



**FTCNewsLine** is an on-line quarterly newsletter of the **FAIR TRADING COMMISSION** that contains information on competition matters dealt with by the Fair Trading Commission as well as competition agencies from around the world. The aim is to provide insights into some of the matters that are prosecuted in other jurisdictions; and to assist persons in better identifying issues that may pose competition concerns.

Competition legislation is specific to each jurisdiction and activities that are prohibited in one jurisdiction are not necessarily prohibited in other jurisdictions. For information on the prohibitions under the Jamaica's competition legislation, the **FAIR COMPETITION ACT (FCA)**, please visit our website at [www.jftc.gov.jm](http://www.jftc.gov.jm).

*In this Issue we feature issues related to the period July 1, 2012 to September 30, 2012.*

## **FTC signs Consent Agreement**

In September 2012, the FTC entered into a Consent Agreement with the International University of the Caribbean (IUC). This arose from a complaint received in 2011, whereby a student alleged that the IUC incorrectly advised her of the courses she needed to complete to earn a Degree from the institution. The Staff investigated the matter and took the position that IUC's conduct was likely to contravene section 37 of the Fair Competition Act, which addresses misleading representation. The Staff's investigation revealed that the IUC's actions resulted in the original representation, upon which the student had relied, being altered in material respects, to the detriment of the student. The IUC requested that the FTC exercise its discretion and settle the matter in accordance with the Fair Competition (Notices and Procedures) Regulations 2000.

The FTC enters into Consent Agreements in situations where it believes that the FCA has been breached and the Respondents are amenable to settling the matter out of Court. These agreements usually require that the Respondent commit to not repeating the offensive conduct, issue a public apology, provide redress to the Informant(s) as well as pay the Commission's costs. The FCA allows for a fine of up to \$5 million in the case of an enterprise and up to \$1 million in the case of an individual, where the Court determines that the FCA has been breached.

## **FTC issues guideline on the purchasing of motor vehicles**

The FTC has issued a guideline on the purchasing of motor vehicles. This guideline became necessary to address the high number of complaints from individuals who have purchased motor vehicles in the past 3 years. In particular the FTC received numerous complaints of discrepancy in the model year of vehicles as represented by dealers and valuers. There is also concern that the diesel fuel sold in Jamaica is unsuitable for use in some diesel-powered vehicles.

The guideline provides a check-list for consumers who are purchasing a motor vehicle. These are: confirm the model year, know the quality of fuel that is to be used in the vehicle, research

the vehicle, inspect the vehicle, check for availability of spare parts and understand the warranty and sale agreement. The guideline is available at [www.jftc.gov.jm](http://www.jftc.gov.jm).

## **PUBLIC EDUCATION**

### **13<sup>th</sup> Shirley Playfair Lecture**

The 13<sup>th</sup> lecture in the Annual Shirley Playfair Lecture Series, under the theme “Prospects for Competition in the Electricity Sector: from generation to distribution”, will be aired on Cable News and Sports (CNS) TV Jamaica on October 1, 2012 at 10:00 am, October 3 at 6:00 pm and October 4 at 10:00 pm.

The lecture was held on September 11, 2012 at the Jamaica Pegasus Hotel, in Kingston, Jamaica. The main speaker was Professor Evan Duggan, Dean of the Faculty of Social Sciences, UWI Mona. Dr. Kevin Harriott, Competition Bureau Chief of the FTC, presented on several key highlights and issues that are raised in the FTC’s ongoing study of the electricity sector. The discussion segment was moderated by Dr. Densil Williams, Commissioner of the FTC. Professor Duggan’s presentation is available at [www.jftc.gov.jm](http://www.jftc.gov.jm).

### **FTC educates consumers**

In line with its mandate to educate the public on competition law and policy, the FTC participated in the North Street United Church Health Fair by presenting on the role and function of the FTC, under the theme “Competition is about Choice”. Particular emphasis was placed on the responsibility of consumers in ensuring that businesses compete. They were encouraged to shop around, vote with their feet, seek adequate information on products and importantly, to contact the FTC whenever they are aggrieved by the conduct of a supplier. The presentation is available at [www.jftc.gov.jm](http://www.jftc.gov.jm).

Mr. David Miller, Executive Director of the FTC participated in an interview on IRIE FM about the conduct of some promoters of all-inclusive parties, in not honoring the services they advertised. He explained that section 37 of the FCA, which addresses misleading representation, prohibits such conduct. The FTC is investigating the promoter of an all-inclusive event regarding the omission of material information.

### **World Competition Day**

On December 5, 2012 the FTC will be joining a number of Competition Agencies worldwide in recognizing World Competition Day, under the theme “Adverse Impact of Cartels”. The main purpose is to raise awareness about the harmful effects of cartels and to generate leads about cartel activities which may be a source for initiation of investigation. To raise awareness, the FTC will be disseminating information by way of presentations, articles and pamphlets to businesses, trade associations, the legal fraternity, students, consumer groups and the media.

Cartels involve anti-competitive coordination among competitors to set prices, divide markets, share information or agree on business strategies. Such conduct negatively affects economic development and consumer welfare.