
Investigation into Absolute Monopolistic Practices in the Non-Residential Real Estate Leasing Market

Legal flash Mexico City

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On October 22, 2020, it was announced in Mexico's Federal Official Gazette (the "**DOF**"), that the Investigative Authority of the Federal Economic Competition ("**COFECE**") is beginning an *ex officio* investigation, with file number IO-004-2020, with respect to possible absolute monopolistic practices in the non-residential real estate leasing market in Mexico (the "**Investigation**").



General Aspects of the Investigation

On October 22, 2020, it was announced in the DOF that the COFECE investigative authority was beginning the Investigation. The market under investigation is the market of non-residential real estate leasing in Mexico (the “**Market**”)

The Investigation will inquire into possible absolute monopolistic practices¹ contained in sections I and V of article 53 of the current Federal Economic Competition Law (the “**LFCE**”) and in article 9 of the former Federal Economic Competition Law.

Possible Sanctions

The LFCE stipulates that any economic agents participating in the acts described above will be liable for sanctions, without prejudice to any civil and criminal liability that may arise. These sanctions range, among others, from: (i) suppress the monopolistic practices undertaken; (ii) fines according to the incomes of the economic agents involved; and (iii) fines and ineligibility to act as officers and directors of companies. In the event that an offence is repeated, a fine may be imposed that is up to twice the agreed amount.

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¹ Absolute monopolistic practices are illegal agreements between competitors that affect competition and have the aim or effect of: (i) fixing prices; (ii) dividing up the market; (iii) manipulating supply or demand; (iv) colluding in calls for tenders; or (v) exchanging information with the purpose of any of the above