



COMPETITION COMMISSION OF PAKISTAN
GOVERNMENT OF PAKISTAN

EXEMPTION ORDER

IN THE MATTER OF APPLICATION FILED BY M/S. UNILEVER PAKISTAN
LIMITED FOR EXTENSION IN EXEMPTION OF ITS CONCESSIONAIRE
AGREEMENT

CASE: 2(25)/AGR/EXM/CCP/2025

Commission

Mr. ~~Arif~~ ~~Ahmad~~ ~~Nawaz~~ -
Member (Exemptions)



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1. M/s. Unilever Pakistan Limited, (hereinafter referred to as the **Undertaking**) applied for the grant of extension in exemption on September 12, 2025 for the restrictive clauses, 7.6 and 7.7 of its Concessionaire Agreement (hereinafter referred to as the **Agreement**) on the authority of the Board Resolution dated May 05, 2025 submitted to the Competition Commission of Pakistan (hereinafter the **Commission**).
2. M/s. Unilever Pakistan Limited (the **Applicant**) deals in manufacturing, marketing and sale of fast-moving consumer goods in the category of ice cream and frozen dessert products. The net sales of Unilever Pakistan Limited for the year ended Dec 31st 2024 was PKR 160 billion. The Undertaking has signed the Agreement with 27 concessionaires 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. Ensures efficient distribution of products to end consumers;
 - ii. Improvement in operational efficiencies;
 - iii. Increased products availability through enhanced distribution network
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:

First Party:	M/s. Unilever Pakistan Limited (hereinafter called Company) having its registered office at Avari Plaza, Fatima Jinnah Road, Karachi – 75530.
Second Party:	Individual concessionaires/distributors, parties to the Agreement
Type of Agreement:	Concessionaire Agreement (Annex-A)
Date of Agreement:	Different dates with different concessionaires
Validity period of the Agreement:	Subject to Article 2.1 of the Agreement, shall commence from the effective date and shall remain valid for a period of five (05) years, unless terminated earlier in accordance with the provisions of this Agreement.
Product(s)/Services covered under the Agreement:	As stipulated in sub-clause 1.11 of Article – 1 (Definitions) 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) & (c) of the Act is pleased to grant exemption subject to the conditions specified in para 6 below, regarding the following clauses of the Agreement:

Exemption granted: (i) On Clause 7.6 – Not to enter into distribution of competing products; and
(ii) On Clause 7.7 – Territorial exclusivity.

Exemption period: From July 01, 2025 to June 30, 2027

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 concessionaires' *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. Data on reduced delivery lead time;
 - b. Particulars of increased economies of scale in distribution of products;
 - c. Data on reduction in stock outs;
 - d. Data on expansion of existing concessionaire/distribution network; and
 - e. Details of tangible and verifiable benefits passed on to the consumers.



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- vii. Submit a verifiable compliance report on December 31st each year 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 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 Ahmad Nawaz
Member (Exemptions)

ISLAMABAD the CR November, 2025.