSINESS PRACTICE	ALLEGATION	ASSESSMENT
14) Agricultural [product detail confidential]	Cartel (Collusive Agreement)	An enquiry was launched following a screening exercise and was in relation to a potential collusive agreement by local producers.	The enquiry disclosed reasonable grounds to believe that operators have participated in collusive agreement. Thus, a formal investigation was initiated under section 51 and 41 of the Act.
15) Construction	Merger Review	Review into the acquisition of a company providing ready-mixed concrete by another company providing construction materials.	It was found that the acquisition was unlikely to lead to any substantial lessening of competition in the respective markets for aggregates and ready-mixed concrete in Mauritius.
16) Construction	Abuse of Monopoly	The Competition Commission received a complaint from a hardware shop alleging that a manufacturer of water tanks refused to supply it with such products and that this may impede competition.	It was found that the impugned conduct was unlikely to have significant effects on competition given that there were several resellers of the said brand for water tanks within the region. As such, the matter was closed with no further action.
17) Gambling	Merger Review	Review of acquisition of a gaming house by an individual party already having stakes in companies with related business activities.	It has been concluded that the market share of the parties concerned in this merger situation was not significant enough to cause competition concerns.
18) Retail	Abuse of Monopoly	A complaint was received from a reseller of electronic appliances alleging that a distributor refused to supply him/her with branded electronic appliances which is also sold by the distributor at retail level.	The complaint was withdrawn after the importer restarted supplying the complainant and the matter was closed with no further action.
19) Construction	Abuse of Monopoly	A construction company alleged that another larger construction company has refused to supply it with laboratory services in Rodrigues.	The concerned construction company was not found to be engaging in anticompetitive refusal to supply, as it was supplying laboratory services to its competitors in the connected market concerned.
20) Petroleum	Merger Review	Notified merger involving potential acquisition of Engen Limited by Vitol Emerald Bidco Propriety Limited, which is part of the Vivo Group.	It was found that there are reasonable grounds to believe that the proposed transaction may amount to a reviewable merger situation and that it may result in substantial lessening of competition in several potential markets in relation to diesel/mogas, lubricants, jet fuel, marine fuel and LPG. As such, the matter proceeded to investigation.
21) Financial	Merger Review	Notified merger involving acquisition of the business of MUA Stockbroking Ltd by MCB Capital Markets.	It was found that the transaction was unlikely to lead to substantial lessening of competition in the market for the supply of execution services on the stock exchange in Mauritius.

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 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 2022 and 30 June 2023, the Executive Director initiated 5 investigations and completed 2 investigations. At the end of the financial year, there were 10 ongoing investigations. The text below provides an overview of the investigations completed in this reporting period.

• INV 061 – Motor Vehicle Spare Parts

In December 2021, the Executive Director initiated an investigation into a potential abuse of monopoly situation in the supply of genuine automobile spare parts of the Hyundai brand in Mauritius.

The investigation concerned an alleged conduct according to which Bamyris Motors Ltd – the sole official importer and distributor of Hyundai motor vehicles and related products in Mauritius – was imposing a quotation fee on private auto repair workshops/garages requesting for the price list for Hyundai spare parts.

The Executive Director had reasonable grounds to believe that the alleged conduct on the part of Bamyris Motors Ltd, likely in a monopoly situation in the market for the supply of genuine Hyundai spare parts, could potentially be raising the costs for the auto repair workshops/garages in the procurement of genuine spare parts, thus creating a barrier to effective competition in the repairs and maintenance market.

During the investigation and pursuant to Section 63 of the Competition Act 2007, Bamyris Motors Ltd voluntarily offered undertakings to address the concerns of the investigation. Bamyris Motors Ltd undertook not to impose any quotation fee upon the request for list of prices for Hyundai spare parts for the purpose of estimation of repairs; and to inform its clients through a notice on its website of the non-applicability of any quotation fee on request for price list.

The Executive Director assessed the efficacy of the undertakings offered by Bamyris Motors Ltd and concluded that same are likely to address the competition concern identified. In February 2023, the Executive Director submitted his report recommending that the Commission accepts the undertakings offered by Bamyris Motors Ltd.

The Commission having had regard to the report of the Executive Director, agreed that the undertakings submitted by Bamyris Motors Ltd satisfactorily addressed the competition concerns identified. The Commissioners accepted those undertakings and issued their decision on the matter on 30 March 2023.

• INV055 – Potential Collusive Agreement by the members of the ACA

The Executive Director opened an investigation into the potential existence of horizontal collusive agreement(s) under section 41 of the Act, by the members of the Association of Communication Agencies, in the supply of media space in Mauritius. The investigation concerned 24 enterprises as main parties.

The main focus of the investigation was on the various Rules of the Association, which up to the year 2018, contained restrictive clauses regarding discounts that may be passed on by the advertising agencies to advertisers when supplying the latter with media space.

The Executive Director concluded his investigation in June 2023 and submitted his report on the matter to the Commission for their determination.

Price Monitoring Report

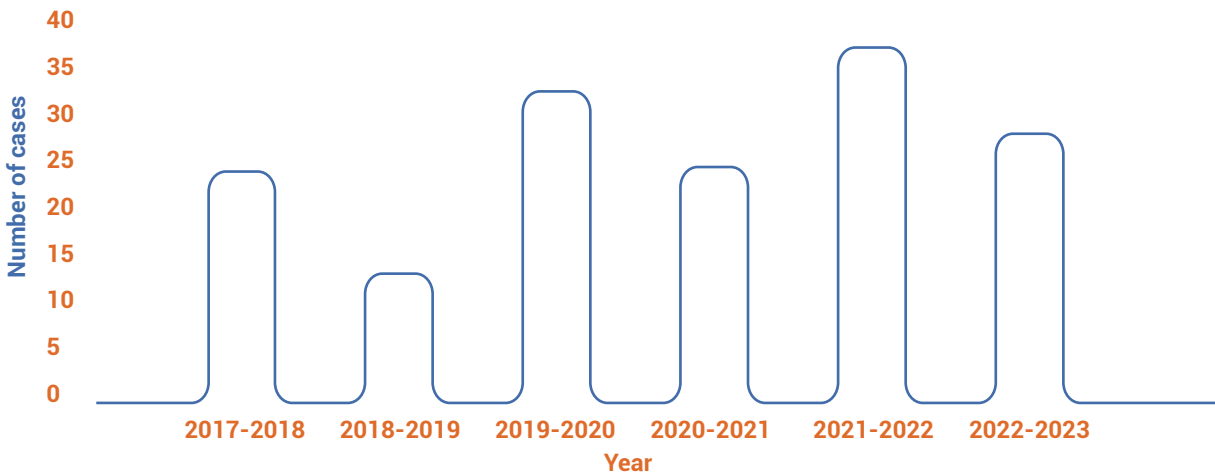
As part of its mandate to keep the conditions of competition in Mauritius under constant review, the Competition Commission has initiated the monitoring of prices of essential commodities with the aim of analysing the extent and causes of price increases for selected products which are important for consumers.

The first Price Monitoring Report (PMR), issued on 10 April 2023 provides for an analysis of the price evolution for four commodities considered to be important to consumers and on account of their significance in terms of household expenditure. These commodities are edible oils, milk powder, processed cheese and chicken.

The Competition Commission will continue monitoring food prices and extend the scope to include other essential goods, such as construction materials. In this regard, the institution intends to come up with a series of PMRs covering essential products. Through the price monitoring exercise, the Competition Commission intends to shed light on the underlying reasons for increases in prices of essential commodities so that relevant stakeholders can take informed decisions. The analysis can also be useful in identifying unjustified price increases in which case necessary actions can be taken by the concerned authorities, including enforcement of the relevant provisions of the Competition Act where warranted.

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. The number of mergers in which the Competition Commission has collaborated with the CCC are illustrated in the below diagram.



During the last financial year, the Competition Commission provided its views and input on some 28 mergers notified to the CCC. These involved various sectors like energy, fuel, freight & logistics, chemical, technology, airline, healthcare, and finance. Some of the transactions reviewed during the period 1 July 2022 to 30 June 2023 are highlighted below.

- A notification was received in relation to the proposed acquisition by Heineken N.V (Heineken) of a further interest in Namibia Breweries Limited (NBL) and the combination of Heineken’s current South African business and the flavoured alcoholic beverages, wine and spirits businesses of Distell Group Holdings Ltd (Distell). It was gathered that the acquiring group operates in Mauritius as Heineken mainly through exports and that NBL operates in Mauritius through exports and its products are distributed through Eureka E.C. Oxenham & Cy Limited. Distell operates in Mauritius through Grays Inc Ltd. However, the market shares of the parties were not significant enough to warrant competition concerns.
- The Competition Commission also assessed the proposed merger involving the acquisition of Kansai Plascon East Africa Proprietary Limited and Kansai Plascon Africa Limited by AkzoNobel N.V. It was gathered that the acquirer operates in Mauritius through Mauvilac Industries Limited and Coloris Ltd which are both registered as private domestic companies in Mauritius while the targets are not registered in Mauritius and do not derive any turnover therein. Hence, it has been concluded that the proposed transaction is unlikely to directly affect the state of competition in Mauritius. It is to be noted that the COMESA Competition Commission has prohibited AkzoNobel’s acquisition of the decorative coatings business of Kansai Plascon East Africa Proprietary Limited and Kansai Plascon Africa Limited in three of its member states namely Eswatini, Zambia and Zimbabwe, but it has conditionally approved the deal across the rest of the trade bloc.

