



## **NEWS RELEASE**

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### **MyCC WARNS AGAINST PRICE FIXING**

**KUALA LUMPUR, 11 September 2013** – In the wake of the recent fuel price increase announced by the Government, the Malaysia Competition Commission (MyCC) has been receiving enquiries and complaints concerning the role of associations in facilitating anti-competitive behavior, in particular price fixing by its members.

The MyCC clarifies that price hikes by themselves are not anti-competitive in nature. The MyCC has no role in policing price hikes but if the price hikes were a result of collusion through price fixing agreements by any associations or any groups of sellers, suppliers or manufacturers, those are considered a contravention of Section 4 of the Competition Act 2010.

Section 4 of the Competition Act 2010 prohibits enterprises, including associations, from fixing, directly or indirectly a purchase or selling price or any other trading conditions for goods and services.

The Competition Act 2010 has been in force from 1st January 2012 and it is necessary for associations and business enterprises to comply with the legislation. The Commission may impose a financial penalty, which is not more than 10% of the worldwide turnover of the enterprise over the period of the infringement, or impose any other direction that it considers appropriate to ensure future compliance by associations and business enterprises.



Any members of the public who have information concerning conduct by associations and business enterprises who are or have engaged in price fixing activities should contact the MyCC at +603-2273 2277 or via email at [complaints@mycc.gov.my](mailto:complaints@mycc.gov.my).

For more information on the MyCC and the Competition Act 2010, log on to [www.mycc.gov.my](http://www.mycc.gov.my).

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**EDITOR'S NOTES:**

1. The details on Section 4 (1) and (2) of the Competition Act 2010: Prohibited \*horizontal and vertical agreement is as follows:

4. (1) A horizontal or vertical agreement between enterprises is prohibited insofar as the agreement has the object or effect of significantly preventing, restricting or distorting competition in any market for goods or services.

(2) Without prejudice to the generality of subsection (1), a horizontal agreement between enterprises which has the object to—

- (a) fix, directly or indirectly, a purchase or selling price or any other trading conditions;
- (b) share market or sources of supply;
- (c) limit or control—
  - (i) production;
  - (ii) market outlets or market access;
  - (iii) technical or technological development; or
  - (iv) investment; or
- (d) perform an act of bid rigging, is deemed to have the object of significantly preventing, restricting, or distorting competition in any market for goods or services.

\* “horizontal agreement” = agreement between enterprises each of which operates at the same level in the production or distribution chain;

“vertical agreement” = agreement between enterprises each of which operates at a different level in the production or distribution chain.



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Corporate Communication Unit

Malaysia Competition Commission

### **About Malaysia Competition Commission (MyCC)**

Established in June 2011, MyCC is an independent body responsible for enforcing the Competition Act 2010, which was implemented to create healthy competition which would in turn stimulate productivity and innovation, thus creating wider choices of products for consumers with better quality and reasonable prices.

The Act applies to all commercial activities undertaken within and outside Malaysia that affects competition in the Malaysian market. It provides a regulatory framework including powers to investigate, adjudicate and impose penalties on the perpetrators of the competition laws.

For more information on the Act and MyCC activities, log on to [www.mycc.gov.my](http://www.mycc.gov.my).