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# Cartels

## Mexico: Law & Practice

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## Law and Practice

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## CONTENTS

<b>1. Basic Legal Framework</b>	<b>p.4</b>	2.16 Procedure for Defence Counsel to Raise Arguments against Enforcement	p.10
1.1 Statutory Bases for Challenging Cartel Behaviour/Effects	p.4	2.17 Leniency, Immunity and/or Amnesty Regime	p.10
1.2 Public Enforcement Agencies and Scope of Liabilities, Penalties and Awards	p.4	<b>3. Procedural Framework for Cartel Enforcement – When Enforcement Activity Proceeds</b>	<b>p.11</b>
1.3 Private Challenges of Cartel Behaviour/Effects	p.4	3.1 Obtaining Information Directly from Employees	p.11
1.4 Definition of “Cartel Conduct”	p.5	3.2 Obtaining Documentary Information from Target Company	p.11
1.5 Limitation Periods	p.5	3.3 Obtaining Information from Entities Located Outside this Jurisdiction	p.11
1.6 Extent of Jurisdiction	p.5	3.4 Inter-Agency Co-operation/Co-ordination	p.11
1.7 Principles of Comity	p.5	3.5 Co-operation with Foreign Enforcement Agencies	p.11
1.8 COVID-19	p.5	3.6 Procedure for Issuing Complaints/Indictments in Criminal Cases	p.12
<b>2. Procedural Framework for Cartel Enforcement – Initial Steps</b>	<b>p.6</b>	3.7 Procedure for Issuing Complaints/Indictments in Civil Cases	p.12
2.1 Initial Investigatory Steps	p.6	3.8 Enforcement against Multiple Parties	p.12
2.2 Dawn Raids	p.6	3.9 Burden of Proof	p.13
2.3 Restrictions on Dawn Raids	p.7	3.10 Finders of Fact	p.13
2.4 Spoliation of Information	p.7	3.11 Use of Evidence Obtained from One Proceeding in Other Proceedings	p.13
2.5 Procedure of Dawn Raids	p.7	3.12 Rules of Evidence	p.13
2.6 Role of Counsel	p.8	3.13 Role of Experts	p.13
2.7 Requirement to Obtain Separate Counsel	p.8	3.14 Recognition of Privileges	p.13
2.8 Initial Steps Taken by Defence Counsel	p.8	3.15 Possibility for Multiple Proceedings Involving the Same Facts	p.13
2.9 Enforcement Agency’s Procedure for Obtaining Evidence/Testimony	p.8	<b>4. Sanctions and Remedies in Government Cartel Enforcement</b>	<b>p.13</b>
2.10 Procedure for Obtaining Other Types of Information	p.8	4.1 Imposition of Sanctions	p.13
2.11 Obligation to Produce Documents/Evidence Located in Other Jurisdictions	p.8	4.2 Procedure for Plea Bargaining or Settlement	p.14
2.12 Attorney-Client Privilege	p.9	4.3 Collateral Effects of Establishing Liability/Responsibility	p.14
2.13 Other Relevant Privileges	p.9		
2.14 Non-cooperation with Enforcement Agencies	p.9		
2.15 Protection of Confidential/Proprietary Information	p.10		

4.4	Sanctions and Penalties Available in Criminal Proceedings	p.14
4.5	Sanctions and Penalties Available in Civil Proceedings	p.14
4.6	Relevance of “Effective Compliance Programmes”	p.14
4.7	Mandatory Consumer Redress	p.14
4.8	Available Forms of Judicial Review or Appeal	p.14
<b>5.</b>	<b>Private Civil Litigation Involving Alleged Cartels</b>	<b>p.15</b>
5.1	Private Right of Action	p.15
5.2	Collective Action	p.15
5.3	Indirect Purchasers and “Passing-on” Defences	p.15
5.4	Admissibility of Evidence Obtained from Governmental Investigations/Proceedings	p.15
5.5	Frequency of Completion of Litigation	p.15
5.6	Compensation of Legal Representatives	p.15
5.7	Obligation of Unsuccessful Claimants to Pay Costs/Fees	p.15
5.8	Available Forms of Judicial Review of Appeal of Decisions Involving Private Civil Litigation	p.15
<b>6.</b>	<b>Supplementary Information</b>	<b>p.15</b>
6.1	Other Pertinent Information	p.15
6.2	Guides Published by Governmental Authorities	p.16