- The Competition Commission received a notification relating to the proposed acquisition by Vitol Emerald Bidco Proprietary Limited of Engen Limited. The acquiring group operates in Mauritius through Vitol Mauritius Limited, Energy Storage Company Ltd, Mer Rouge Oil Storage Terminal Co. Ltd, Vivo Energy Africa Holdings Limited, Vivo Energy Madagascar Holdings Limited, Vivo Mauritius, Vivo Energy Overseas Holdings Limited, Vivo Energy Senegal Holdings Ltd, Vivo Energy Tunisia Holdings Ltd and Vitol Bunkers (Mauritius) Pvt. Ltd. while the target operates in Mauritius as Engen Petroleum (Mauritius) Limited. After a preliminary assessment of the matter, it was found that the transaction may affect the state of competition in Mauritius and that competition may be reduced disproportionately to a material extent in Mauritius following this merger. As such, a request was made to the COMESA Competition Commission to refer this merger to the Competition Commission of Mauritius for consideration under the Competition Act 2007 of Mauritius. The referral was granted, and the merger is being assessed by the Competition Commission of Mauritius in so far as it concerns markets in Mauritius.

Decisions

• Restrictive clause imposed by Ascencia Ltd on tenants of Bagatelle Mall

In February 2022, the Executive Director opened an investigation into a restrictive clause allegedly imposed by Ascencia Ltd ('Ascencia') on tenants of Bagatelle Mall of Mauritius ('Bagatelle'). Upon notification, Ascencia offered undertakings pursuant to Section 63 of the Competition Act on 30 May 2022, by offering to unconditionally remove the restrictive clause and not subject any existing or new tenants to such conditionality, thus enabling them to operate retail outlets in other shopping malls, irrespective of distance. This is likely to incentivise competition among shopping malls and consumers would thus benefit in terms of prices, choice, and mall amenities. After assessing the undertakings, the Executive Director concluded that same effectively addressed the competition concern identified. On 28 July 2022, the Commission accepted the undertakings offered by Ascencia and concluded the matter.

• Abuse of monopoly situation by Bamyris Motors Ltd on motor vehicle spare parts

In December 2021, the Executive Director opened an investigation into a competition concern emanating from the allegation that Bamyris Motors Ltd was imposing a quotation fee of Rs 2,000 to provide its price list for Hyundai make original equipment (OE) spare parts. Such a conduct could distort competition by raising costs of private garages and thus impede on their ability to compete effectively in the aftermarket of repairs and maintenance. Vehicle owners would be impacted as they would be paying more for the repairs. Such a conduct potentially constituted an abuse of monopoly situation under Section 46 of the Act.

To address the competition issue identified, Bamyris Motors Ltd offered undertakings under Section 60 of the Act in January 2023, by removing the quotation fee and informing its clients through a notice on its website. After assessing the undertakings, the Executive Director concluded that same effectively addressed the competition concern identified. In March 2023, the Commissioners of the Competition Commission accepted the undertakings offered by Bamyris Motors Ltd and concluded the matter.

• Potential merger situation involving SMS Pariaz Ltd, Silver Sports Ltd, Peerless Ltd, J.S. Henry Co Ltd, Peak Pools Ltd and K. Chai Hai Limited

The Competition Commission gathered that there may have been various acquisitions through which the companies Peerless Ltd, J.S. Henry Co Ltd, Peak Pools Ltd, K.Chai Hai Limited on the one hand and SMS Pariaz Ltd and Silver Sports Ltd on the other, may have been brought under common control. An investigation was launched to assess the acquisitions, in relation to the supply of pool betting, sweepstakes and football betting. Upon being notified of the matter, the parties promptly offered undertakings to address the concerns, consisting of both structural and behavioural remedies. After assessing the undertakings, the Executive Director concluded that same effectively addressed the competition concerns arising in the various markets in Mauritius. The Commissioners accepted the undertakings and same were published, having an effect as a direction under the Act.

• Collusive agreement in the supply of chemical fertilisers

The Executive Director completed two cartel investigations in June 2018 which found that The Mauritius Chemical and Fertilizer Industry Limited [MCFI] (now "Ingenia") and UIL through its subsidiaries Island Fertilizers Ltd (IFL) and Island Renewable Fertilizers Ltd (IRFL), have participated in collusive price fixing agreement prohibited under section 41 of the Act and in bid rigging agreement in breach of section 42 of the Act, in the supply of chemical fertilisers in Mauritius.

In August 2022, the Commissioners endorsed the findings of the Executive Director with regards to MCFI as well as the recommendations that MCFI be granted leniency with a 90% reduction in the fines imposed, thus amounting to Rs 5.4 million in the first case and full immunity from fines (zero fine) for the second case. MCFI has paid the fines imposed. The Executive Director recommended the imposition of financial penalties totalling Rs 71 million on the UIL for having participated in the collusive agreement and bid rigging. UIL applied for a stay of proceedings on the ground that the Executive Director's decision to grant access to the investigation file was not made in proper time and came too late and therefore amounted to an abuse of process. The Commissioners issued their decision on 13 February 2023 granting permanent stay of the matter.

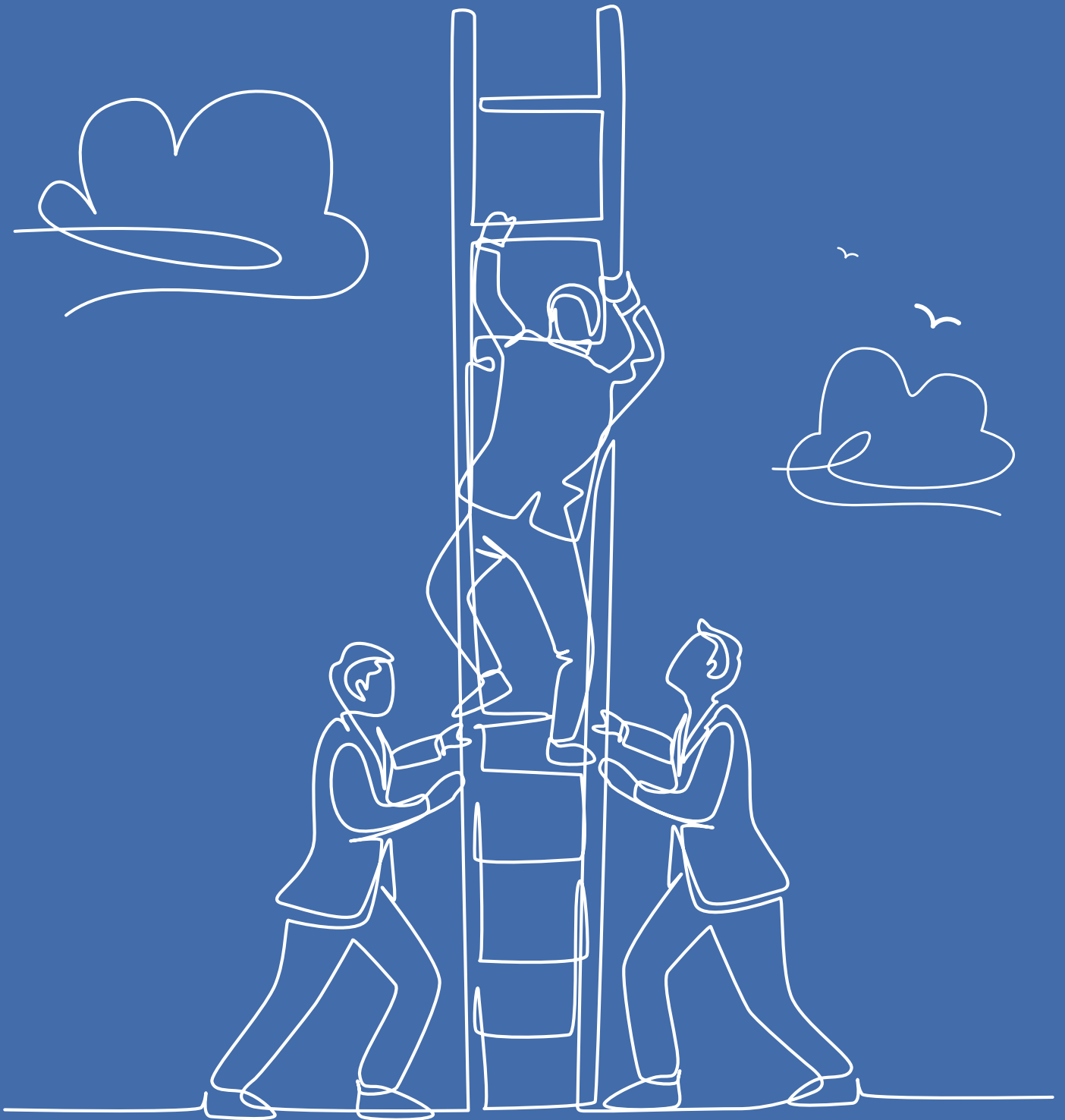
• **Collusive agreement in the supply of Media Space**

The Executive Director investigated a case of suspected collusion among three advertising agencies - Circus Advertising Company Ltd, Maurice Publicité Ltd, and P&P Link Co. Ltd - through their involvement in another company called Touch Point Ltd which specializes as a media buying company and is jointly owned and controlled by the three advertising agencies. The Executive Director found that the main parties had, through Touch Point Ltd, reached a supply restriction agreement and were parties to concerted practices through strategic commercial exchanges capable of artificially increasing market transparency and facilitating coordination of their own commercial conduct on the market. The Commissioners issued their decision on 29 March 2023, finding merits in the findings made by the Executive Director and have imposed wide-ranging directions under section 58 of the Act on the main parties.

