



competition commission
south africa

**PRESS RELEASE
IMMEDIATE RELEASE
DATE 22 MAY 2020**

**COMPETITION TRIBUNAL CONFIRMS ORDER AGAINST
PRICE INFLATING COMPANIES**

The Competition Commission welcomes the decision of the Competition Tribunal which confirmed as an order a consent settlement agreement with two companies, on-sellers and importers of face masks respectively, who charged excessive prices to the detriment of customers and consumers.

Sicuro Safety CC (Sicuro) and Hennox 638 CC t/a Hennox Supplies (Hennox) admitted that they increased their gross profit margins for FFP1 face masks during March 2020 in contravention of the Competition Act read together with Regulation 4 of the Consumer Protection Regulations.

The two companies have undertaken to develop, implement and monitor a competition law compliance programme incorporating corporate governance designed to ensure that its employees, management, directors, and agents do not engage in future contraventions of the Act. The competition law compliance programme will be developed in conjunction with a staff member of the Commission. In particular, such compliance programme will include a mechanism for the monitoring and detection of any contravention of the Act.

They will submit a copy of a compliance programme to the Commission within 60 business days of the date of confirmation of the settlement agreement as an order by the Tribunal or such longer period as may be agreed with the Commission depending on the duration of any lockdown imposed in terms of the legislation and directions; and

To circulate a statement summarising the content of the settlement agreement to all management and operational staff employed at Sicuro and Hennox within 14 calendar days from the date of confirmation of the order.

Further, Sicuro and Hennox will pay administrative penalty of R1.5 million and contribute R200 000,00 to the Solidarity Fund. The companies have also agreed to immediately desist from charging excessive prices to reduce their gross profit margin on FFP1 face masks to a mutual acceptable maximum for the duration of the state of the national disaster. They must ensure that their gross profit margin for FFP2 and FFP3 facial masks will not exceed a mutually accepted maximum for the duration of the state of the national disaster.

The settlement follows the Commission's investigation which found that the two firms' prices for the Filtering Face Piece 1 (FFP1) mask increased astronomically by more than 969.07% and 956%, as charged by Sicuro and Hennox, respectively.

[ENDS]

Issued by:

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