



competitiontribunal
SOUTH AFRICA

**COMPETITION TRIBUNAL
REPUBLIC OF SOUTH AFRICA**

Case No: CR011Apr19/SA089Aug24

In the matter between:

The Competition Commission

Applicant

And

Carrus Information Technologies (Pty) Ltd

Respondent

Panel : M Mazwai (Presiding Member)
: A Ndoni (Tribunal Member)
: G Budlender (Tribunal Member)

Heard on : 14 November 2024
Decided on : 14 November 2024

Settlement Agreement

The Tribunal hereby confirms the settlement agreement as agreed to and proposed by the Competition Commission and Carrus Information Technologies (Pty) Ltd annexed hereto marked "A".

**Presiding Member
Ms Mondo Mazwai**

14 November 2024

Date

Concurring: Ms Andiswa Ndoni and Adv Geoff Budlender SC

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

"A"

CT Case No:CR011APR19

CC Case No:2016Nov0601

In the matter between

COMPETITION COMMISSION

APPLICANT

and

CARRUS INFORMATION TECHNOLOGIES (PTY) LTD

RESPONDENT

CONSENT AGREEMENT IN TERMS OF SECTION 49D AS READ WITH SECTION 58(1)(b) OF THE COMPETITION ACT, NO. 89 OF 1998, AS AMENDED, BETWEEN THE COMPETITION COMMISSION AND CARRUS INFORMATION TECHNOLOGIES PROPRIETARY LIMITED (CARRUS), IN RESPECT OF ALLEGED CONTRAVENTIONS OF SECTION 4(1)(b)(ii) OF THE COMPETITION ACT, 1998, AS AMENDED

PREAMBLE

The Competition Commission and Carrus hereby agree that an 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)(b) of the Competition Act, No. 89 of 1998, as amended, in respect of alleged contraventions of section 4(1)(b)(ii) 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. "Basic product" means the combination of black box and basic software

(delivered as Software as a service) which is sold by MiX Telematics to the MiX Dealers. MiX Telematics manufactures and supplies vehicle tracking hardware (black box or computer box) and also develops vehicle tracking software that gives real time vehicle tracking data and performs other functions;

- 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 business address at 1st Floor, 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: 2016Nov0601;
- 1.6. **"Consent Agreement"** means this Agreement duly signed and concluded between the Commission and Carrus in full and final settlement of Commission case number **2016Nov0601**;
- 1.7. **"Day"** means any calendar day other than a Saturday, a Sunday or an official public holiday in South Africa;
- 1.8. **"MiX Dealers"** means Fleetco South Africa CC; Carrus Information Technologies (Pty) Ltd; Hyper Auto Johannesburg (Pty) Ltd; Soltrack (Pty) Ltd and Tectra Telematics (Pty) Ltd. These firms purchase the Basic product from MiX Telematics;
- 1.9. **"MiX Telematics"** means MiX Telematics International Proprietary Limited, a private company duly registered and incorporated under the laws of South Africa, with its principal place of business situated at Blaauwklip Office Park, 2 cnr Strand & Webersvallei Streets, Stellenbosch, Western Cape;
- 1.10. **"Carrus"** means Carrus Information Technologies Proprietary Limited, a private company duly registered and incorporated under the laws of South Africa, with its principal place of business situated at 8 Cosmic Street, Linbro Business Park, Linbro Park, Sandton, Gauteng Province;
- 1.11. **"Parties"** means the Commission and Carrus;
- 1.12. **"Value added fleet management products"** means the adaptation of the Basic product, by either MiX Telematics or any MiX Dealer, into various customised fleet management packages in accordance with the specific requirements of end user customers;

RV

- 1.13. **"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 1st Floor, Mulayo Building (Block C), the DTI Campus, 77 Meintjies Street, Sunnyside, Pretoria, Gauteng.