• **Collusive agreement in the supply of deer/venison meat**

The Executive Director launched an investigation into the supply of deer/venison by six producers, namely Agria Ltd, Alteo Agri Ltd, Constance La Gaieté Co Ltd, Medine Ltd, Ferney Limited and Société de Palmyre. The investigation found that the parties participated in a collusive agreement to fix their selling price when supplying deer meat to Panagora Marketing Co. Ltd, except for Société de Palmyre which had not participated in the cartel. The Commissioners have, by decision of 1st March 2023, concurred that the investigation demonstrated a breach of section 41 of the Act 2007. Considering the facts and circumstances of the case, and the collaboration of the parties, the Commissioners imposed financial penalties of Rs 213,542 for Agria Ltd, Rs 81,716 for Alteo Agri Ltd, Rs 86,460 for Constance La Gaieté Co Ltd, Rs 116,117 for Ferney Limited and Rs 947,570 for Médine Ltd. The parties have paid the fines imposed.

Outreach Initiatives



Outreach Initiatives

With a view to advocating the provisions of the Competition Act of 2007 to better detect and deter anti-competitive business practices, encouraging information sharing for screening purposes, and developing a pro-competitive culture, the Competition Commission carried out several advocacy activities in Mauritius as well as in Rodrigues. The activities undertaken are described in this section.

Awareness session on bid rigging in Rodrigues

The Competition Commission participated in an advocacy event organised by the Public Procurement Office and hosted by the Rodrigues Regional Assembly (RRA), from 8 to 12 August 2022. In this context, the Competition Commission carried out an awareness session with high officials, departmental heads, procurement officers and suppliers of the five commissions of the RRA whereby they were sensitised about the Competition Act of 2007, collusive agreements and bid rigging in public procurement, with a view to enable them to better detect signs of bid rigging and subsequently take pre-emptive measures to avert collusion and increase competition in procurement.

The representatives from the Competition Commission also had a meeting with the Chief Commissioner, Mr. Johnson Roussety G.O.S.K, and the Island Chief Executive, Mr. Jean-Claude Pierre-Louis. The discussions between the two parties revolved around potential competition issues in Rodrigues and future collaborations.

Advocacy Mission at the Rodrigues Regional Assembly

The Competition Commission carried out a three-day advocacy mission at the Rodrigues Regional Assembly (RRA) from 14 to 16 November 2022, with the aim of advocating the provisions of the Competition Act 2007 and promoting the work of the Competition Commission. Workshops were held with members of the RRA, the business community and associations. Moreover, working sessions were also held with the Deputy Chief-Commissioner, Honourable Franceau Grandcourt and the Commissioner for Tourism, Honourable Jean-Alain Wong So.

Advocacy sessions with University of Technology, Mauritius

The Competition Commission established collaboration with the University of Technology, Mauritius (UTM) with the aim of advocating competition law enforcement among university students and academics, and the promotion of research in the field of market competition. In this regard, on 18 December 2022, the Competition Commission delivered a guest lecture themed "*Economics of Competition*" to the MBA students of the institution. The students were imparted with the economics aspects relative to abuse of dominance, cartels, and harmful mergers as well as the importance of competition law.

The Competition Commission was invited to deliver a second lecture to MBA students, through a webinar. Held on 15 April 2023, the session focused on "Regulating Competition for Businesses" provided participants with an insight on competition law in Mauritius, the role of the Competition Commission and the ways in which competition regulation affects markets and businesses.

Advocacy session with the Independent Review Panel

In a bid to build stronger institutional cooperation to better detect and deter bid rigging in public procurement, the Competition Commission conducted an advocacy session with the Independent Review Panel on 28 April 2023. During the session, the provisions of the Competition Act 2007 and the activities of the Competition Commission were promoted. The participants were also equipped with a technical and practical understanding of collusion and its risks in public procurement through a presentation on bid rigging and the means of identifying the associated red flags.

Series of advocacy sessions with procurement officials

The Competition Commission embarked on a series of advocacy sessions with public procurement officials during the financial year 2022/2023. In this period, two sessions were held on 12 May 2023 and 27 June 2023, and it saw the participation of a total number of 37 officers from the Procurement & Supply Cadre, posted in different ministries.

The aim of this project is to impart a better understanding of bid rigging in public procurement, enabling the targeted officers to identify anti-competitive behaviour on the part of bidders. The sessions covered topics on bid rigging detection and reporting suspicious behaviour of bidders. Discussions were also held on ways to enhance competition in procurement proceedings.

The advocacy sessions with public procurement officials constitutes a long-term project in as much as training will be offered in different batches on a monthly basis in order to reach out to some 400 officers.

Moreover, the exchange of information emanating from these sessions may also help the Competition Commission to identify, and to bring to an end and sanction bid rigging practices thereby enhancing the effectiveness of its enforcement mandate.

Advocacy session with the CIDB

The Competition Commission has established collaboration with the Construction Industry Development Board (CIDB) in view of information sharing, regarding the construction sector, for screening purposes. To this end, on 7 June 2023, the Competition Commission carried out an advocacy initiative with the staff of the CIDB whereby the latter was sensitised about the competition law regime in Mauritius and bid rigging, particularly.

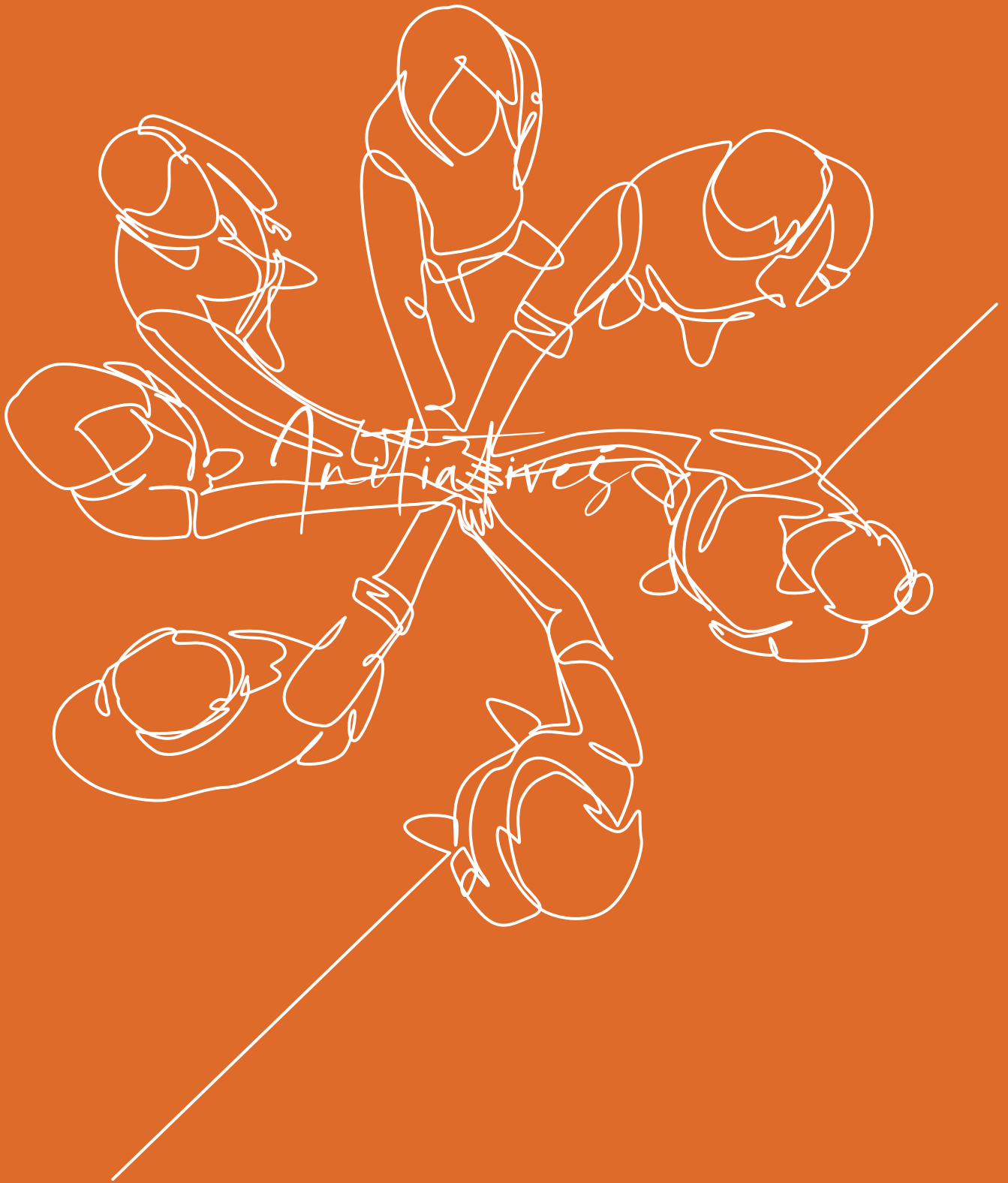
The CIDB also conducted a training for the staff of the Competition Commission on 21 June 2023, on its certifications and gradings of contractors.