## 1. BASIC LEGAL FRAMEWORK

### 1.1 Statutory Bases for Challenging Cartel Behaviour/Effects

The Mexican legal framework for competition is comprised of the following main instruments:

- the Federal Constitution, as the foundation of the legal system and the enforcement agencies;
- the Federal Economic Competition Law;
- the Regulations to the Federal Economic Competition Law;
- the Regulatory Provisions for the Immunity and Sanction Reduction Programme provided for in Article 103 of the Federal Economic Competition Law; and
- the Regulatory Provisions for the Qualification of Information Derived from Legal Counsel Provided to Economic Agents.

### 1.2 Public Enforcement Agencies and Scope of Liabilities, Penalties and Awards

Two autonomous government agencies with federal jurisdiction enforce the legal framework for competition, namely the Federal Economic Competition Commission (the Commission) and the Federal Telecommunications Institute (the Institute). The Institute is in charge of enforcing competition law in the telecommunications and broadcasting sectors, and the Commission is responsible for enforcing the law in any other sector or market.

The procedure is of an administrative nature and can only be implemented or carried out by such governmental agencies. It is not possible to exercise legal actions of a civil nature in order to enforce competition law, except for claiming damages and lost profits.

As part of the competition system, specialised courts on competition, telecommunications and broadcasting exist. These courts are the judicial authority in charge of any challenges filed by parties affected by the resolutions of the enforcement agencies. Also, appeals against the decisions issued by specialised lower courts can be filed with specialised courts of appeal.

The maximum administrative fine that can be imposed by the enforcement agencies for cartel conduct is up to 10% of the economic agent's annual income. These agencies can obtain the tax information of the relevant economic agent from the tax authorities in order to determine the amount of the fine. In case of recidivism, fines can be doubled.

The Commission and the Institute are the only agencies allowed to file criminal complaints with the Office of the Attorney General. Criminal liability exists for cartel-like conduct and is punishable by imprisonment of five to ten years, regardless of the corresponding economic sanction.

Once the Commission or the Institute resolutions become final, the affected entities or individuals can claim damages and lost profits with the specialised courts on competition, telecommunications and broadcasting.

Private entities and individuals have no legal right to claim damages or lost profits without first having the final resolution from either the Commission or the Institute.

### 1.3 Private Challenges of Cartel Behaviour/Effects

There is no private right of action for challenging cartel conduct. As mentioned in **1.2 Public Enforcement Agencies and Scope of Liabilities, Penalties and Awards**, the challenging of cartel conduct can only be implemented by the

Commission or the Institute, either ex officio or by means of a claim filed by a third party.

## 1.4 Definition of “Cartel Conduct”

There are five types of cartel conduct (also known as absolute monopolistic practices) specifically defined and catalogued by the Federal Economic Competition Law. Absolute monopolistic practices are considered illegal and consist of contracts, agreements, arrangements or combinations among competitors, whose purpose or effect is:

- price fixing – to fix, raise, co-ordinate or manipulate the sale or purchase price of goods or services supplied or demanded in the market;
- output restriction – to establish an obligation not to produce, process, distribute, market (or acquire only a restricted or limited amount of) goods, or the provision or transaction of a limited or restricted number, volume or frequency of services;
- market allocation – to divide, distribute, allocate or impose portions or segments of a current or potential market of goods and services, by a determined or determinable group of customers, suppliers, timespans or spaces;
- bid rigging – to establish, arrange or co-ordinate bids or abstentions from tenders, contests, auctions or purchase calls; and
- exchange of information – to exchange information for the purposes referred to in the preceding paragraphs.

Cartels or absolute monopolistic practices are considered serious violations of the law; consequently, they are null and void and do not give rise to legal effects.

## 1.5 Limitation Periods

The statute of limitations is ten years, beginning on the date the prohibited conduct ends.

## 1.6 Extent of Jurisdiction

Mexican competition law can only be enforced within Mexico; however, the Commission has specifically entered into co-operative agreements with foreign agencies such as the European Union. If a conduct occurs entirely in foreign jurisdictions, it will not be reached by enforcement in Mexico, unless its purpose or effects occur within the country. The Mexican enforcement agencies have the authority to participate in international cartel investigations and to co-operate with other countries in order to tackle cartel conduct.

