



COMPETITION COMMISSION OF PAKISTAN
GOVERNMENT OF PAKISTAN

EXEMPTION ORDER

IN THE MATTER OF APPLICATION FILED BY M/S. BE ENERGY
LIMITED FOR EXTENSION IN EXEMPTION OF ITS TRADEMARK
LICENSE AGREEMENT

CASE: 2(675)/AGR/EXM/CCP/2024

Commission

Mr. Saeed Ahmad Nawaz
Member (Exemptions)



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1. M/s. BE Energy Ltd (hereinafter referred to as the Undertaking) applied for the grant of extension in exemption on 17th May, 2024 for the restrictive clauses 2.1, 2.6, 3.2, 3.3 and 5.1 of its Trade Mark License Agreement (hereinafter referred to as the Agreement) on the authority of the Board Resolution dated 13th April, 2022 addressed to the Competition Commission of Pakistan (hereinafter referred to as the Commission).
2. The Undertaking is engaged in the procurement, storage, distribution, and marketing of petroleum product. The total revenue of the Undertaking in the financial year ended on June 2023 was PKR 111.77billion.
3. The Application was made pursuant to Section 5 of the Competition Act, 2010 (the Act), read with Section 9 (1) (a), (b) & (c) in conjunction with Competition (Exemption) Regulations, 2020, on the following grounds:
 - i. Ensure high efficiency, safety & quality at retail outlets as per global standards; and
 - ii. Improve service delivery and customer experience through innovative solutions.
4. The Agreement is essentially an arrangement for not to deal with non-parties and may, therefore, violate Section 4 (2) (a) of the Act and institutionalize charging of economic rent, reducing consumer surplus and social welfare. Relevant particulars of the Agreement are as follows:

First Party:	M/s. Chevron Brands International LLC (Chevron or Licensor) having its registered office at 6001 Bollinger Canyon Road, San Ramon, California 94583 USA.
Second Party:	M/s. BE Energy Limited (Licensee) having its registered office at Parsa Tower, 5 th Floor, Office No. 501-503, Karachi.
Type of Agreement:	Trade Mark License Agreement (the Agreement) (Annex-A)
Date of Agreement:	14 th April, 2022
Validity period of the Agreement:	Pursuant to clause 9.1 of the Agreement, it is valid for a period of 10 years from the Effective date unless validity is extended pursuant to Clause 9.2 of the Agreement.
Product(s)/Services covered under the Agreement:	To use Marks only as stated in interpretation clause of the Agreement with purposes listed in (Clause A, B and C) of sub section 2.1 of Section 2 and Exhibit (A,B and C) of the Agreement.



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5. Based on the information provided by the Undertaking, the Commission, in exercise of the powers conferred under Section 5 read with Section 9(1)(a), (b) & (c) of the Act is pleased to grant extension in exemption subject to the conditions specified in para 6 below, regarding the following clauses of the Agreements:

Exemption granted: (i) On Clause 2.1- Exclusivity in using the Marks for products
(ii) On Clause 2.6- Reservation of Rights for using Marks and granting Sub-licenses within the defined scope only
(iii) On Clause 3.2 (A, B and C) and 3.3- Sublicensing.

Granted period: From 1st August, 2024 till 31st July, 2026

6. In view of the above, the Exemption granted shall be subject to the conditions that the Undertaking shall ensure the following:

i.	It does not engage in any anticompetitive behavior and/or practices as outlined in Chapter II of the Act, including but not limited to: a. Abuse of dominant position u/s 3; b. Prohibited agreements u/s 4; c. Deceptive marketing practices u/s 10; d. Any mergers or acquisition in violation of Section 11; and e. Charging of economic rent to the detriment of consumer surplus and social welfare.
ii.	The exemption shall not be used as a permission for transfer pricing or to evade regulatory restrictions, if any against transfer pricing;
iii.	Notify the Commission of any amendment(s) to the Agreement within fifteen (15) days of such change, and also provide a copy of the amended Agreement;
iv.	It is the responsibility of the undertaking to provide the copy of dealership agreement pursuant to clause 3.2, once executed;
v.	In case of having an ongoing Agreement, submit an application for grant of extension in exemption at least three (3) months prior to expiry of this Exemption Order.
vi.	It recognizes that the Commission reserves the right to verify the following against the baseline benchmarks (to be provided by the undertaking within thirty (30) days of issuance of this Order): a. Particulars of improvements made in product (s) quality & safety standards; b. Data on new or improved consumer services through innovations; and c. Details of tangible and verifiable benefits passed on to the consumers.



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- vii. Submit a verifiable compliance report on December 31st 2025 against the commitments made for the grant of this exemption; and
 - viii. No breach of terms of this exemption takes place as it shall have an immediate effect of cancellation of this exemption.
7. The Commission may review and revise the terms and conditions of this Exemption, as deemed necessary. Furthermore, without prejudice to the generality of Section 6 of the Act, the grantee of the exemption shall inform the Commission forthwith and seek clearance for continuation of the exemption if there is any material change, inter alia, in:
- (i) The terms of the Agreement;
 - (ii) The market share of products and/or services covered under the Agreement; or
 - (iii) The regulatory or policy framework in the relevant market in which the parties are operating.
8. In the Agreement, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws.
9. It is so ordered.

Mr. Saeed Ahmad Nawaz
Member (Exemptions)

ISLAMABAD, the 27th September, 2025.