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## MEDIA RELEASE

**Date:** 09<sup>th</sup> September 2011

**Investigation Ref:** CCM/INV/0011

### **DECISION OF COMMISSIONERS CONCERNING COMMINGLING OF POOLS BETWEEN AUTOMATIC SYSTEMS LIMITED AND GLOBALSPORTS LIMITED**

The Commissioners of the Competition Commission of Mauritius (CCM) have accepted undertakings negotiated by the Executive Director of the CCM, clearing the proposed commingling of pools by Automatic Systems Limited (ASL), operators of SuperTote, and Globalsports Limited (GSL), operators of Tote LePep. 'These undertakings resolve the CCM's concerns over competitive effects of the combination while allowing punters to benefit from the presence of larger pools,' stated Dr Sean Ennis.

ASL and GSL are proposing to commingle the bets they receive on races conducted by the Mauritius Turf Club. In this regards, they approached the Gambling Regulatory Authority and the CCM before they signed the commingling agreement. The CCM initiated an investigation because it had reasonable grounds to believe that the agreement included some terms which may be in breach of Section 41 of the Competition Act.

The CCM had concerns that some of the terms of the proposed agreement could reduce or eliminate competition in the market for totalisator betting services in Mauritius, by removing the incentive for ASL and GSL to compete vigorously to attract punters. Some terms of the agreement would have removed the incentive for ASL and GSL to strive to provide better service for their customer.

ASL and GSL offered undertakings, pursuant to Section 63 of the Competition Act, to the CCM in an attempt to satisfy the competition concerns of the CCM. Following receipt of the undertakings, the Executive Director prepared a report which was submitted to the Commissioners, recommending that the Commission accepts the undertakings as they satisfy the concerns which the CCM had during the investigative stage.

Dr Ennis said today 'These are the first undertakings accepted by the CCM but they will not be the last. Going forwards, we will encourage companies under investigation to consider undertakings to address competition issues. Undertakings are promises by companies to behave in ways that will not restrict competition. We expect to use them in future cases to ensure that our investigations reach outcomes

governed by the Competition Act in an efficient way. This case demonstrates that cooperation by parties to a CCM investigation can result in a resolution that takes considerably less time than in an adversarial setting.’ Undertakings are provided for under the Competition Act and are a very effective way of speeding up resolution of cases under the Competition Act.

#### **Background for editors:**

#### ***The Competition Act***

The Competition Act 2007 came fully into effect on November 25<sup>th</sup> 2009, and is enforced by the Competition Commission of Mauritius, the CCM. Sub-part I of Part III of the Competition Act 2007 covers restrictive business practices described as ‘Collusive Agreements’. Part VI covers ‘Determination of cases by the Commission, Penalties and Remedies’

**Section 41** in Sub-part I of the Competition Act prohibits collusive agreements that have the object or effect of fixing the prices of, sharing markets for, or restricting the supply or acquisition of goods or services of the same description.

**Section 63** in Part VI of the Competition Act states that an enterprise may offer a written undertaking to the Commission to address any concern that has arisen, or is likely to arise, during an investigation into a restrictive agreement. If an undertaking is accepted by the Commission, it is published in the form of a decision of the Commission, and the enterprise must comply with its terms. The undertaking then operates like a direction issued by the Commission under section 60. If the enterprise does not comply with the undertaking (without reasonable excuse), Section 65 of the Competition Act permits the Commission to apply to a Judge in Chambers for a mandatory order requiring the enterprise to make good its default.

\* In totalisator, or pari-mutuel, betting the final odds are not known until after the conclusion of the race when the pool of money placed on a particular type of bet in each race is divided by the number of winning tickets for that type of bet. It differs from fixed odds betting where the punter and the bookmaker agree on odds that remain fixed irrespective of any other bets on the same race.

\*\* Totalisators commingle their pools of bets on a race because the larger, commingled pool of bets can produce bigger dividends for the customers. It also reduces the impact larger bets can have on the odds. It is commonly used where the totalisator operators are in different jurisdictions.

#### ***Further information:***

For further information see the CCM’s website at [www.ccm.mu](http://www.ccm.mu) and the CCM’s Procedural Rules and Guidelines: ‘[CCM 1 - Procedural Rules](#)’, ‘[CCM 3 – Collusive Agreements](#)’ and ‘[CCM 6 - Remedies and Penalties](#)’, all available on the website.

