
NEWS RELEASE

**PROPOSED DECISION ON SEVEN TUITION AND DAY CARE CENTRES FOR
PRICE FIXING CONDUCT**

KUALA LUMPUR, 8 FEBRUARY 2018 – The Malaysia Competition Commission (MyCC) had issued a proposed decision against seven (7) tuition and day care centres for infringing section 4 of the Competition Act 2010 (CA 2010) by collectively agreeing to fix and standardise the fees charged for the tuition and day care services in the SS19 Subang Jaya area. The agreement to fix the fees was entered into in May 2017 and a notice to that effect was issued by the said parties.

After taking into account the fact and circumstances of the case as well as relevant provisions of the Act and the Commission's Guidelines on Financial Penalty, the Commission proposed to impose a financial penalty on all seven (7) tuition and day care centres a collective sum of RM33,068.85 for the duration of the infringement but not more than 10% of their worldwide turnover.

The provisional decision requires also the said parties to immediately "Cease and Desist" from the act of price fixing and to repudiate the price fixing agreement with immediate effect and will be required to enrol and complete the Commission's e-Learning course on Competition Compliance for Small and Medium Enterprises (SMEs) within one (1) month from issuance of the Proposed Decision.

Pursuant to section 36 of the Act, the Commission had provided detailed reasoning for arriving at its proposed decision so as to provide all seven tuition and day care centres with a fair opportunity to respond accordingly.

MyCC's Chief Executive Officer, Dato' Abu Samah Shabudin said, price fixing is considered to be a very serious infringement under the CA 2010; and therefore the Commission will not hesitate to take swift and stern action against all enterprises whether big or small that are found to be engaged in such anti-competitive practice. This shall serve as a clear message and deterrent to others from following suit.

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For media enquiries, please contact:

Noorliza Abdul Latiff, Tel +603 2273 2277 (ext 111), Email: noorliza@mycc.gov.my

Corporate Affairs Division

Malaysia Competition Commission

About Malaysia Competition Commission (MyCC)

Established in April 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 affect 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 the MyCC's activities, you can log on to www.mycc.gov.my.

EDITOR'S NOTES:

1. Details of Section 4(1), (2)(a) and (3) of the Competition Act 2010 are as follows:

Prohibited horizontal and vertical agreement:

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;

(3) Any enterprise which is a party to an agreement which is prohibited under this section shall be liable for infringement of the prohibition

2. Details of Section 36 of the Competition Act 2010:

Proposed decision by the Commission

36. (1) *If, after the completion of the investigation, the Commission proposes to make a decision to the effect that one of the prohibitions under Part II has been or is being infringed, the Commission shall give written notice of its proposed decision to each enterprise that may be directly affected by the decision.*

(2) *The notice shall—*

- (a) *set out the reasons for the Commission's proposed decision in sufficient detail to enable the enterprise to whom the notice is given to have a genuine and sufficient prospect of being able to comment on the proposed decision on an informed basis;*
- (b) *set out any penalties or remedial action that the Commission proposes to apply; and*
- (c) *inform each enterprise to whom the notice is given that the enterprise may, within such reasonable period as may be specified in the notice—*
 - (i) *submit written representations to the Commission; and*
 - (ii) *indicate whether the enterprise wishes to make an oral representation before the Commission.*