## 1.7 Principles of Comity

Mexico has entered into different free trade agreements which contain competition provisions that should be implemented; for instance, the revised United States–Mexico–Canada Agreement. Please refer to **3.5 Co-operation with Foreign Enforcement Agencies**.

## 1.8 COVID-19

At the beginning of the pandemic outbreak, the Commission issued a statement establishing a set of criteria to allow certain types of collaboration agreements between economic agents (either competitors or non-competitors), for the purpose of maintaining or increasing supply, satisfying demand, protecting supply chains, avoiding shortages or hoarding of goods, provided that such collaboration was temporary and focused on addressing the pandemic, without having negative effects on consumers. Such collaboration is still permitted since the Commission has not issued a communication stating otherwise.

In order to prevent a cartel investigation, the economic agents need to inform the Commission of such agreements so it can authorise them.

## 2. PROCEDURAL FRAMEWORK FOR CARTEL ENFORCEMENT – INITIAL STEPS

### 2.1 Initial Investigatory Steps

The enforcement agencies are required to have an objective cause in order to start an investigation. An objective cause is any indication of the existence of cartel conduct. According to the principles of the Mexican legal system, the investigative authority should clearly and duly justify its allegations.

Furthermore, the Regulations to the Federal Economic Competition Law list certain conducts that could drive an investigation either *ex officio* or prompted by a claim filed by third parties. These conducts include:

- the invitation (or recommendation) to other entities or individuals to co-ordinate practice offers and conditions of production, marketing or distribution of goods and services, or to exchange information with such purpose or effect;
- the fixing of the sale price offered by two or more competitors in Mexico considerably above or below the international reference price;
- instructions or recommendations adopted by business associations, business chambers or similar organisations to perform any of the conduct described above; and
- two or more competitors establishing maximum or minimum prices, or adhering to prices issued by business associations or commercial chambers.

There are different ways in which an investigation can be initiated: claims filed by any entity or individual even if the claimant is not the affected party; requirement by the executive branch, the Ministry of the Economy or the Consumer

Protection Agency; *ex officio* investigations; and investigations deriving from information obtained from leniency applicants.

Once the Commission or the Institute decides to start an investigation, it is required to publish a notice in the Federal Official Gazette noting the beginning of proceedings, the relevant market and the type of alleged conduct. After this information is published, the investigative process provides the corresponding enforcement agency with a timeframe that runs from 30 to 120 business days (with the possibility to extend the investigative stage up to four times for 120 business days each time). The investigation process is of a confidential nature without the possibility of identifying the target entities or individuals.

Once the investigative authority considers it has sufficient grounds, it submits the case to the Board of Commissioners to determine whether the alleged responsible participants are formally served with a document called the statement of probable liability, or the case is to be closed in the event that insufficient evidence was obtained. After the alleged responsible entities or individuals are served with the statement of probable liability, a trial-like administrative proceeding starts. The parties to the trial are the investigative authority as plaintiff and the defendants. The defendants have 45 business days to answer every allegation and provide as much evidence as possible to persuade the Board of Commissioners of their innocence. Other steps are followed during the trial-like procedure and once the steps are completed the resolution should be issued.

### 2.2 Dawn Raids

Dawn raids are possible and common during cartel investigations and in some cases are performed before the notice mentioned in **2.1 Initial Investigatory Steps** is published.

The obligations of a firm or individual facing a dawn raid are to allow the visit to take place without any obstructions and to provide all necessary support to the visiting officials. If the firm or individual rejects or obstructs the visit in any manner, then the officials will include the fact in the corresponding minutes and the alleged fact will be considered to be true.

It is possible for the visited firm or individual to include comments or arguments in the minutes as well as to attach evidence or supporting documents to their arguments. The visited economic agents will be entitled to appoint two witnesses who will sign the minutes.

## 2.3 Restrictions on Dawn Raids

The scope of the dawn raids is broad. The officials are authorised to access facilities, means of transportation, computers, electronic devices, storage devices, files or any other elements that might contain evidence. The officials may also take pictures or record video and copy, by any means, documents, books, files, or information generated by any type of technology (including computers and emails) or material support, provided that they are related to the investigation. Seizure of the relevant documents is not allowed. Furthermore, the Commission or the Institute cannot have access to information protected by the attorney-client privilege, as it will be explained in detail under **2.12 Attorney-Client Privilege**.

