



COMPETITION TRIBUNAL
REPUBLIC OF SOUTH AFRICA

Case No: CO027May15

In the matter between:

The Competition Commission

Applicant

and

Execu-Move CC

Respondent

Panel : N Manoim (Presiding Member)
M Mokuena (Tribunal Member)
A Ndoni (Tribunal Member)

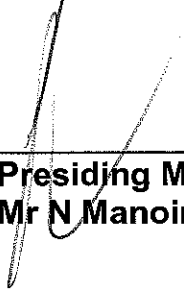
Heard on : 15 July 2015

Addendum received: 27 July 2015

Decided on : 27 July 2015

Order

The Tribunal hereby confirms the consent agreement as agreed to and proposed by the Competition Commission and Execu-Move CC annexed hereto marked "A", read with addendum marked "B".



Presiding Member
Mr N Manoim

27 July 2015
Date

Concurring: Ms M Mokuena and Ms A Ndoni

"A"

IN THE COMPETITION TRIBUNAL OF SOUTH AFRICA
(HELD IN PRETORIA)

CT Case No.

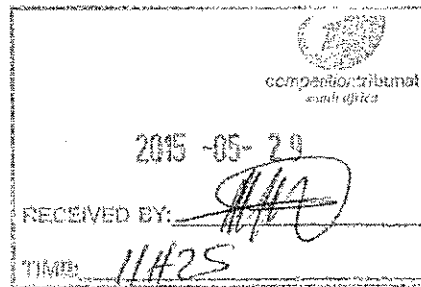
CC Case No: 2011Jun0069

In the matter between

THE COMPETITION COMMISSION

and

EXECU-MOVE CC



Applicant

Respondent

CONSENT AGREEMENT IN TERMS OF SECTION 49D AS READ WITH SECTIONS 58(1)(a)(iii) and 58(1) (b) OF THE COMPETITION ACT, NO. 89 OF 1998, AS AMENDED, BETWEEN THE COMPETITION COMMISSION AND EXECU-MOVE CC, IN RESPECT OF CONTRAVENTION OF SECTION 4(1)(b) (iii) OF THE COMPETITION ACT, NO 89 OF 1998

Preamble

The Competition Commission and Execu-Move CC hereby agree that application be made to the Competition Tribunal for the confirmation of this Consent Agreement as an order of the Tribunal in terms of section 49D read with section 58(1)(a)(iii) and 58(1)(b) of the Competition Act, No. 89 of 1998, as amended (the Act), in respect of contraventions of section 4(1)(b) (iii) of the Act, on the terms set out below.

1. Definitions

For the purposes of this Consent Agreement the following definitions shall apply:

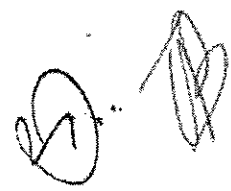
- 1.1 "Act" means the Competition Act, No. 89 of 1998, as amended;
- 1.2 "Execu-Move-CC" means Execu-Move, a close corporation incorporated under the laws of the Republic of South Africa with its principal place of business situated at 26 Brentford Street, Beaconvale, Western Cape;
- 1.3 "Commission" means the Competition Commission of South Africa, a statutory body established in terms of section 19 of the Act, with its principal place of business at Mulayo Building (Block C), the DTI Campus, 77 Meintjies Street, Sunnyside, Pretoria, Gauteng;
- 1.4 "Commissioner" means the Commissioner of the Competition Commission, appointed in terms of section 22 of the Act;
- 1.5 "Complaint" means the complaint initiated by the Commissioner in terms of section 49B(1) of the Act under case number 2011Jun0069;
- 1.6 "Consent Agreement" means this agreement duly signed and concluded between the Commission and Execu-Move;
- 1.7 "Cover Price" means generally, a price that is provided by a firm that wishes to win a tender to a firm that does not wish to do so, in order that the firm that does not wish to win the tender may submit a higher price; or alternatively a price that is provided by a firm that does not wish to win a tender to a firm that does wish to win that tender in order that the firm that wishes to win the tender may submit a lower price; and

- 1.8 "Tribunal" means the Competition Tribunal of South Africa, a statutory body established in terms of section 26 of the Act, with its principal place of business at Mulayo building (Block C), the DTI Campus, 77 Meintjies Street, Sunnyside, Pretoria, Gauteng.