Webinar on anticompetitive business practices

The Competition Commission organised a webinar themed "*Protecting businesses against anticompetitive conducts*" for the business community, on 23 June 2023. The webinar aimed at enabling the participants to identify the different types of restrictive business practices, to understand how these practices may affect their businesses, and to know how they may report the matter to the Competition Commission. The participants were also made aware of the safeguards put in place to protect complainants.

The organisation of this webinar has been motivated by the fact that 35% of complaints received by the Competition Commission come from the business community; hence the importance for businessmen to understand when and how anticompetitive business practices may affect them, and how to deal with these.

Cooperation



Cooperation

The Competition Commission has participated in several activities with the aim of sharing knowledge and experience with peers, but also to collaborate to better enforce the Competition Act. This section described the activities undertaken during the year.

ACF Research Workshop on Roaming and Generic Pharmaceuticals

Mr. Sudesh Puran, Head Investigations, attended the 3rd ACF Research Working Group Workshop held in Botswana, Gaborone on 1 – 2 August 2022 to discuss findings of cross-country study in data roaming and generic pharmaceutical by participating agencies.

ACF/SADC Cartel Training Workshop

The Competition Commission participated in the Cartels Workshop organised by the Southern African Development Community (SADC) in collaboration with the African Competition Forum (ACF) in Lusaka, Zambia, on 12 – 13 September 2022. Facilitated by experienced enforcers from the region, the workshop has provided for knowledge sharing on practical aspects of enforcement, such as planning and executing dawn raids, cartel detection, interview techniques amongst others. It was also an opportunity for building professional relationships.

Collaboration among African competition authorities on regulating digital markets

The Competition Commission participated in the second meeting of the African Heads of Competition Authorities Dialogue on Regulation of Digital Markets, on 1 – 2 February 2023. Hosted by the Egyptian Competition Authority, the meeting saw the participation of Heads of competition authorities of Kenya, Nigeria, South Africa, Mauritius, Gambia, Morocco, Zambia and the COMESA Competition Commission.

In the course of their Dialogue, the participating competition authorities acknowledged the greater shared regulatory challenges that digital markets pose for Africa, and the importance of competition policy in ensuring economic growth. They also recognised the need for a stronger and collaborative approach with respect to the regulation of digital markets, requiring that African jurisdictions work in close partnership to share knowledge, and mutual strategies for the development of significant markets.

At the end of the meeting, a joint statement was issued by the participating competition authorities agreeing on:

- the setting up of a working group to collaborate on competition issues in digital markets, whose leadership would be rotational
- enhancing capacity building in digital markets enforcement among African competition authorities through cooperation and use of their own resources
- compiling and sharing a compendium of cases, studies and enforcement experiences in digital markets among members;
- the dynamic cooperation on matters affecting African digital markets that raise mutual concerns; and
- setting up an annual working plan on tackling matters of common interest in digital market.

The participating competition authorities also confirmed their commitment to expand and deepen the dialogue amongst their peers on the continent.

Visit of COMESA Competition Commission delegation

The Competition Commission was actively involved in the activities held in the context of the visit of a delegation of the COMESA Competition Commission (CCC) in Mauritius from 5 to 14 February 2023, as follows:

- Mr Vipin Naugah, Head Investigations overseeing the legal and cartel department at the Competition Commission, and Commissioner on the Board of the CCC attended the CCC's Board Meeting on 7 and 8 February 2023.

- The Competition Commission participated in an Awareness and Capacity Building Workshop for Stakeholders, on 9 and 10 February 2023. Jointly organised by the CCC and the Ministry of Commerce and Consumer Protection, the workshop focused on the implementation and enforcement of competition and consumer protection laws. Taking the floor at the opening ceremony, the Executive Director of the Competition Commission, Mr. Deshmuk Kowlessur, inter alia, recalled the longstanding collaboration between the two authorities. Additionally, Mr. Vipin Naugah gave a presentation on the main components of the Competition Act, the cases handled and the challenges faced by the institution.
- The Executive Director of the Competition Commission participated in a press conference given by Dr. Willard Mwemba, Director and Chief Executive Officer of the CCC, on 14 February 2023, whereby he answered to the questions of local and international media representatives.

ACF Steering Committee Meeting

Head, Investigations, Mr. Vipin Naugah, attended the ACF Steering Committee Meeting in Johannesburg, South Africa, from 8 to 9 March 2023, whereby the report on the cross-country study in data roaming and generic pharmaceutical were presented and discussed.

Memorandum of Understanding between the Competition Commission and IBA

The Competition Commission and the Independent Broadcasting Authority signed a Memorandum of Understanding (MoU) on 10 May 2023. The aim behind the MoU is to consolidate the basis to extend the existing collaboration between the two institutions for enhanced enforcement of competition policy in the broadcasting sector, for the betterment of consumers and the economy at large.

Workshop with delegation from the Federal Competition and Consumer Protection Commission of Nigeria

The Competition Commission had a full day working session with a delegation from the Federal Competition and Consumer Protection Commission (FCCPC) of Nigeria, on 19 May 2023. Headed by the Executive Vice Chairman and Chief Executive Officer of the FCCPC, Mr. Babatunde Irukera, the delegation was in Mauritius in the context of a Training Retreat held between 16 to 19 May 2023.

The FCCPC delegation was apprised of the provisions of the Competition Act 2007, and they were provided with an overview of merger control in Mauritius. Case studies and related merger topics were also discussed during the session.

Study tour at the Competition Commission of India

The Executive Director, Mr. Deshmuk Kowlessur and the Heads of Investigations Mr. Vipin Naugah, Mr. Sudesh Puran and Mr. Sailesh Rameyad proceeded on a study tour to the Competition Commission of India (CCI) from 5 to 7 June 2023.

The study tour provided the Competition Commission team with the opportunity to gain valuable insights on enforcement of the competition law in India, as well as to interact with Commission members and advisors of the CCI. Both competition authorities also shared their experience on competition law enforcement in their respective jurisdictions; hence enabled the Competition Commission to learn about potential areas for improvement.

This study tour forms part of the areas of collaboration identified by the two competition authorities in the context of the Memorandum of Understanding signed between the two parties in February 2022. This exercise has for aim to mutually benefit from the enforcement experience of the partner agency in terms of methodologies and approaches.

Human Asset Management



Human Asset Management

One of the key pillars on which the Competition Commission rest is its employees, comprising an establishment of 31 people, 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 2023, 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
Senior Investigations Officer (Legal)	1	1	2
Investigations Officer (Legal)	-	2	2
Investigations Officer (Economics)	-	2	2
Advocacy and Communications Officer	-	1	1
Assistant Investigations Officer (Legal)	-	1	1
Assistant Investigations Officer (Economics)	-	4	4
Research Assistant	-	2	2
Assistant to the Executive Director	1	-	1
Driver/Messengers	2	-	2
Total	9	14	23

It can be observed that from an establishment of 31 positions, 23 were filled as at 30 June 2023, which represents 75% of the existing positions. In terms of gender balance, the male to female staff ratio was 1: 1.6, as at 30 June 2023, therefore higher compared to the previous financial year, which was 1: 1.2.

It is to be noted that one of the Senior Investigations Officer (Legal) was assigned the role of Legal Secretary before proceeding on leave as from November 2022; an Investigations Officer (Legal) was then assigned the role of Legal Secretary.

• Distribution of Employees

The Competition Commission is structured into three different Investigative Departments and the Corporate Services Department, which provides all administrative support. The table below provides an overview of the distribution of staff among the different teams as at 30 June 2023.

Position	Investigative Departments			Corporate Services Department	Total
	Legal and Cartel	Enforcement Strategy, Merger & Monopoly	Economics Policy & Research		
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
Investigations Officer (Economics)	-	1	1	-	2
Advocacy and Communications Officer	-	-	1	-	1
Assistant Investigations Officer (Legal)	-	1	-	-	1
Assistant Investigations Officer (Economics)	2	1	1	-	4
Research Assistant	1	1	-	-	2
Assistant to the Executive Director	-	-	-	1	1
Driver/Messengers	-	-	-	2	2
Total	5	5	5	5	20

The table excludes the position of Executive Director and the (Ag.) Legal Secretary who report to the Commissioners, and one Senior Investigations Officer (Legal), who was on leave as at 30 June 2023.

• Recruitment of staff

As at 30 June 2023, eight posts were vacant and a recruitment exercise was initiated in the month of July 2023 to fill same.

