

COFECE-039-2020

COFECE investigates possible absolute monopolistic practices in the market for the leasing of non-residential real estate spaces

- *This investigation shall not be understood as a prejudgment, but as an action of the authority to verify compliance with the Federal Economic Competition Law.*
- *In this market services to the commercial and tourism sectors are offered, which are amongst the most affected since the beginning of the COVID-19 pandemic.*

Mexico City, October 22, 2020.- The Investigative Authority of the Mexican Federal Economic Competition Commission (COFECE or Commission) published today in the Federal Official Gazette and on its website the notice of initiation of investigation for possible absolute monopolistic practices in the market for the leasing of non-residential real estate spaces in the Mexican territory.

It is estimated that the size of the market for non-residential real estate spaces is valued at 108 thousand million Mexican pesos.¹ In this market, real estate services are offered to the commercial and tourism sectors, which have been amongst the most affected since the beginning of the COVID-19 pandemic, as an effect of the confinement.

Absolute monopolistic practices are contracts, agreements, arrangements or combinations among competing economic agents, with the purpose or effect of fixing prices, restricting or limiting supply or demand, market allocation or segmentation, bid rigging, as well as the exchange of information to carry out any of these conducts.

This investigation, identified with file number IO-004-2020, shall not be understood as a prejudgment on the responsibility of any economic agent, as at the moment violations to the framework of economic competition have not been identified definitely, nor the subjects or subjects who, if this is the case, would be considered as probable responsible at the end of this investigation.

¹ COFECE's estimates for the year 2019.

The timeframe for this investigation is of up to 120 working days, starting on October 7 2020, date in which the inquiry began, this timeframe can be extended for an equal term up to four times.

Should the investigation end without evidence that confirms anticompetitive practices, the Board of Commissioners may resolve to close it. However, if evidentiary elements that point to the infringement of the Law are found, those responsible will be called to a trial-like procedure, at which they may present their defense.

Pursuant the Federal Economic Competition Law, if an absolute monopolistic practice is confirmed, economic agents may be sanctioned with fines up to 10% of their income. Those who contributed, incited or induced the commission of these practices could be sanctioned as well. Pursuant to the Federal Criminal Code, natural persons that participated in the order, execution or conclusion of these type of agreements among competitors may be sentenced to prison for up to 10 years.

[Extract of the agreement of initiation: IO-004-2020 \(in Spanish\)](#)

[What is an absolute monopolistic practice? \(in Spanish\)](#)

[Learn about the Immunity Program](#)

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The Federal Economic Competition Commission is responsible for ensuring competition and free market access. In this way, it contributes to consumer welfare and the efficient functioning of the markets. Through its work, COFECE seeks better conditions for consumers, greater output and better services and a “level playing field” for companies