## 2.4 Spoliation of Information

The firms or individuals visited are warned of certain measures, such as the imposition of fines. However, if spoliation of information occurs, then the enforcement agencies' allegations may be considered as proved and criminal liability may be imposed.

## 2.5 Procedure of Dawn Raids

The procedure of dawn raids is quite formal and must follow specific rules, as follows:

- the investigative authority will issue an order containing the purpose, scope and term of the visit as well as the name and address of the visited economic agents;
- the visited economic agent is warned that in the event of access denial, hindering the visit or refusing to provide the documents or information requested, the enforcement measures (such as penalties) shall be imposed;
- the visits are carried out with the purpose of obtaining information and documents related to the investigation;
- the visits cannot exceed two months (with the possibility to extend them for two additional months);
- the visits can be performed on business days and during business hours, provided that the authority may allow an inspection to be initiated on non-business days and during non-business hours or for an inspection to be continued into non-business days and hours;
- the visited economic agent's officers, representatives or employees must allow the on-site inspection, providing access to the facilities and information as mentioned above;
- the visiting officers may request explanations regarding the facts, information or documents related to the purpose of the visit from the economic agent's officers, representatives or personnel, whose answers will be recorded and included in the visit's minutes;
- the visits can be conducted simultaneously in two or more places at a time; and
- the visiting officials will draft minutes, in the presence of two witnesses, and a detailed description of the facts or omissions noted during the visit will normally be included.

## 2.6 Role of Counsel

The visited economic agent has the right to counsel; nevertheless, the visit can start without the presence of counsel. The counsel is authorised to speak or provide comments that will also be recorded in the minutes. The counsel, like any other officer or representative of the visited economic agent, will also be subject to the warnings made by the visiting officials.

## 2.7 Requirement to Obtain Separate Counsel

Because the competition law is a specialised legal framework, the economic agents typically engage separate counsel to address the investigations. For certain investigations it is also important to have an economist if some of the arguments to be used by the defendant rely on economic analysis. It is important to point out that there is no obligation to engage separate counsel.

## 2.8 Initial Steps Taken by Defence Counsel

The procedure to determine a violation of the Mexican competition law is divided into two stages. The first is the investigation procedure and the second a trial-like administrative procedure as described at **2.1 Initial Investigatory Steps**. Both steps are carried out by the Commission or the Institute, however, the first stage is carried out by an investigative authority which is an independent entity within the enforcement agencies. The investigation procedure is confidential, so it is not possible to know if the economic agent is considered as the target of an investigation or only as a third party to the process.

Therefore, the initial steps for the defence counsel are to work together with the economic agent to internally determine if responsibility exists. Regardless of the fact that the investigations are confidential and it is not possible to determine

who is under investigation, a visit or a request for information can provide sufficient background to carry out an assessment to prepare all the arguments and supporting evidence if a statement of probable responsibility is to be served on the economic agents.

## 2.9 Enforcement Agency's Procedure for Obtaining Evidence/Testimony

Evidence and testimony are obtained from diverse sources such as dawn raids; official requests to any firm or individuals, including authorities; information gathered from claims filed with the enforcement agencies; intelligence investigations performed by the Commission or the Institute; appearances of any individual related in any way to the purpose of the investigation; anonymous claims filed on the Commission's website; public sources of information; economic analysis of market studies; co-operation with other authorities; information gathered in other procedures carried out with enforcement agencies; and information obtained from applicants for leniency.

## 2.10 Procedure for Obtaining Other Types of Information

The agencies, and specifically the Commission, have an intelligence unit in charge of gathering information from different sources such as surveys, internal analysis, etc. The enforcement agencies can also request information from other governmental agencies or foreign competition authorities.

## 2.11 Obligation to Produce Documents/Evidence Located in Other Jurisdictions

The companies or individuals can be obligated to produce documents or evidence if formally required to do so. The Mexican competition law does not have extraterritorial effect, however, in certain cases, companies or individuals located in Mexico must produce documents related to activities or facts of an international nature.