2. THE COMMISSION'S INVESTIGATION AND FINDINGS

- 2.1 On 3 November 2010, the Commission initiated a complaint in terms of section 49(B)(1) of the Act into alleged prohibited practices relating to collusive tendering in the market for the provision of furniture removal services in South Africa against J.H Retief Transport CC, Patrick Removals (Pty) Ltd, Cape Express Removals (Pty) Ltd, Sifikile Transport CC, Gloway Transport CC, De Wet Human CC t/a Viking Furniture, Stuttaford Van Lines (Pty) Ltd and Pro-Pack Removals CC.
- 2.2 On 1 June 2011, the Commission amended its complaint to include other furniture removal firms as respondents in the complaint on the basis of further information obtained in the course of the investigation of the complaint. These furniture removal firms are A&B Movers CC; Advance Transport (Pty) Ltd; African Palletized Storage; Afriworld Furniture Removals CC; Core Relocations (Pty) Ltd; Crown Relocations (Pty) Ltd; De Lange Transport (Pty) Ltd; Elliot International CC; Execu-Move CC; Joel Transport (Pty) Ltd; Langs Furniture Removals; Lowe Lines CC; Majorshelf; Matthee Removals; North Western Transport CC; Pickfords Removals (Pty) Ltd; Pulse International Removals; Stanley's Removals CC; Transfreight International CC; Western Transport Services; JNK Transport Services; Trapezium Removals; Elite International; City to City Transport; Wiets Removals; H&M Removals; AGS Frasers International (Pty) Ltd; and all then present members of the Professional Movers Association.

- 2.3 On 13 June 2013, the Commission further amended its complaint to include other furniture removal firms as respondents in the complaint on the basis of further information obtained in the course of the investigation of the complaint. These firms are Easy Moves CC; Reliable Removals CC; Deon Nel Sole Proprietorship t/a AD Transport; Bear Transport (Pty) Ltd; J&H Removals (Pty) Ltd; Mini Maxi Movers CC; Baxter International Movers CC; Louis du Preez Sole Proprietorship t/a Removals 4 Less; A to Z Relocation Services t/a The Moving Company; and AKA Loading & Transport CC.
- 2.4 The firms listed in paragraphs 2.1, 2.2 and 2.3 above shall hereinafter be referred to as the Respondents.
- 2.5 The Commission's investigation revealed the following:
- 2.5.1 During or about the period 2007 to at least December 2012, the firms identified in paragraphs 2.1, 2.2 and 2.3 above, being competitors in the market for the provision of furniture removal services agreed to tender collusively in relation to the provision of furniture removal services.
- 2.5.2 In terms of the agreement a firm that was contacted first regarding a request for quotation for furniture removal services would offer to source two or more quotations on behalf of the customer, and would then contact two or more of its competitors and request the competitors to submit cover prices.
- 2.5.3 The cover prices would either be sent directly to the customer or to the competitor wishing to win the tender for onward submission to the customer.
- 2.5.4 Execu-Move colluded with J.H Retief Transport CC, Sifikile Transport CC and Patrick Removals (Pty) Ltd on tenders issued by various government

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departments, including but not limited to, Department of Education, Department of Health, Department of Public Works, the South African National Defence Force, South African Police Services, as well as tenders issued by large corporates such as Eskom and Pretoria Portland Cement.

2.5.5 The Commission further found that, pursuant to the arrangement set out above, Execu-Move engaged in 378 instances of cover pricing.

2.5.6 This conduct constitutes collusive tendering in contravention of section 4(1)(b) (iii) of the Act.

3. ADMISSION

Execu-Move admits that it engaged in 378 instances of cover pricing in contravention of section 4(1)(b) (iii) of the Act.

4. CO-OPERATION

Execu-Move agrees to fully cooperate with the Commission in its investigation and prosecution of the remaining respondents in the complaint. This cooperation includes, but is not limited to:

4.1. To the extent that it is in existence, the provision of evidence, written or otherwise, which is in its possession or under its control, concerning the alleged contraventions contained in this Consent Agreement.

4.2. Testifying in the complaint referral (if any) in respect of the contraventions set out in this Consent Agreement.

5. FUTURE CONDUCT

Execu-Move agrees to:

- 5.1. prepare and circulate a statement summarising the contents of this Consent Agreement to its employees, managers and directors within fourteen (14) days of the date of confirmation of this Consent Agreement as an order of the Tribunal;
- 5.2. refrain from engaging in conduct in contravention of section 4 (1)(b) of the Act in future;
- 5.3. develop, implement and monitor a competition law compliance programme as part of its corporate governance policy, which is designed to ensure that its employees, management, directors and agents do not engage in future contraventions of the Act. In particular, such compliance programme should include mechanisms for the identification, prevention, detection and monitoring of any contravention of the Act;
- 5.4. submit a copy of such compliance programme to the Commission within sixty (60) days of the date of confirmation of the Consent Agreement as an order by the Tribunal; and
- 5.5. undertakes henceforth to engage in competitive bidding.

