



COMPETITION COMMISSION OF PAKISTAN  
GOVERNMENT OF PAKISTAN

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EXEMPTION ORDER

IN THE MATTER OF EXTENSION IN EXEMPTION APPLICATION FILED BY M/S.  
GLAXOSMIHTKLINE PAKISTAN LIMITED FOR ITS INSTITUTIONAL DISTRIBUTOR  
AGREEMENT

CASE: 2(494)/AGR/EXM/CCP/2025

Commission

Saeed Ahmad Nawaz  
Member (Exemptions)



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1. M/s. GlaxoSmithKline Pakistan Limited, (hereinafter referred to as the Undertaking) applied to the Competition Commission of Pakistan (hereinafter the Commission) for the grant of extension in exemption on October 02, 2025 for the restrictive clauses, 2.1, 3.1, 8.6, 8.7 (a), 16.3 (a), (b) & (c), and 8.8 (e) of its Institutional Distributor Agreement (hereinafter referred to as the Agreement) the authority of the Board Resolution dated June 11, 2024.
2. M/s. GlaxoSmithKline Pakistan Limited (GSK) is engaged in the manufacture, marketing, promotions, distribution, import and sale of various pharmaceutical products. The net revenue of GSK for the year ended Dec 31<sup>st</sup> 2024 was PKR 61.19 billion. The Undertaking has signed the Agreement with 12 institutional distributors for the products covered under the Agreement.
3. The Application was made pursuant to Section 5 read with Section 9 (1) (a) & (c) of the Competition Act, 2010 (the Act) in conjunction with Competition (Exemption) Regulations, 2020 on the following grounds:
  - i. Ensure timely delivery of products; and
  - ii. Availability of quality assured pharmaceutical products.
4. The agreement is essentially an arrangement for not to deal with non-parties and may, therefore, violate Section 4 (2) (a) & (f) of the Act and institutionalize charging of economic rent, reducing consumer surplus and social welfare. Relevant particulars of the Agreement are as follows:

<b>First Party:</b>	M/s. GlaxoSmithKline Pakistan Limited (hereinafter called GSK) having its registered office at 35 - Dockyard Road, West Wharf, Karachi - 74000.
<b>Second Party:</b>	Individual distributors, parties to the Agreement
<b>Type of Agreement:</b>	Institutional Distributor Agreement (Annex-A)
<b>Date of Agreement:</b>	Different dates with different institutional distributors
<b>Validity period of the Agreement:</b>	Pursuant to clause - 1.2 (a) of the Addendum Agreement dated December 10, 2025, the term of this Agreement has been further extended till June 30, 2026.
<b>Product(s)/Services covered under the Agreement:</b>	Company's products and services, as defined in Clause 1.1 (Definitions) of the Agreement, are listed in Schedule-1 and Schedule-4, respectively.

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) & (c) of the Act is pleased to grant the said exemption subject to the conditions specified in Para 6 below, regarding the following clauses of the Agreement:



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- Exemption granted: (i) On Clause 3.1 – Territorial Exclusivity; and  
(ii) On Clause 8.8 (e) – Not to enter into distribution of competing products

Exemption period: From April 01, 2024 to June 30, 2026.

6. In view of the above, the Exemption granted shall be subject to the conditions that the Applicant 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. The Template Agreement submitted to the Commission shall be executed with all distributors' *mutatis mutandis*;
  - iv. 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;
  - 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. Details w.r.t on-time delivery rates;
    - b. Data on products defect rate;
    - c. Evidence of tangible and verifiable benefits passed on to the consumers.
  - vii. Submit a verifiable compliance report on June 30, 2026 against the above benchmarks set 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.



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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 subject Agreement, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws.
9. It is so ordered.

  
Saeed Anwar Nawaz  
Member (Exemptions)

ISLAMABAD the January 21, 2026.