## 2.12 Attorney-Client Privilege

The attorney-client privilege is only applicable for external counsel of the economic agents and communications among the target entity; the external counsel cannot be used as evidence during the process. For instance, if during a dawn raid the enforcement agency officials find communications between the external counsel and his or her client, that information cannot be included, or even considered, for the purposes of pursuing the agencies' allegations against the target firm or individual. Recent judicial criteria have confirmed the attorney-client privilege in competition matters.

In addition, the Commission has published rules applicable to attorney-client privilege in which it establishes what type of information can be considered attorney-client privilege and the procedure to request that the Commission treat the information gathered as such.

The rules on attorney-client privilege provide that the Commission will not use or grant evidential value to the communications if the economic agent proves that the communications with the external counsel had the purpose of seeking legal advice. The procedure to request the information be treated as attorney-client privilege is the following.

- During a dawn raid the visited economic agent can request the visiting officials to classify certain documents or information as attorney-client privilege. The visiting officials must detail the request of the visited economic agent in the draft minutes.
- Once the authority concludes the dawn raid, the visited economic agent has 20 business days to submit a formal request to the Commission. Even if the economic agent failed to present the request during the dawn raid, it has the right to submit the request.

- The information must be described; for example, if the information is digital, the exact location, name and type of document (agreement, letter, email, and memorandum), the name of the author and date.
- A small description of the legal advice and the reasons for the information being considered as attorney-client privilege must be provided.
- Proof that the external counsel is legally authorised to practice law must also be included.

## 2.13 Other Relevant Privileges

All entities and individuals are protected by formal rules contained in the Mexican Federal Constitution, such as the principles of due process. Individuals should not be disturbed in their goods, domicile, papers or possessions without a written order of a competent authority, which should be duly supported.

Another important principle under Mexican law is the presumption of innocence for the defendants. If the Commission or the Institute do not gather enough evidence to accuse the defendants of cartel behaviour, the defendants should be considered innocent and the investigation should be closed.

## 2.14 Non-cooperation with Enforcement Agencies

In general terms, both the entities and individuals co-operate with enforcement agencies. However, the consequences of non-cooperation with the Commission or the Institute may give rise to fines imposed on the economic agents; for instance, a fine of approximately USD18,000 can be imposed for each day of non-compliance with an order or requirement from the enforcement agencies.

### **2.15 Protection of Confidential/ Proprietary Information**

The information obtained by the enforcement agencies can be considered public, confidential or reserved as set out below:

- information deemed public can be accessed by everybody or even published on the authority's webpage;
- reserved information can be accessed by economic agents who are part of the trial-like procedure; and
- information deemed confidential can only be accessed by the economic agent that provided the information.

In order to classify information as confidential, an economic agent is required to show and justify that the information is in fact confidential in nature, as well as to file a summary thereof. The following are included as bases for confidential classification:

- information that, were it to be disclosed, would cause damage or lost profits;
- information that contains personal data that requires consent for disclosure;
- information that would put security at risk; or
- information whose disclosure is prohibited by any legal provision.

### **2.16 Procedure for Defence Counsel to Raise Arguments against Enforcement**

Legal and factual arguments are raised at two different stages of the process. During the investigation stage, arguments can be raised through the responses and evidence provided to the official requests of the agencies, regardless of the fact that it is not possible to know if the economic agent is a target or not at this stage.

The second stage of the process - the trial-like procedure - is the appropriate procedural moment to raise all arguments, file evidence,

provide economic analysis and to include arguments to persuade the enforcement agencies.

### **2.17 Leniency, Immunity and/or Amnesty Regime**

A leniency programme exists in Mexican competition law and is available for any economic agent that has participated in cartel conduct (either directly or indirectly). The general rules applicable to the Leniency Programme are the following:

- the applicant should be the first to provide enough evidence to allow the enforcement agency to presume a cartel;
- the applicant should fully and continuously co-operate throughout the investigation stage and, if required, during the trial-like procedure; and
- the applicant must cease its participation in the cartel.

If said requests are fulfilled, the agency will impose a minimum fine. Applicants who are not the first to provide evidence can also request such benefit, but they will only receive a reduction of 50%, 30% or 20% of the maximum permitted fine (depending on the chronological order in which requirements are submitted and on the supporting evidence provided).

