
NEWS RELEASE

MyCC ISSUES DECISION ON SEVEN TUITION AND DAY CARE CENTRES

KUALA LUMPUR, 29 OCTOBER 2018 - The Malaysia Competition Commission ("MyCC") had issued a decision pursuant to section 40 of the Competition Act 2010 ("Act 712") against seven tuition and day care centres in SS19 Subang Jaya area, for engaging in price fixing activities.

The MyCC has arrived at the decision that the enterprises had infringed section 4 of Act 712 by entering into an agreement in May 2017 to collectively fix and standardise the fees charged for the tuition and day care services rendered by their respective centres.

In the decision, the MyCC imposed a financial penalty of RM33,068.85 collectively on all seven enterprises for the duration when the infringement occurred. All seven enterprises are also required 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 MyCC's e-learning course on Competition Compliance for Small and Medium Enterprises (SMEs) within one (1) month from the issuance of the Decision.

The decision was made after considering the written submissions and oral representations by the enterprises. Each of the infringing enterprise has thirty (30) days from the date of the Decision to pay the financial penalty.

“Price fixing is a hard-core cartel. It victimises the rakyat and forces consumers to pay unnecessarily expensive prices. Thus, the Commission will not hesitate to take stern action against any cartel in order to protect the consumers” said Encik Iskandar Ismail, Chief Executive Officer of the Commission.

For more information on the case or on MyCC, kindly log on to www.mycc.gov.my

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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 40 of the Competition Act 2010:

Finding of an infringement:

40. (1) *If the Commission determines that there is an infringement of a prohibition under Part II, the Commission—*

(a) shall require that the infringement to be ceased immediately;

(b) may specify steps which are required to be taken by the infringing enterprise, which appear to the Commission to be appropriate for bringing the infringement to an end;

(c) may impose a financial penalty; or

(d) may give any other direction as it deems appropriate.

(2) The Commission shall, within fourteen days of its making a decision under this Part, notify any person affected by the decision.

(3) The Commission shall prepare and publish reasons for each decision it makes under this section.

(4) A financial penalty shall not exceed ten percent of the worldwide turnover of an enterprise over the period during which an infringement occurred.