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**HEALTH CARE GROUPS PAY HIGHEST FINE RECORDED FOR FAILURE TO NOTIFY A MERGER**

The Competition Tribunal had confirmed the consent agreement between **Life Healthcare Group** and **Joint Medical Holdings,** heard on 17 February,for failing to notify a merger and then implementing it. They will pay a R10 million fine for the contravention, the highest fine awarded for a merger contravention.

The Competition Commission had proposed an administrative penalty be imposed on listed company Life Healthcare Group and Joint Medical Holdings for engaging in activity that it considered a merger, but which the companies failed to notify in terms of the Competition Act.

The Tribunal had requested clarity on whether the consent agreement is in full and final settlement of all matters between the Commission and the respondents relating to both the price fixing contravention and the alleged merger contravention, possibly by way of an addendum to the agreement.

The Commission, in the final settlement, agreed to drop the Section 4 complaint, in return for the respondents admitting that they failed to notify the merger and implementing it, without approval. Section 4 (1)(b)(i) of the Competition Act, in this case, relates to price fixing.

The Competition Commission during an investigation found that since 2004 Life Healthcare Group and Joint Medical Holdings had agreed that all their prices would be set jointly. This meant that all price negotiations, including the tariff charged by Joint Medical Holdings to various medical schemes were negotiated by Life Healthcare Group.

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The Competition Commission has proposed an administrative penalty be imposed on listed company **Life Healthcare Group** (Pty) Ltd and **Joint Medical Holdings** Ltd for engaging in activity that consisted a merger but which they failed to notify in terms of the Competition Act.

The Competition Commission during an investigation found that since 2004 Life Healthcare Group and Joint Medical Holdings had agreed that all their prices would be set jointly. This meant that all price negotiations, including the tariff charged by Joint Medical Holdings to various medical schemes were negotiated by Life Healthcare Group.