Capacity Building

Since its establishment, the Competition Commission had 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, participation in overseas trainings and workshops, and local training by international experts. Such exposure has enabled the staff to build strong internal capabilities 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

i. ACF-SADC Cartel Workshop, 12-13 September 2022, Lusaka, Zambia

Three officers, namely Mr. Djameel Soreefan, Senior Investigation Officer (Legal), Ms. Yudisha Sarathee and Mrs. Caroline Fine-Seeruttun, both Assistant Investigation Officers (Economics), attended the ACF-SADC Cartel Workshop on 12 – 13 September 2022 in Lusaka, Zambia. The workshop covered topics such as cartel detection techniques, dawn raids, conducting interviews/interrogating respondent, cross-border cartels and cooperation,

and algorithm and collusion.

ii. ACER Week, 12-16 September 2022 in Malawi

Two officers, namely Mrs. Rojanjali Vyapoory, Investigation Officer (Legal) and Ms. Ghanishta Rampersad, Assistant Investigation Officer (Economics), attended the ACER Week jointly organized by the CCC and the Competition and Fair Trading Commission of Malawi from 12 to 16 September 2022 in Malawi, whereby key theoretical concept in economic regulations, competition economics and law were covered.

iii. ICN Cartel Workshop, 05-08 December 2022, Auckland, New Zealand

The Chairperson, Mr. Mahmad Aleem Bocus, attended the ICN Cartel Workshop in Auckland, New Zealand, from 5 to 8 December 2022. During the workshop, emphasis was laid on the ways of responding to a changing world while undertaking cartel enforcement, with focus on the post COVID world and the impact of developing technologies.

iv. ACF and OECD Global Forum on Competition, 1-2 December 2022, Paris

The Commissioner, Mr. Michael Lennon, and the Executive Director, Mr. Deshmuk Kowlessur attended the ACF and OECD Global Forum on Competition on 1 – 2 December 2022 in Paris, where discussions revolved around topics such as the goals of competition policy, interactions between competition authorities and sector regulators, and remedies and commitments in abuse cases.

v. African Heads of Competition Dialogues Meeting, 1-2 February 2023, Egypt

The Executive Director, Mr. Deshmuk Kowlessur and Head Investigations, Mr. Sudesh Puran attended the African Heads of Competition Dialogue Meeting on 1 – 2 February 2023 in Egypt. The theme of the meeting was 'Competition Dynamics and Enforcement in Digital Markets in Africa' whereby competition authorities were solicited to share their experience and views on challenges of competition agencies on effectively enforcing competition law and policy within the digital market.

vi. Second EU-Africa Competition Week, 13 – 17 February 2023, Brugges

Two Head Investigations, namely Messrs. Vipin Naugah and Sailesh Ramyeed, attended the Second EU-Africa Competition Week, in Brugges between 13 to 17 February 2023 organised by the European Commission's Directorate General for Competition (DG COMP). The competition week also included a high-level conference on African Competition Policy. The workshop focused on investigative procedures and analytical frameworks in competition law enforcement. It also provided opportunities for competition officials, academics and practitioners from across Africa and the EU to exchange technical experiences, good practices and address common challenges.

vii. OECD Competition Open Day, 22 – 24 February 2023, Paris

Two officers, namely Mr. Djameel Soreefan, Senior Investigation Officer (Legal), Ms. Reevashinee Parasuraman, Assistant Investigation Officer (Legal) attended the OECD Competition Open Day in Paris, from 22 to 24 February 2023, whereby discussions were held around cutting-edge topics recently addressed by the OECD Competition Committee such as sessions on global enforcement trends, competition and inflation, and interim measures in antitrust investigations.

viii. 10th Anniversary of the COMESA Competition Commission, 4 – 5 May, Malawi

On the occasion of its 10th Anniversary, the COMESA Competition Commission (CCC), organized a two-day workshop on 4 – 5 May 2023 whereby several topics such as the role of competition policy in stimulating economic growth, the role of the government and judiciary in competition law enforcement, amongst others, were discussed. Mr. Deshmuk Kowlessur, Executive Director, and Mr. Vipin Naugah, as Commissioner on the CCC Board, attended the event.

• Sponsorship to postgraduate courses

During the year, two staff members were sponsored postgraduate courses, namely, (i) Ms. Reevashinee Parasuraman, Assistant Investigation Officer (Legal), who was funded a postgraduate diploma in EU Competition Law from the Kings College and (ii) Ms. Priyadarshinee Luckoo, Advocacy and Communications Officer, who was funded a postgraduate course in 'Master of Regional Integration' at the University of Mauritius (UoM).

• Online courses, trainings, workshops and tools

i. 8th Winter School on "Economics of Competition Law" online course held on 3 - 14 April 2023

Our eight new recruits were selected to attend the 8th Winter School on Economics of Competition Law organized by CUTS, as listed below:

- Naheeda Fokeerbux, Assistant Investigation Officer (Economics)
- Marie Caroline Lucilla Fine-Seeruttun, Assistant Investigation Officer (Economics)
- Yudisha Mandira Sarathee, Assistant Investigation Officer (Economics)
- Indira Luxmi Loldharry, Research Assistant
- Shakshi Sowaruth, Research Assistant
- Ryan Seethanah, Assistant Investigation Officer (Economics)
- Chessika Kedoo, Assistant Investigation Officer (Economics)
- Priyadarshinee Luckoo, Advocacy and Communications Officer

The 20-hour training programme focused on the application of economic tools and analysis in competition law cases. Spread over two weeks, the course aimed at providing the participants with an understanding of the increasingly important role that economics plays in comprehending the markets and assessing the violation of competition law. Practical examples and direct application of the underlying economic theories and techniques were used in the course of the training programme.

ii. Online course on "Regulating Digital Platforms" organized with the EUI in cooperation with the OECD

Three officers, namely Mrs. Noor Eydatoullah, Senior Investigation Officer (Legal), Ms. Nadjmiah Jumeer, Investigation Officer (Economics) and Ms. Reevashinee Parasuraman, Assistant Investigation Officer (Legal) attended an online course on "Regulating Digital Platforms" from 7 June to 5 July 2023. The course provided expert insights into the challenges posed by digital economy in sectors which constitute a core economic activity of Big Tech. The officers learn about business models and competitive dynamics in digital markets as well as competition and regulatory responses being adopted by competition and regulatory authorities.

iii. Online subscriptions and other webinars

The Competition Commission also renewed its subscription to 'Global Competition Review' (GCR), a global provider of competition law, regulation, and enforcement information. This subscription enables staff members to have access to the latest news and updates on competition matters around the world through daily emails, newsletters, etc.

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. In this regard, 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 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 Activities

Under the Competition Act 2007, the Competition Commission is bestowed with powers to investigate restrictive business practices, namely cartels, unilateral conduct and anticompetitive mergers. As such, investigative actions constitute the core activities of the Commission towards the enforcement of the Act, in the ultimate interests of consumers, businesses and the Mauritian economy at large. The Competition Commission will continue to carry out investigations, indiscriminately, into all sectors of the economy where restrictive business practices may exist, ensuring that over and above the enquiries, 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 assessments concerning Mauritius.

The aftermath of the COVID-19 sanitary crisis and the Russia-Ukraine conflict have triggered important changes in the global business landscape and in the Mauritian economy. Market dynamics have changed, and new forms of anticompetitive practices have emerged. To ensure that the national competition policy remains optimal for the benefit of the country, the Competition Commission will also 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.

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 has been implemented. The revamped structure addresses some limitations and brings in some new specialised functions with the aim of increasing output, creating more synergy across existing departments and harmonising enforcement works.

The new structure comprises four departments, namely the 'Legal & Cartel Department', the 'Economics Policy & Research Department', the 'Enforcement Strategy, Merger & Monopoly Department', and the Corporate Services Department. Furthermore, an overall Committee, referred to as the Enforcement & Strategy Committee (ESC), under the chairmanship of the Executive Director and comprising Heads of Departments, is mandated to guide the development of policies across all enforcement areas, provide supervisory oversight of cases and projects, ensure consistency of approach, and offer advice on high level legal, economic or policy issues as they arise. The ESC also guides the advocacy and corporate strategies.

The Competition Commission will seek to finalise the review of the Act, Rules of Procedure, and various related guidelines 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 the Commission's procedural and investigative tools. The simplification of several legal provisions will also provide a more structured framework to facilitate and underpin enforcement work 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 activities

Under the Competition Act, the Executive Director is also mandated to promote the provisions of the said Act and the activities of the Competition Commission. As such, since its inception, the Competition Commission has endeavoured to develop various advocacy strategies 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 engagements with public bodies and regulators to promote the adoption of a pro-competition mindset in public policy making;
- advocacy sessions with professionals such as legal practitioners, in order to apprise them of anti-competitive behaviours and the latest developments in competition;
- targeted advocacy sessions with enterprises, SMEs, and associations to inform them about the work of the Competition Commission and, most importantly, to promote awareness about actions and behaviours that may constitute restrictive business practices;
- the enhancement of the use of social media and other digital means for more effective advocacy and communication; and
- the publication of newsletters to provide stakeholders with 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 relevant public bodies and competition authorities in other countries. As such, Memorandum of Understandings (MoUs) and agreements have been signed with various public bodies in Mauritius and competition authorities overseas 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 through secondments for the purpose of improving skills.

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

The Competition Commission will also 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.

- The Competition Commission will continue collaborating with the COMESA Competition Commission (CCC) on various competition matters. This collaboration may take the form of investigations on anticompetitive behaviours, in particular the review of mergers, but also of cartel activities among COMESA states 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 completed several collaborations with the ACF, consisting 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 pursue its contribution to the formulation and adoption of the competition law and policy at the level of the COMESA-SADC-EAC Tripartite Free Trade Area and the African Continental Free Trade Area (AfCFTA) agreements.

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

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 strengthening the capabilities of its personnel through various capacity building programmes such as:

- 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 among staff;
- access to webinars and short online courses in the field of competition;
- participation in overseas workshops and secondments to more experienced competition authorities; and
- productivity training courses, amongst others.