6. ADMINISTRATIVE PENALTY

- 6.1. Having regard to the provisions of sections 58(1)(a)(iii) as read with sections 59(1)(a), 59(2) and 59(3) of the Act, Execu-Move is liable to pay an administrative penalty.
- 6.2. Execu-Move agrees and undertakes to pay an administrative penalty in the amount of **R831 513.78 (Eight Hundred and Thirty One Thousand, Five Hundred and Thirteen Rands and Seventy-Eight Cents)**. This administrative penalty represents 9% of Execu-Move's domestic turnover for the financial year ended February 2013.
- 6.3. Execu-Move shall pay the administrative penalty set out in paragraph 6.2 above to the Commission in four (4) equal instalments over a period of forty-eight (48) months. The first payment shall be made within thirty (30) days of the confirmation of this Consent Agreement as an order of the Tribunal. The second payment shall be made on 11 May 2016. The third payment shall be made on 11 May 2017. The fourth payment shall be made on 11 May 2018.
- 6.4. Execu-Move shall pay interest at a rate of 9.25% per annum on any amount outstanding from the 13th month in terms of the Public Finance Management Act.
- 6.5. The administrative penalty payable by Execu-Move in terms of this Consent Agreement shall be paid into the Commission's bank account which is as follows:

Name: The Competition Commission Fee Account

Bank: Absa Bank, Pretoria

Account Number: 4050778576



Branch Code: 323 345

Ref: 2011Jun0069/ Execu-Move

- 6.6. The administrative penalty will be paid over by the Commission to the National Revenue Fund in accordance with the provisions of section 59(4) of the Act.

7. Full and Final Settlement

This agreement, upon confirmation as an order of the Tribunal, is entered into in full and final settlement of the conduct set out in paragraph 2.5 above and concludes all proceedings between the Commission and Execu-Move in respect of this conduct only.

Dated and signed at Baobanvlei on the 15th day of May, 2015

For Execu-Move CC

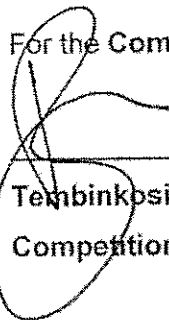


Member

Name in Full: Frans Engelbertus Fauche

Dated and signed at PRETORIA on the 23rd day of MAY, 2015

For the Commission



Tembinkosi Bonakele

Competition Commissioner



"B"

**IN THE COMPETITION TRIBUNAL OF SOUTH
AFRICA (HELD IN PRETORIA)**

CT Case No: CO027May15

CC Case No: 2011Jun0069

In the matter between

THE COMPETITION COMMISSION

Applicant

and

EXECU-MOVE CC

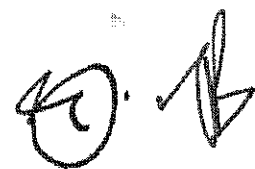
Respondent

**FIRST ADDENDUM TO THE CONSENT AGREEMENT IN TERMS OF SECTION 49D
AS READ WITH SECTIONS 58(1)(a)(iii) and 58(1) (b) OF THE COMPETITION ACT,
NO. 89 OF 1998, AS AMENDED, BETWEEN THE COMPETITION COMMISSION AND
EXECU-MOVE CC, IN RESPECT OF CONTRAVENTION OF SECTION 4(1)(b) (iii) OF
THE COMPETITION ACT, NO 89 OF 1998**

This amendment to the consent agreement, which was concluded between the Competition Commission and Execu-Move CC signed on 15 May 2015 and presented for confirmation by the Competition Tribunal on 15 July 2015, sets out the terms on which the parties to the consent agreement have agreed to amend the agreement:

Clause 6.3 of the Consent Agreement is deleted and replaced with the following clause:

"6.3 Execu-Move shall pay the administrative penalty set out in paragraph 6.2 above to the Commission in four (4) equal instalments. The first payment shall be made within thirty (30) days of the confirmation of this Consent Agreement as an order of the Tribunal.



The second payment shall be made on or before 11 May 2016. The third payment shall be made on or before 11 May 2017. The fourth payment shall be made on or before 11 May 2018."

Clause 6.4 of the Consent Agreement is deleted and replaced with the following clause:

"6.4 Execu-Move shall pay interest at a rate of 9.25% per annum on any amount then outstanding, from the 13th month after the date of approval of the consent agreement by the Competition Tribunal, in terms of the Public Finance Management Act."

Dated and signed at Bonacouele on the 17th day of July, 2015.

For Execu-Move CC

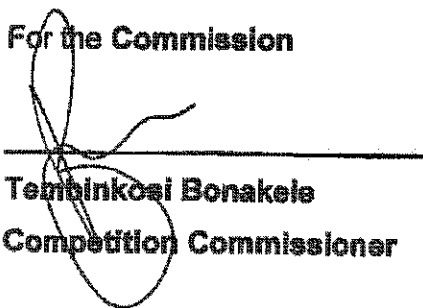


Member

Name In Full: Frans Fouche

Dated and signed at PRETORIA on the 22nd day of JULY, 2015

For the Commission



Tembinkosi Bonakele

Competition Commissioner

