

PRESS RELEASE

The CNMC investigates the possible execution of unauthorised mergers, as well as potential antitrust practices involving the funeral insurance and funeral services markets.

- From 8 to 10 September, dawn raids were carried out at the headquarters of various companies active in the aboved mentioned sectors
- The Commission re-starts its inspection activity, which was suspended during last months due to the COVID-19 restrictions.
- It is the first time that the CNMC conducts inspections as a result of a reported financial merger assessment.

Madrid, 14 September 2020 - The CNMC is investigating the possible execution of several reportable merger operations without the required prior authorisation under Article 9.5 of the Anti-Trust Law (known as “**gun jumping**”), as well as the **possible previous coordination** between the companies involved in one such merger, and the reporting of **incomplete, incorrect, misleading or false information** to the CNMC.

The practices affect the markets for funeral insurance and the provision of comprehensive funeral services, and could constitute violations of articles 62.3 d), 1.1 and 62.2 c) of the Anti-Trust Law. These practices reportedly took place both before and after the merger was reported to the CNMC.

As a result, in the wake of the information gathered by the CNMC as part of the merger assessments, from 8 to 10 September, inspections were carried out at the headquarters of various companies in the funeral insurance and services markets. This is the **first inspection conducted by the CNMC as part of analysing a reported financial merger**.

These inspections signal a return to the **CNMC's inspection activity**, which had been suspended in recent months as a result of the restrictions associated with COVID-19. In accordance with the provisions of Royal Decree-Law 21/2020 of 9 June, on the urgent prevention, containment and coordination measures to address the health crisis caused by COVID-19, the inspections were carried out pursuant to the precautionary and protective principles contained in the aforementioned law, and adopted the measures provided for by Article 7 therein.

The inspections represent a preliminary step in the process of investigating the alleged anti-trust behaviours and do not presume the outcome of the investigation or the guilt of the companies inspected. If the inspection finds signs of practices prohibited by the Anti-Trust Law, then disciplinary proceedings will be formally initiated.

[Agreements between competitors](#) constitute a very serious violation of anti-trust law and can lead to fines of up to 10% of the total turnover of the infringing companies. The investigation of cartels is one of the CNMC's top priorities, given the particular seriousness of its consequences on consumers and on the proper operation of the markets.

To this end, the CNMC offers a [leniency programme](#), which allows companies that are part of a cartel to avoid having to pay a fine as long as they provide evidence

that allows the CNMC to identify a cartel, or to have the amount of the potential fine reduced if they provide information that is of significant value to an ongoing CNMC investigation.

The CNMC has an [online platform for whistleblowers](#) to report cartels. Individuals can use it to provide information anonymously about possible confidential agreements between competing companies involving pricing or other commercial conditions, the sharing of markets or customers, or the fraudulent distribution of public or private tenders.

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