Financial Statements

For the year ended 30 June 2023





**REPORT OF THE
DIRECTOR OF AUDIT**

**On the Financial Statements
of the Competition Commission
for the year ended 30 June 2023**

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 2023 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 2023, and of its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

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 IPSASs, 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 the Competition Commission.

Based on my examination of the records of the 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.



DR D. PALIGADU
Director of Audit

National Audit Office
Level 14,
Air Mauritius Centre
PORT LOUIS

19 April 2024

Competition Commission Statement of Financial Position as at 30 June 2023

		30 June 2023	30 June 2022
	Note	Rs.	Rs.
ASSETS			
Current assets			
Cash and cash equivalents	4	63,490,253	47,528,364
Short-term staff loan receivable	5&6	538,778	822,913
Receivables and deposits		11,897,827	16,344,205
Prepayments		438,875	516,687
		76,365,733	65,212,169
Non-current assets			
Long-term staff loan receivable	5&6	591,333	849,825
Property, plant and equipment	7	5,084,376	5,795,640
Intangible assets	8	1,295,590	175,005
		6,971,299	6,820,470
Total Assets		83,337,032	72,032,639
LIABILITIES			
Current liabilities			
Trade and other payables	9	332,130	1,370,765
Employee benefits obligations	10	3,146,482	3,708,387
Short-term staff loan payable to the Accountant General	5	120,001	120,001
		3,598,613	5,199,153
Non-current liabilities			
Employee benefits obligations	10	11,037,752	10,202,356
Long-term staff loan payable to the Accountant General	5	520,000	640,000
Retirement benefits obligations	11	17,716,693	15,069,111
		29,274,445	25,911,467
Total Liabilities		32,873,058	31,110,620
NET ASSETS/LIABILITIES		50,463,974	40,922,019
NET ASSETS/EQUITY			
Revaluation Surplus		588,995	588,995
General fund		(20,616,330)	(15,359,805)
COMESA reserve	12	70,491,309	55,692,829
		50,463,974	40,922,019
TOTAL NET ASSETS/EQUITY		50,463,974	40,922,019

Financial statements approved by the Commission on 26 October 2023



Me. Mahmad Bocus
Chairperson



Mr. Michael Lennon
Member

The notes on pages 51 to 67 form part of these financial statements.

Competition Commission Statement of Financial Performance for the year ended 30 June 2023

	Note	Year ended 30 June 2022 Rs.	Year ended 30 June 2022 Rs.
REVENUE			
Revenue from non-exchange transactions			
Government grant		42,486,110	43,790,327
Deferred COMESA income	12	6,499,584	6,465,214
Gains on exchange rate		481,917	1,222,733
Revenue from exchange transactions			
Sundry income		193,118	-
Gain on disposal of fixed assets		22,000	-
Total revenue		49,682,729	51,478,274
OPERATING EXPENSES			
Staff cost	13	34,122,602	30,353,125
Commissioners' fee		4,634,298	4,766,878
Capacity building	14	4,968,585	1,915,629
Advocacy and cooperation activities		323,068	109,250
Professional fees		1,658,166	2,457,310
Rent and utilities	15	3,872,670	3,730,686
Other operating expenses	16	1,994,046	1,991,688
Depreciation and amortisation	7&8	1,587,152	1,323,551
Loss on disposal of fixed assets		-	1,819
Total expenses		53,160,587	46,649,936
SURPLUS/(DEFICIT) FOR THE YEAR		(3,477,858)	4,828,338

During the year under review, the Competition Commission has imposed financial penalties of Rs6,850,082 on enterprises involved in collusive agreements. An amount of Rs6,167,914 was collected, out of which Rs750,718 relates to the prior financial year, the totality were remitted into the consolidated fund of the Government within the same financial year. As of 30 June 2023, Rs1,432,886 was still due from the financial penalties imposed during the financial year.

The notes on pages 51 to 67 form part of these financial statements.

Competition Commission Statement of Changes in Net Assets/Equity for the year ended 30 June 2023

	Revaluation Surplus	General fund	COMESA Reserve	Total
	Rs.	Rs.	Rs.	Rs.
Balance as at 01 July 2021	588,995	(19,704,265)	15,443,000	(3,672,270)
Revalued items disposed	-	-	-	-
Surplus for the year	-	4,828,338	-	4,828,338
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	40,922,019
Balance as at 01 July 2022	588,995	(15,359,805)	55,692,829	40,922,019
Deficit for the year	-	(3,477,858)	-	(3,477,858)
COMESA Reserve (Note 12)	-	-	14,798,480	14,798,480
Remeasurement loss on retirement benefit obligations	-	(1,778,667)	-	(1,778,667)
Balance as at 30 June 2023	588,995	(20,616,330)	70,491,309	50,463,974

The notes on pages 51 to 67 form part of these financial statements.

Competition Commission Cash Flow Statement for the year ended 30 June 2023

	Note	Year ended 30 June 2023 Rs.	Year ended 30 June 2022 Rs.
CASHFLOW FROM OPERATING ACTIVITIES			
Net (deficit)/surplus for the year		(3,477,858)	4,828,337
Adjustments for:-			
Gains on exchange rate		(481,917)	(1,222,733)
Retirement benefit obligations	11	868,915	533,845
Depreciation and amortisation	7&8	1,587,152	1,323,551
Provision for refundable Leaves	10	835,396	(328,527)
(Gain)/Loss on disposal of fixed assets		(22,000)	1,819
Operating surplus/(Deficit) before working capital changes		(690,312)	5,136,292
(Increase)/decrease in receivables		4,446,378	(3,987,499)
(Increase)/decrease in prepayments		77,812	43,934
Increase/(decrease) in trade and other payables		(1,038,634)	1,263,231
Increase/(decrease) in employee benefits		(561,905)	328,363
Net Cash flow from operating activities		2,233,339	2,784,321
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant, equipment	7&8	(1,996,475)	(2,056,549)
Proceeds from sale of equipment		22,000	-
Loans granted to staff	6	(428,000)	(2,187,810)
Loans refunded to Accountant General	5	(120,000)	(397,881)
Net Cash used in investing activities		(2,522,475)	(4,642,240)
CASH FLOW FROM FINANCING ACTIVITIES			
COMESA reserve	12	14,798,480	40,249,829
Loans received from Accountant General	5	-	840,000
Loans repaid by staff	5&6	970,628	971,143
Net Cash flow from financing activities		15,769,108	42,060,972
Gains on exchange rate		481,917	1,222,733
Net increase/(decrease) in cash and cash equivalents		15,479,972	40,203,053
Cash and cash equivalents at the beginning of the year	4	47,528,364	6,102,578
		63,490,253	47,528,364
Cash and cash equivalents at the end of the year	4	63,490,253	47,528,364

- 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

- Cash and cash equivalents comprise government grant, comesa fund and petty cash.

The notes on pages 51 to 67 form part of these financial statements.

Competition Commission Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2023

	Original Budget	Revised Budget	Actual Amount	Financial Statement
	Rs.	Rs.	Rs.	Rs.
Revenue	85,990,200	85,990,200	68,927,035	49,682,729
Expenditures				
Staff cost	41,584,400	41,584,400	32,987,017	34,122,602
Commissioners' fees	4,870,800	4,870,800	4,634,298	4,634,298
Capacity Building	9,351,000	9,351,000	4,848,236	4,968,585
Overseas mission	800,000	800,000	-	-
Advocacy and cooperation activities	2,951,000	2,951,000	333,093	323,068
Professional fees	13,925,000	13,925,000	1,468,987	1,658,166
Rent and utilities	3,924,000	3,924,000	3,820,667	3,872,670
Other operating expenses	1,984,000	1,984,000	1,965,799	1,994,046
Capital expenditures	6,600,000	6,600,000	829,614	-
Depreciation and amortisation	-	-	-	1,587,152
	85,990,200	85,990,200	50,887,711	53,160,587

- 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 2023, the approved budget of the Competition Commission amounted to Rs85.99m and was financed from grant obtained from the Government, funds carried over from previous year and accumulated COMESA Fees at the beginning of the year 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, if any, between Original and Revised Budgets, and between Revised Budget and Actual Amounts are provided in notes 19 and 20 respectively. Note 21 provides the Reconciliation Statement of actual amount of expenditures with those of the Financial Statements figures based on accrual basis.

The notes on pages 51 to 67 form part of these financial statements.

Competition Commission

Notes to the Financial Statements

for the year ended 30 June 2023

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) Standards, Amendments to published Standards issued but not yet effective

(i) IPSAS 41 - Financial Instruments (Effective 1 January 2025)

This standard was issued in August 2018 and will be effective for annual periods starting on or after 1 January 2023 (COVID 19 Deferral of effective dates – issued in November 2020). The standard sets out requirements for classifying, recognising and measuring financial instruments including impairment, de-recognition and general hedge accounting to replace those in IPSAS 29.

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

This standard was issued in January 2022 and will be effective for annual periods starting on or after 1 January 2025, with earlier application permitted. IPSAS 43 sets out new standards for the recognition, measurement, presentation and disclosure requirements for leases to replace IPSAS 13, where a Lessee will require to recognise assets and liabilities related to the rights and obligations created by leases rather than to classify the leases as finance or operating leases.