The Commission published Guidelines on the Leniency and Fines Reduction Programme which provide details on the steps that an applicant should follow to apply for leniency, what an applicant should understand as full and continuous co-operation, and the procedure to revoke the benefit granted.

## **3. PROCEDURAL FRAMEWORK FOR CARTEL ENFORCEMENT – WHEN ENFORCEMENT ACTIVITY PROCEEDS**

### **3.1 Obtaining Information Directly from Employees**

The enforcement agencies demand information from company employees of all levels of seniority through official requests and interviews performed by interviewers of the enforcement agencies. Former employees or officers can also be required to provide information or to appear for interviews or hearings.

### **3.2 Obtaining Documentary Information from Target Company**

The enforcement agencies can acquire information directly from the target company or others (including governmental entities). The enforcement agency normally issues official requests that should be fully answered within a period of ten business days (a term that can be extended). The agencies are authorised to issue as many official requests as they deem proper. Typically, the official requests contain a significant amount of information to be addressed, filed or produced. In the event official requests are not fully addressed, then the governmental agencies can either reiterate their request or impose a fine for every day of non-compliance.

### **3.3 Obtaining Information from Entities Located Outside this Jurisdiction**

The enforcement agencies do not typically seek information from companies or individuals outside Mexico. However, there are legal instruments that allow the enforcement agencies to obtain information located abroad.

### **3.4 Inter-Agency Co-operation/Co-ordination**

There is inter-agency co-operation and co-ordination within Mexico. For instance, there is an important relationship between the Consumer Protection Attorney (CPA) and the Commission as well as the Energy Regulatory Commission. Several cases have started by means of co-operation or information provided by other government agencies. In addition, the Mexican competition law provides that the Ministry of Economy and the CPA can file claims for cartel conducts. Also, if the enforcement agencies learn that a cartel conduct may result in damages or lost profits to consumers, then the CPA should be informed so it can start an investigation accordingly.

### **3.5 Co-operation with Foreign Enforcement Agencies**

The Commission is quite active in its relationship with foreign enforcement agencies. For instance, it is committed to adopt the best international practices through participation with international organisations such as the OECD, the International Competition Network, and the United Nations Conference on Trade and Development.

There are also international treaties and instruments that require the Commission to comply with mechanisms of co-operation with other agencies. In addition, it has entered into co-operative agreements with other agencies, such as the one executed with the European Commission for increased co-operation on competition matters and in merger control cases. The co-operation agreement with the European Commission includes the possibility for either agency to remit a case to the other when potential law violations exist. It also provides for training and exchange of officials between both authorities. For instance, in the past, US and British authorities have participated with the Commission in order to train their officials.

### 3.6 Procedure for Issuing Complaints/ Indictments in Criminal Cases

Criminal cases for cartel conducts can be filed with the Attorney General's Office by the Commission or the Institute without necessarily having a final resolution. Therefore, enforcement agencies can file criminal claims once the investigative authority issues the statement of probable liability. Third parties or other agencies cannot bring criminal cases for cartel conduct; it is not common for a cartel investigation to give rise to criminal procedures.

Once the Attorney General's Office is aware of the claim, it will apply the criminal law rules to determine whether or not a crime was committed. These rules and principles are quite different from the administrative procedure. If the Attorney General's investigation results in an alleged cartel crime, it will then file the case with a criminal court for the fining process. The defendant has the right to due process and to know the basis and rationale on which the accusation is supported.

### 3.7 Procedure for Issuing Complaints/ Indictments in Civil Cases

The procedure to enforce competition laws in Mexico is of an administrative nature and no civil actions to enforce such laws can be brought (other than damages or lost profits civil procedures). In order to file a complaint for cartel conduct the plaintiff needs to submit a written document containing:

- the specifics of the alleged responsible entity or individual;
- a description of the facts considered illegal, the market structure, and the goods and services involved;
- how the conduct affects the market;
- a list of documents and supporting evidence which may include minutes, communications,

videos, audio recordings, statistics, market surveys; and

- any other evidence or information that might help enforcement agencies to analyse the case.

