
NEWS RELEASE

MyCC IMPOSES RM10.3 MILLION FINE AGAINST DAGANG NET

KUALA LUMPUR, 26 FEBRUARY 2021 – The Malaysia Competition Commission (MyCC) imposes a financial penalty totalling RM10.3 million fine against Dagang Net Technologies Sdn Bhd (Dagang Net) for the abuse of its dominant position by engaging in exclusive dealing. Dagang Net, a subsidiary of Dagang NeXchange Berhad, is the Government’s sole service provider in the provision of online trade facilitation services for Sistem Maklumat Kastam under the National Single Window (NSW). The NSW is an electronic-based ecosystem that enables customs related documents and transactions to be transferred electronically between the trading communities and regulatory authorities in Malaysia via a single point of entry.

After a thorough investigation and due process, MyCC issues the decision that Dagang Net had infringed Section 10(1) of the Competition Act 2010 by engaging in exclusive dealing through the imposition of exclusivity clauses on software providers of the NSW from October 2015 to November 2017. The anti-competitive conduct of Dagang Net harms competition in the market because it prevents software providers from providing similar services to end users (in this case – the manufacturers, importers, exporters, freight forwarders and shipping agents) in the upcoming uCustoms system. MyCC concludes that the imposition of the exclusivity clauses constitutes an abuse of Dagang Net’s dominant position in the relevant market, which leaves its competitors at a competitive disadvantage when entering the uCustoms market.

MyCC’s Chairman, Dato’ Seri Mohd Hishamudin Yunus, said that the granting of a concession is within the power of the Government. Although it may result in the creation of a monopoly, either directly or indirectly, nevertheless, any abusive

monopolistic behaviour will not be tolerated. He warned that stern action will be taken by MyCC against monopolies that sabotage the Malaysian economy.

“MyCC’s decision is in line with the Commission’s objective of protecting the competition process thereby lowering trade transaction costs for companies in the field of global commerce. By protecting competition, consumers and businesses will benefit from the bolstered efficiency, innovation and entrepreneurship,” he said.

MyCC imposes a fine of RM10,302,475.98 against Dagang Net after considering its oral and written representations as well as the impact of the current economic situation and the presence of mitigation and aggravating factors. In the decision, MyCC also directs Dagang Net to cease and to refrain in the future, from engaging in exclusive dealing that may disrupt competition in the provision of trade facilitation services. The Commission further directs that the directors and senior management executives of the company to enrol in competition law compliance training at their own expense.

The decision will be made available soon for public viewing via www.mycc.gov.my.

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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 of 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 MyCC activities, log on to www.mycc.gov.my.