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

Competition Commission

Notes to the Financial Statements

for the year ended 30 June 2023

2. Accounting policies (cont'd)

(b) Standards, Amendments to published Standards issued but not yet effective (cont'd)

(iv) IPSAS 45 – Property, Plant and Equipment (Effective as from 1 January 2025)

This new IPSAS provides for heritage assets that satisfy the definition of property, plant and equipment to be recognized as assets when they meet the recognition criteria set out in IPSAS 45. IPSAS 45 requires the disclosure of unrecognized heritage assets that cannot be measured reliably.

(v) IPSAS 46 – Measurement of Assets and Liabilities in Financial Statements (Effective as from 1 January 2025)

This new IPSAS provides the use of "Current Operational Value" concept as a measurement basis to respond to the key service delivery characteristic of many assets held by public sector entities. Current Operational Value is the amount the entity would pay for the remaining service potential of an asset at the measurement date.

To reflect the unique characteristics of assets held in the public sector, Current Operational Value measures assets in their existing use.

(vi) IPSAS 47 – Revenue (Effective as from 1 January 2026)

IPSAS 47 replaces IPSAS 9, IPSAS 11 and IPSAS 23.

It presents two accounting models, based on the existence of a binding arrangement. It first requires an entity to determine whether its revenue arises from a transaction with a binding arrangement, to determine the appropriate accounting model. The principles within the models enable the entity to reflect the substance of its revenue transaction.

A binding arrangement is an arrangement that confers both rights and obligation, enforceable through legal or equivalent means, on the parties to the arrangement. As such, an entity must have at least an enforceable right and an enforceable obligation.

The accounting model for revenue without binding arrangements requires an entity to consider whether any of its rights or its obligations in the revenue transactions are enforceable, and meet the definition of an asset or liability, respectively.

(vii) IPSAS 49 - Retirement Benefit Plans (Effective 1 January 2026)

IPSAS 49 - Retirement Benefit Plans will provide accounting and reporting requirements for plans that provide retirement benefits to public sector employees.

(viii) New and Revised IPSASs applicable to Competition Commission

In the current period, no new IPSAS issued by the IPSASB that are mandatorily effective for an accounting period beginning on or after 1 July 2021 is applicable to Competition Commission.

(ix) Existing IPSASs not applicable to Competition Commission

The following Standards already effective since prior financial years are not applicable:

- (i) IPSAS 6 – Consolidated and Separate Financial Statements
- (ii) IPSAS 10 – Financial reporting in Hyperinflationary Economies
- (iii) IPSAS 12 – Inventories
- (iv) IPSAS 18 – Segment Reporting
- (v) IPSAS 22 – Disclosure of Financial Information about the General Government Sector
- (vi) IPSAS 27 – Agriculture
- (vii) IPSAS 32 – Service Concession Arrangements: Grantor
- (viii) IPSAS 34 – Separate Financial Statements
- (ix) IPSAS 37 – Joint arrangements
- (x) IPSAS 40 – Public Sector Combinations

Competition Commission

Notes to the Financial Statements

for the year ended 30 June 2023

2. Accounting policies (cont'd)

(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.

(j) Accounts payable

Accounts payable are stated at their fair value.

Competition Commission Notes to the Financial Statements for the year ended 30 June 2023

2. Accounting policies (cont'd)

(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 asset as provided below.

Furniture and fittings	10 - 20 years
Office equipment	8 - 20 years
IT equipment	4 - 10 years
Motor vehicles	8 years
Improvements to Building	20 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 are 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.

(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.

Competition Commission

Notes to the Financial Statements

for the year ended 30 June 2023

2. Accounting policies (cont'd)

(n) Impairment (cont'd)

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 2023, the Competition Commission had 23 employees: 22 were employed on a permanent and pensionable basis with 7 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 is 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.

(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.

Competition Commission Notes to the Financial Statements for the year ended 30 June 2023

2. Accounting policies (cont'd)

(q) Employee benefits (cont'd)

(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 is 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 a 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 2023, an overall amount of Rs 1m 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.

(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 is 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.

Competition Commission Notes to the Financial Statements for the year ended 30 June 2023

2. Accounting policies (cont'd)

(u) Risk management policies (cont'd)

(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.

4. Cash and cash equivalents

	Year ended 30 June 2023	Year ended 30 June 2022
	Rs.	Rs.
Cash at bank	63,475,253	47,513,364
Petty cash balance	15,000	15,000
	63,490,253	47,528,364

No interest is earned on bank deposits; the fair value of cash is **Rs63,490,253** (2022: Rs47,528,364).

5. Staff car loan, via Accountant General

	Year ended 30 June 2023	Year ended 30 June 2022
	Rs.	Rs.
Opening balance	760,001	317,882
Loan granted to staff, via the Accountant General	-	840,000
Loan refunded by staff and consequently to the Accountant General	(120,000)	(397,881)
Closing balance	640,001	760,001
<i>Analysed as follows:</i>		
Short-Term - Receivable/Payable within one year	120,001	120,001
Long-Term - Receivable/Payable after one year	520,000	640,000
	640,001	760,001

Competition Commission Notes to the Financial Statements for the year ended 30 June 2023

6. Staff soft loan

	Year ended 30 June 2023	Year ended 30 June 2022
	Rs.	Rs.
Opening balance	912,737	138,189
Amount granted	428,000	1,347,810
Amount refunded	(850,627)	(573,262)
Closing balance	490,110	912,737
<i>Analysed as follows:</i>		
Short-Term - Receivable within one year	418,777	702,912
Long-Term - Receivable after one year	71,333	209,825
	490,110	912,737

7. Property, plant and equipment

	Furniture & fittings	Office equipment	IT equipment	Motor vehicles	Improvements to Building	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost						
At 01 July 2022	2,242,217	1,659,593	4,781,648	5,470,150	-	14,153,608
Additions	-	99,188	168,926	-	561,500	829,614
Disposal	-	-	(457,183)	-	-	(457,183)
At 30 June 2023	2,242,217	1,758,781	4,493,391	5,470,150	561,500	14,526,039
Depreciation						
At 01 July 2022	1,704,663	1,138,698	2,509,815	3,004,793	-	8,357,969
Charge for the year	100,069	88,982	654,020	683,769	14,037	1,540,877
Disposal	-	-	(457,183)	-	-	(457,183)
At 30 June 2023	1,804,732	1,227,680	2,706,652	3,688,562	14,037	9,441,663
Net book value						
At 30 June 2022	537,554	520,895	2,271,833	2,465,357	-	5,795,639
At 30 June 2023	437,485	531,101	1,786,739	1,781,588	547,463	5,084,376

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 2023

8. Intangible assets

	IT Software Rs.
Cost	
At 01 July 2022	327,560
Additions	1,166,861
At 30 June 2023	1,494,421
Amortisation	
At 01 July 2022	152,556
Charge for the year	46,275
At 30 June 2023	198,831
Net book value	
At 01 July 2022	175,004
At 30 June 2023	1,295,590

9. Trade and other payables

	Year ended 30 June 2023 Rs.	Year ended 30 June 2022 Rs.
Trade creditors	316,515	298,692
Accruals	15,615	1,072,073
	332,130	1,370,765

10. Employee Benefits Obligation

	Year ended 30 Jun 2023 Rs.	Year ended 30 Jun 2022 Rs.
Current liabilities - Payable within one year		
Provision for gratuity	136,200	123,241
Provision for passage benefits	1,553,385	1,382,065
Provision for refundable leaves (<i>see below</i>)	1,456,897	2,203,081
	3,146,482	3,708,387
Refundable leaves payable:		
Current liabilities - Payable within one year	1,456,897	2,203,081
Non-current liabilities - Payable after one year	11,037,752	10,202,356
	12,494,649	12,405,437

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 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 2023

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 2023 by SICOM Ltd.

Amounts recognised in statement of financial position at the end of the period	Year ended 30 June 2023	Year ended 30 June 2022
	Rs.	Rs.
Present value of funded obligation	40,578,352	37,113,440
Fair value of plan assets	(22,861,659)	(22,044,329)
Liability recognised in statement of financial position at end of year	17,716,693	15,069,111
Amounts recognised in statement of comprehensive income:		
Service Cost:		
Current service cost	1,736,824	1,648,803
(Employee contributions)	(600,122)	(623,927)
Fund expenses	149,068	76,704
Net Interest expense/(revenue)	783,390	680,118
P&L Charge	2,069,160	1,781,698
Remeasurement		
Liability (gain)/loss	1,750,516	(670,351)
Assets (gain)/loss	28,151	1,154,229
Net Assets/Equity (NAE)	1,778,667	483,878
Total	3,847,827	2,265,576
Movement in liability recognised in statement of financial position:		
At start of year	15,069,111	14,051,388
Amount recognised in P&L	2,069,160	1,781,698
(Contributions paid by employer)	(1,200,245)	(1,247,853)
Amount recognised in NAE	1,778,667	483,878
At end of year	17,716,693	15,069,111