The complaints are filed with either the Commission or the Institute, and the investigation and analysis of the claim is carried out by the independent investigative authority, which will eventually do one of the following:

- issue an official communication marking the beginning of the investigation;
- issue an official request in order to petition fulfilment of the requirements of a complaint; or
- issue an official communication refusing the claim, either due to the lack of the necessary requirements or because the behaviour cannot be considered as cartel conduct.

Defendants do not have access to the information in possession of the investigative authority while the confidential investigation is in process. Once the statement of probable responsibility is served on the defendant, then it is possible to know the specifics of the conduct attributed to the defendant.

### 3.8 Enforcement against Multiple Parties

Cartel conduct always implies at least two involved parties considered to be competitors. Therefore, the enforcement carried out is typically brought against multiple parties within the same case. The identity of the parties involved in the conduct will be disclosed once the investigation stage is complete and the alleged responsible parties are served with the statement of probable liability.

## 3.9 Burden of Proof

Depending on the type of procedure (ex officio or following a claim) the burden of proof to initiate the investigation is on the side of the plaintiff or the agency. Once the investigation procedure is completed and the investigative authority gathers enough evidence (ie, from the claimant, information gathered during visits and investigations, and information provided by the target entities and other parties) then the investigative authority will have the burden of proof by means of the statement of probable responsibility.

## 3.10 Finders of Fact

The enforcement proceedings carried out by the Commission or the Institute are of an administrative nature. The finders of facts are both the plaintiff and the enforcement agency. The agencies (either the Commission or the Institute) enforce the law for those facts. In the event of criminal cases, the finder of fact is the enforcement agency which files the claim with the Attorney General. The Attorney General's Office investigates the criminal case and the criminal courts apply the law to those facts.

## 3.11 Use of Evidence Obtained from One Proceeding in Other Proceedings

Evidence obtained in one proceeding can be used in another proceeding if it is related to the facts and the target company. Information provided by applicants for leniency is only used in the proceeding for which the information is provided for.

## 3.12 Rules of Evidence

According to the legal principles applicable in Mexico, the evidence should comply with constitutional standards, which allow the defendant to have access to due process. The enforcement agencies should therefore produce and support their allegations with the highest standard of legal and economic analysis. If the defendant is fined by the Commission or the Institute, it

could still challenge the decision by means of an amparo proceeding before specialised courts on competition, telecommunications and broadcasting. Such courts will analyse whether the procedure performed by the enforcement agencies followed legal standards and principles; if it did not, the resolution could be amended or revoked.

## 3.13 Role of Experts

Experts are, in some cases, fundamental to a proper defence. Economists, in particular, as independent experts, produce an important part of the argument and evidence presented to the agencies.

## 3.14 Recognition of Privileges

The attorney-client privilege is recognised and cannot be used as evidence. Please refer to **2.12 Attorney-Client Privilege**.

## 3.15 Possibility for Multiple Proceedings Involving the Same Facts

It is possible to have multiple or simultaneous enforcement proceedings involving the same or related facts. Nonetheless, the enforcement agencies typically order the joinder of files that are related by the same facts in order to have a single procedure.

## 4. SANCTIONS AND REMEDIES IN GOVERNMENT CARTEL ENFORCEMENT

### 4.1 Imposition of Sanctions

Sanctions are imposed directly by the Commission or the Institute, depending on the case. However, criminal sanctions are imposed by the criminal courts.

## **4.2 Procedure for Plea Bargaining or Settlement**

Other than the Leniency Programme mentioned at **2.17 Leniency, Immunity and/or Amnesty Regime**, there are no plea bargaining or settlement procedures for cartel conducts.

## **4.3 Collateral Effects of Establishing Liability/Responsibility**

No collateral effects (other than criminal complaints or civil cases to claim losses and damages) exist. The Commission has been actively pursuing a fight against corruption agenda and as part of this agenda there are initiatives to create collateral effects: for instance, debarment in public procurement processes or in public bids of entities, or individuals sanctioned for cartel conducts.

## **4.4 Sanctions and Penalties Available in Criminal Proceedings**

Criminal proceedings can only be started by means of a formal complaint brought by the Commission or the Institute. Criminal law is quite formalistic and specific rules apply. Currently, only a few cases have been brought before the Attorney General. If under criminal rules, the cartel conduct described in the Federal Criminal Code is carried out, then a specific unit of the Attorney General's Office would require a criminal judge to start the fining process, provided that the corresponding judge determines the applicable sanction.