2. THE COMMISSION'S INVESTIGATION AND FINDINGS

- 2.1 On 08 November 2016, the Commissioner of the Competition Commission initiated a complaint against MiX Telematics and various MiX Dealers for allegedly dividing the markets by allocating customers in the market for the supply of value-added fleet management solutions to the end user customers in contravention of section 4(1)(b)(ii) of the Act. This complaint was investigated under case number **2016Nov0601**.
- 2.2 The Commission investigation found that MiX Telematics acts both as a supplier and a competitor to the MiX Dealers. Carrus is one of the MiX Dealers.
- 2.3 The Commission investigation also found that from around 1998 MiX Telematics; Fleetco SA; Carrus; Hyper Auto; Soltrack and Tectra Telematics ("the Respondents") agreed not to compete with each other for customers in the market for the supply of value-added fleet management solutions to the end user customers. The Commission alleged that the agreement between the Respondents entailed the following:
- 2.3.1 They agreed that MiX Telematics must not approach the MiX Dealers' customers;
- 2.3.2 They agreed on the concept of ring fencing of prospective customers. This concept entailed MiX Telematics not competing with the Mix Dealers in the negotiation of contracts with prospective clients, including an understanding that MiX Telematics shall not market its Basic product and Value added fleet management products to customers of MiX Dealers;
- 2.3.3 In order to achieve this, MiX Dealers were required to disclose to MiX Telematics a list of all their customers including prospective customers. This disclosure would enable MiX Telematics to know which customers not to approach; and
- 2.3.4 They held regular meetings to discuss amongst others compliance with their agreement to not compete for each other's customers.
- 2.4 The Commission concluded that the above conduct between the Respondents amounts to an agreement to divide the market by allocating customers in contravention of section 4(1)(b)(ii) of the Act.

3. **ADMISSION OF LIABILITY**

- 4.1 Carrus does not admit liability in respect of the conduct described in the Complaint referral and in paragraph 2 above.

4. **AGREEMENT REGARDING FUTURE CONDUCT**

- 4.1. Carrus agrees and undertakes to:

4.1.1 Refrain from engaging in any conduct that may be in contravention of section 4(1)(b) of the Act, and from engaging in any prohibited practice in future;

4.1.2 Carrus also agrees and undertakes to refrain from any discussions, or entering into any arrangements with MiX Telematics or MiX Dealer (as the case may be) which may, or reasonably could, result in allocation of any value-added fleet management products and / or customers to Carrus, MiX Dealer or MiX Telematics;

4.1.3 Prepare and circulate a statement summarising the content of this Consent Agreement to its employees, managers and directors within 30 (thirty) days of the date of confirmation of this Consent Agreement as an order of the Tribunal;

4.1.4 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; and

4.1.5 Submit a copy of such compliance programme to the Commission within 60 (sixty) days of the date of confirmation of this Consent Agreement as an order by the Tribunal.

5. **SETTLEMENT AMOUNT**

- 5.1. Carrus agrees and undertakes to pay a settlement amount of R50 000.00 (**Fifty Thousand Rand**). This amount does not exceed 10% of Carrus' annual turnover for the financial year ended 28 February 2023.

- 5.2. Carrus will pay the amount set out in paragraph 5.1 above to the Commission in 5 (five) equal instalments, the first instalment being paid within 30 (thirty) days of this Consent Agreement being confirmed as an order of the Tribunal and the

remaining 4 (four) instalments by the last Day in each succeeding 4 (four) months.

5.3. The payment shall be made into the Commission's bank account, details of which are as follows:

Bank name: Absa Bank
Branch name: Pretoria
Account holder: Competition Commission Fees Account
Account number: 4087641778
Account type: Current Account
Branch Code: 632005
Reference: 2016Nov0601/Carrus

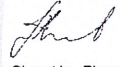
5.4. The settlement amount will then be paid over by the Commission to the National Revenue Fund in accordance with section 59(4) of the Act.

6. FULL AND FINAL SETTLEMENT

This Consent Agreement, upon confirmation as an order of the Tribunal, is entered into in full and final settlement and concludes all proceedings between the Commission and Carrus relating to the conduct that is the subject matter of the Commission investigation under Case No. 2016Nov0601 and Tribunal case number CR011Apr19.

For Carrus Information Technologies (Pty) Ltd

Dated and signed at Linden on the 16th day of September 2024

Riaan Venter

Signed by Riaan Venter, riaanv@carrus.co.za
16/09/2024 14:59:35(UTC+02:00)

Chief Executive Officer,

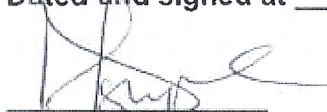
Carrus Information Technologies (Pty) Ltd

Jan Adriaan Jakobus Venter

Name in Full: _____

For the Commission

Dated and signed at Pretoria on the 05th day of November 2024



Doris Tshepe

Commissioner

RV

