

Tribunal confirms DStv division's settlement for collusion

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The Competition Tribunal has confirmed a R180m settlement that a division of DStv will have to pay after admitting to colluding with media groups on pricing, discounts and payment terms for advertising space.



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DStv Media Sales, which is owned by Multichoice, handles commercial airtime sales and on-air sponsorship across a number of DStv channels. Multichoice is owned by Naspers.

The penalty comes after a 2011 probe by the Competition Commission, which found various media firms, through Media Credit Co-ordinators (MCC), agreed to offer similar discounts and payment terms to advertising agencies that placed advertisements with MCC members.

MCC-accredited agencies were allegedly given a 16.5% discount on payments made within 45 days. Non-accredited agencies received a 15% discount.

The commission at the time found that the practices restricted competition among the competing firms, as they did not independently determine an element of price in the form of discount or trading terms. The commission found this amounted to price-fixing and the fixing of trading conditions, in contravention of the Competition Act.

The commission had announced the settlement earlier in 2017 but had to wait for confirmation from the Competition

Tribunal, which confirmed the settlement last week.

In terms of the consent agreement, DStv Media Sales will have to pay a remedy of R180.2m, which includes an administrative penalty amounting to R22.2m. A portion of the penalty will go towards the Economic Development Fund and is payable over three years.

The Competition Tribunal said the funds would go towards enabling the development of black-owned, small media or advertising agencies requiring assistance with start-up capital and to assist black students requiring bursaries to study media or advertising.

DStv Media Sales also agreed to provide 25% in bonus airtime for every rand of airtime bought by qualifying small agencies.

Source: Business Day

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