## **4.5 Sanctions and Penalties Available in Civil Proceedings**

The cartel investigations performed by the enforcement agencies are of an administrative nature. The Mexican competition law allows companies and individuals to be fined after an adversarial procedure in the form of a judicial trial. The enforcement agencies are the only entities authorised to apply sanctions (other than criminal charges and resolutions determining

damages and loss of profits). In the event of civil actions to claim damages and loss of profits, the specialised courts on competition, telecommunications and broadcasting will determine the corresponding amount to be paid, if applicable.

Sanctions are of an economic nature; however, the enforcement agencies can order the correction or suppression of certain types of conduct in the future.

## **4.6 Relevance of “Effective Compliance Programmes”**

The Commission specifically encourages economic agents to implement competition compliance programmes as a preventative measure to avoid violations of the Mexican competition law. Nevertheless, no specific rules or benefits are included in the corresponding law.

## **4.7 Mandatory Consumer Redress**

Sanctions imposed by the enforcement agencies are for the benefit of the government and are not intended to provide consumer redress or any benefit to other affected parties.

## **4.8 Available Forms of Judicial Review or Appeal**

A judicial review is the only procedure available to challenge the enforcement agencies' resolutions. The judicial challenge (known as indirect amparo) should be filed with the specialised courts on competition, telecommunications and broadcasting. Appeals against the decisions of a lower court are lodged with specialised courts or appeal courts on competition, telecommunications and broadcasting. No other remedies are available to challenge either inner process resolutions or acts or final resolutions other than the above-mentioned indirect amparo.

## 5. PRIVATE CIVIL LITIGATION INVOLVING ALLEGED CARTELS

### 5.1 Private Right of Action

No private right of action exists for cartel conduct in Mexico. However, once the final resolution from either the Commission or the Institute is issued, any affected third party can file civil actions to claim damages and loss of profits, which will be brought before the specialised courts on competition, telecommunications and broadcasting.

### 5.2 Collective Action

Class actions for competition cases are allowed in Mexico when led by the enforcement agencies; however, competition class actions are not common in Mexico.

### 5.3 Indirect Purchasers and “Passing-on” Defences

No private right of action exists for cartel conduct in Mexico. Nevertheless, civil actions exist for damages and loss of profits.

### 5.4 Admissibility of Evidence Obtained from Governmental Investigations/ Proceedings

Evidence obtained from government investigations is admissible and, in some cases, can be considered as an indication of cartel conduct.

### 5.5 Frequency of Completion of Litigation

Because there is no private civil litigation to enforce competition law related to cartel conduct, there is no describable frequency of claims. Also, it is not common in Mexico to file civil actions to claim damages or loss of profits.

### 5.6 Compensation of Legal Representatives

The compensation for successful attorneys is agreed upon between clients and their counsel on a case-by-case basis. The resolutions issued by the enforcement agencies do not provide for the compensation of legal representatives.

### 5.7 Obligation of Unsuccessful Claimants to Pay Costs/Fees

The resolutions issued by the Commission or the Institute do not mandate that unsuccessful claimants be obligated to pay defence costs for counsel. Nevertheless, in a procedure to claim damages and lost profits, and depending on the case, costs can be included as part of those damages.

### 5.8 Available Forms of Judicial Review of Appeal of Decisions Involving Private Civil Litigation

Mexican competition law does not allow for private civil litigation, except for civil cases related to damages and loss of profits; consequently, there are no appeals on this regard. It is possible to challenge decisions issued by the specialised courts on competition, telecommunications and broadcasting with the corresponding specialised courts of appeal.

## 6. SUPPLEMENTARY INFORMATION

### 6.1 Other Pertinent Information

According to the strategic plans of the Commission, the following markets or sectors will be given specific attention and may be the subject of future cartel investigations: energy, finance, health, public procurement, agriculture and transportation.

## **6.2 Guides Published by Governmental Authorities**

The following guidelines have been published by the Commission and are non-binding; however important criteria and interpretations are included therein:

- Guidelines on information exchange between economic agents;
- Guidelines on initiating an investigation regarding anti-competitive practices;
- Guidelines on investigations regarding absolute monopolistic practices; and
- Guidelines on the Leniency and Fines Reduction Programme.

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