

## **MEDIA RELEASE**

**11 March 2013**

### **Competition Commission granted formal powers to conduct market inquiries**

The Competition Commission welcomes the commencement of section 6 of the Competition Amendment Act 1 of 2009 (2009 Amendment), which provides the Competition Commission ("Commission") with formal powers to conduct market inquiries. The Competition Amendment Act was signed and assented to by the President on 28 August 2009. The various provisions of the amendment were set to come into force at a time to be determined by the President. President Jacob Zuma has determined that section 6 will come into effect on 01 April 2013.

Market inquiries are recognised globally as an important tool in promoting competition in the economy. A market inquiry is a formal inquiry in respect of the general state of competition in a market for particular goods or services, without necessarily referring to the conduct or activities of any particular named firm. The Commission can initiate a market enquiry if it has reason to believe that any feature or combination of features of a market for any goods or services prevents, distorts or restricts competition within that market; or to achieve the purposes of the Competition Act as amended.

The amendment provides for the conduct of market enquiries, including the selection, initiation, conduct and outcomes of such inquiries. The outcomes of a market inquiry may include recommendations to the Minister for new or amended policy, legislation or regulations; or recommendations to other regulatory authorities in respect of competition matters. On the basis of information obtained during a market inquiry, the Commission may also initiate a complaint which may be settled or referred to the Competition Tribunal without further investigation, or that may be investigated further. The Commission may also choose to take no action.

In 2008, the Commission concluded a market inquiry into aspects of the banking sector, relying on its general powers and without investigative powers; and also relying on companies' voluntary participation.

The amendment gives the Competition Commission, during its conduct of a market inquiry, the ability to issue summons to compel persons to appear before the inquiry and to compel evidence which has a bearing on the subject matter to be presented; it outlines the powers of the officer presiding at a hearing and also deals with various offences including failure to answer fully or truthfully during an inquiry. The amendment also provides for the treatment of confidential information.

**ENDS**

#### **For more information:**

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