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 2023

11. Retirement benefit obligations (cont'd)

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

	Year ended 30 June 2023	Year ended 30 June 2022
	Rs.	Rs.
Reconciliation of the present value of defined benefit obligation		
Present value of obligation at start of year	37,113,440	35,268,584
Current service cost	1,736,824	1,648,803
Interest cost	1,986,007	1,763,429
(Benefits paid)	(2,008,435)	(897,025)
Liability (gain)/loss	1,750,516	(670,351)
Present value of obligation at end of year	40,578,352	37,113,440
Reconciliation of fair value of plan assets		
Fair value of plan assets at start of year	22,044,329	21,217,196
Expected return on plan assets	1,202,617	1,083,311
Employer contributions	1,200,245	1,247,853
Employee contributions	600,122	623,927
(Benefits paid + other outgo)	(2,157,503)	(973,729)
Asset (loss) / gain	(28,151)	(1,154,229)
Fair value of plan assets at end of year	22,861,659	22,044,329
Distribution of plan assets at end of year		
	June-23	June-22
Percentage of assets at end of year		
Government securities and cash	53.90%	58.00%
Loans	2.80%	2.90%
Local equities	14.00%	13.60%
Overseas bonds and equities	28.80%	25.00%
Property	0.50%	0.50%
Total	100.00%	100.00%
Additional disclosure on assets issued or used by the reporting entity		
	June-23	June-22
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%

Competition Commission Notes to the Financial Statements for the year ended 30 June 2023

11. Retirement benefit obligations (cont'd)

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

Components of the amount recognised in NAE

	June-23	June-22
Asset experience gain/(loss) during the year	(28,151)	(1,154,229)
Liability experience gain/ (loss) during the year	(1,750,516)	670,351
	(1,778,667)	(483,878)

Expected employer contributions for year ending 30 June 2024: **Rs 1,241,121**

The weighted average duration of the defined benefit obligation is 23 years
(Calculated as a % change in PV of liabilities for a 1% change in discount rate)

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 June 2023	Year ended 30 June 2022
	Rs.	Rs.
Discount rate	6.21%	5.50%
Future salary increases	4.50%	3.50%
Future pension increases	3.50%	2.50%
Mortality before retirement	Nil	
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 7.9 million (increase by Rs 10.5 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 5.9 million (decrease by Rs 4.9 million) if all assumptions were held unchanged.

- If life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by Rs 926,327 million (decrease by Rs 931,183) 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 depend to a certain extent on expected inflation rates. The analysis above abstracts from these interdependence between the assumptions.

Competition Commission Notes to the Financial Statements for the year ended 30 June 2023

11. Retirement benefit obligations (cont'd)

(b) Defined Contribution Pension Plan

The contribution of the Competition Commission to the defined contribution pension scheme for the year ended 30 June 2023 is Rs 437,239 (Rs 371,055 for year ended 30 June 2022).

12. COMESA Reserve

	Year ended 30 June 2023	Year ended 30 June 2022
	Rs.	Rs.
Opening balance	55,692,829	15,443,000
COMESA Fees refunded from the Government	-	20,993,000
Receivables for the year	21,298,064	25,722,043
COMESA Funded projects for the year	(6,499,584)	(6,465,214)
Closing balance	70,491,309	55,692,829

The COMESA Reserve comprises 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.

During FY2023/2024, an amount of equivalent to some Rs 11.67 million (USD 258,974) relating to period FY2022/2023 were received from COMESA and treated as receivables.

13. Staff cost

	Year ended 30 June 2023	Year ended 30 June 2022
	Rs.	Rs.
Salary	19,227,041	17,366,095
Allowances	3,005,526	1,722,797
End of Year Bonus	1,548,940	1,444,275
Travelling	2,126,935	1,948,780
Pension	4,308,994	4,104,547
Gratuities	654,718	494,519
Passage benefits	763,701	737,558
Refund of leaves	1,615,001	1,632,921
Staff Insurance Schemes	472,438	447,011
Staff Welfare	399,308	201,815
Duty Free to Staff	-	193,700
Stipend to Trainees	-	59,107
	34,122,602	30,353,125

The increase in staff cost is due mainly to vacancies that were filled during the year, arrears paid on revised salaries of the Executive Director, and payment of a performance bonus compared to none the previous financial year.

Competition Commission Notes to the Financial Statements for the year ended 30 June 2023

14. Capacity Building

	Year ended 30 June 2023	Year ended 30 June 2022
	Rs.	Rs.
Training and Sponsorship	2,190,561	714,682
Tools and Resources	319,193	-
Overseas visit	2,458,831	1,200,947
	4,968,585	1,915,629

The increase in capacity building is due mainly to costs incurred on international competition experts invited to deliver training and talks to our investigative staff, and the full resumption of participation to overseas conferences and workshops following the Covid-19 pandemic, which restricted attendance to international events in the previous financial year.

15. Rent and utilities

	Year ended 30 June 2023	Year ended 30 June 2022
	Rs.	Rs.
Electricity	367,705	310,870
Telephone	448,003	399,371
Office Rent	2,759,892	2,759,892
Parking facilities	297,070	260,553
	3,872,670	3,730,686

The increase in rent and utilities is mainly due to increases in the electricity and parking rates, and broadband capacity.

16. Other operating expenses

	Year ended 30 June 2023	Year ended 30 June 2022
	Rs.	Rs.
Advertising	106,114	272,954
Fuel and motor vehicle expenses	197,194	252,414
Office repairs and maintenance	193,007	182,207
Cleaning services	316,738	248,534
Insurance	8,966	10,214
Stationeries and consumables	342,090	286,793
Books, Periodicals and Publications	45,494	54,348
Postage	17,771	34,294
Bank charges	65,911	41,546
Other office expenses	173,693	134,095
IT Expenses	527,068	474,289
	1,994,046	1,991,688

The decrease in advertising cost is due to lesser notices for vacancies, while the increases in cleaning services, and stationeries & consumables are due mainly to deep cleaning exercises conducted after the restructure of the office and increase in toners cost respectively.

Competition Commission Notes to the Financial Statements for the year ended 30 June 2023

17. 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 June 2023	Year ended 30 June 2022
	Rs.	Rs.
Payable within one year	2,759,892	689,973
Payable after one year	8,969,649	-
	11,729,541	689,973

18. 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 June 2023	Year ended 30 June 2022
	Rs.	Rs.
Total emoluments and benefits of key management personnel	10,399,024	9,285,002

Other Fringe Benefits

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

19. Statement Showing Reasons for Variances between Original and Revised Budget for year ended 30 June 2023

	Original Budget	Revised Budget	Difference
	Rs.	Rs.	Rs.
Revenue	85,990,200	85,990,200	-
Expenditures			
Staff cost	41,584,400	41,584,400	-
Commissioners' fees	4,870,800	4,870,800	-
Capacity Building	9,351,000	9,351,000	-
Overseas mission	800,000	800,000	-
Advocacy and cooperation activities	2,951,000	2,951,000	-
Professional fees	13,925,000	13,925,000	-
Rent and utilities	3,924,000	3,924,000	-
Other operating expenses	1,984,000	1,984,000	-
Capital expenditures	6,600,000	6,600,000	-
	85,990,200	85,990,200	-

Competition Commission Notes to the Financial Statements for the year ended 30 June 2023

20. Statement Showing Reasons for Variances between Revised Budget and Actual Amount for year ended 30 June 2023

	Revised Budget	Actual Amount	Difference	Explanation on differences
	Rs.	Rs.		
Revenue	85,990,200	68,927,035	17,063,165	See note below
Expenditures				
Staff cost	41,584,400	32,987,017	8,597,383	The surplus is due to vacancies and salary review increases still due
Commissioners' fees	4,870,800	4,634,298	236,502	The surplus is due to one vacancy among commissioners for part of the year
Capacity Building	9,351,000	4,848,236	4,502,764	The surplus is due to several capacity building projects not materialising or still in progress at year end
Overseas mission	800,000	-	800,000	No overseas mission was undertaken
Advocacy and cooperation activities	2,951,000	333,093	2,617,907	Several planned advocacy and cooperation projects were still in progress while others were less costly
Professional fees	13,925,000	1,468,987	12,456,013	Provision made for consultancy activities, including the law review, and legal fees on court cases have not been spent yet
Rent and utilities	3,924,000	3,820,667	103,333	
Other operating expenses	1,984,000	1,965,799	18,201	
Capital expenditures	6,600,000	829,614	5,770,386	Implementation of several IT and other projects were still in progress at year end
	85,990,200	50,887,711	35,102,489	

It is to be noted that the budgeted revenue represents Government Grant to be obtained for the year and deferred income from accumulated COMESA fees, while the actual amount represents the government grant and COMESA fees obtained during the year, and are thus not comparable. It is to be noted that the actual government grant amount obtained was lesser than approved, i.e. by Rs7.1m due to the fact that the provision made for the salary review was yet to be paid.

Competition Commission

Notes to the Financial Statements

for the year ended 30 June 2023

21. Statement Showing Reconciliation of Actual Amounts spent with Financial Statements for year ended 30 June 2023

	Rs.
Actual Amount spent as per Statement of Comparison of Budgets and Actual Amounts	50,887,711
Capital Expenditure	(829,614)
	50,058,097
Non-cash Items:	
Increase/(decrease) in provision for employee benefits	1,142,406
Depreciation and amortised expenses	1,587,152
Loss on disposal of fixed assets	-
	2,729,558
Accounting Adjustments:	
Opening and closing accruals	(14,701)
Opening and closing prepayment	80,590
Opening and closing receivables	553
Creditors	306,490
	372,932
Expenditure as per Statement of Financial Performance	53,160,587



