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# Competition Commission also swings into action

**Eight private schools told to give details about fee structure, student strength, reasons for fee hike and allied charges**

By Kalbe Ali

ISLAMABAD: After failing to get a response from their managements, the Competition Commission of Pakistan (CCP) on Monday directed eight private schools to provide the required information in connection with an inquiry.

“The CCP issued the directives under Section 36 of the Competition Act 2010 to the chief executive officers (CEOs) and directors

of eight private schools after they did not voluntarily provide the information,” an official of the CCP told Dawn on the condition of anonymity.

He said that on August 19 the CCP had initiated the inquiry into allegations of anti-competitive practices by the schools, including unreasonable increase in fee and tying of their products and services.

“The main allegation, apart from the fee hike, was linking various services required by the students such as uniforms and books to specific outlets incurring an additional financial burden on the parents,” the official added.

However, despite repeated reminders, there was no response from the CEOs and directors of City School, Beaconhouse, Elementary Montessori School, Headstart School, Roots Millennium School, the Lahore

ALMA, LACAS and Salamat School System. “Therefore, the CCP has decided to use its powers and direct the school managements to provide the required information by September 28. If they failed to abide by the directives, fines would be imposed on them,” the official added.

The CCP is currently investigating allegations of potential anti-competitive behaviour by private educational institutions across Pakistan. The investigation is aimed at determining whether the fee raise by the private schools was a result of anti-competitive practices such as cartelisation or abuse of dominance or capitalising on the lack of opportunities available to the parents as they did not want to send their children to government schools.

The inquiry encouraged some parents to protest against the unreasonable fee hike by

the private schools. During the inquiry, the commission received over 1,000 complaints from all over the country.

More than 100 schools were asked to provide information about their fee structures, student strengths, reasons for increasing the fee and allied charges, etc. Though many institutions responded, others did not or came up with incomplete and irrelevant information.

The CCP had earlier taken action against some elite educational institutes for tying their services with admissions. For example, the purchase of laptops from a college was made mandatory for students, but the cost of the laptops was higher than the market.

The educational institutes withdrew the ‘tying’ clause with admission but a majority of the CCP decisions have been challenged in various courts of law.

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## Increase in fees

# CCP issues order to CEOs, directors of eight schools

### RECORDER REPORT

**ISLAMABAD:** The Competition Commission of Pakistan (CCP) has issued an order to the CEOs and directors of eight private education institutions to provide information required for assessing allegations of anti-competitive practices - such as unreasonable increase in school fees and tying of products and services - against these schools.

Sources told Business Recorder here on Monday that the CCP has issued an order under Section 36 of the Competition Act, 2010 (the 'Act') to the CEOs and directors of the said private education institutions. The commission has taken lead as a regulator to seriously tackle the matter of increase in schools fees in public interest, going through all the pros and cons of the issue. Whenever the issue is in larger interest of consumers, the CCP doesn't hesitate to come into action to save them of monopolistic attitude.

The commission is working on solid evidence strictly in accordance with the law. The CCP is checking whether private educational institutions are involved in collusion or they are involved in abuse of dominance position.

The commission is legally empowered to impose fine up to Rs 1 million on each of the private education institution or could refer the cases to session judge for jail imprisonment, if required under relevant section of the Competition Act, 2010, the sources said.

The CEOs and directors of private education institutes that have been issued the order are: The City School, Beaconhouse, Elementary Montessori School, Headstart School, Roots Millennium School, The Lahore ALMA, LACAS and Salamat School System. The institutes CEOs and their directors have been given a deadline until September 28, 2015 to supply the required information to the Commission, failing which the Commission will take the course of law.

The Commission is currently investigating into allegations of potential anti-competitive behaviour by private education institutions across Pakistan. The Commission received more than 1000 complaints from all over the country. Accordingly, over a 100 schools in various parts of the country were asked to provide relevant information vis-à-vis their fee structures, student strengths, reasons for increasing fees and allied charges, etc.

Although many institutions responded with the requested information, others either did not or replied with incomplete and irrelevant information, despite repeated requests by the Commission.

As a consequence it deemed necessary to issue an order to such institutions under Section 36 of the Act. Section 36 empowers the Commission to issue a special or general order calling upon undertakings to furnish information that the Commission deems necessary or useful for discharging its functions as envisioned in the Act. Failure to provide the requisite information may make the CEOs and directors of these undertakings liable to strict penalties and other sanctions under Section 38 of the Act.

It is important to mention that the changes made by Finance Minister Ishaq Dar in the CCP has enabled the commission to become ultra active and start taking forceful actions against the cartels and undertakings involved in deceptive marketing practices. In recent past, the federal government has appointed the CCP members on competitive basis, which in turn resulted in a number of inquiries and investigations against the involved units.

## CCP issues notice to 8 elite schools on fees hike

**Mehtab Haider**

ISLAMABAD: In order to probe cartelization of elite schools for hiking unjustified fee structure, the Competition Commission of Pakistan (CCP) on Monday issued notices to Chief Executive Officers (CEOs) and Board of Directors of 8 school chains, catering to elites children, for providing required information in seven days or be ready to face the music.

In the aftermath of refusal of elite schools to provide the required information to ascertain anti-competitive behavior owing to hike in fee structure without having any justified reasons, the CCP by showing its muscles issued order binding the CEOs and members of board of directors of 8 schools to share information till September 28, 2015 otherwise the Commission will proceed against them.

Top official sources confirmed that the CEOs and directors of private education institutes who were issued orders included the City School, Beaconhouse, Elementary Montessori School, Headstart School, Roots Millennium School, The Lahore ALMA, LACAS and Salamat School System. The institutes CEOs and their directors have been given a deadline until the 28th of September 2015 to supply the required information to the Commission, failing which the Commission will proceed as per law.

The Commission has been left with no other option but to issue order for CEOs and board of directors to personally ensure information sought by the CCP to conclude its ongoing inquiry to determine whether cartelization or abuse of dominance was used to hike their fees structure or it was just matter of routine.

"The findings of the inquiry will determine its fate and if the Commission decides to proceed against them then heavy penalty amounting to billions of rupees

can be imposed," said the sources.

Although, Prime Minister Nawaz Sharif had barred elite schools from increasing fees during this year but it would not stop the ongoing inquiry initiated by the CCP on complaints of parents.

The CCP has issued an order under Section 36 of the Competition Act 2010, to the CEOs and directors of eight private education institutions for the provision of information required for assessing allegations of anti-competitive practices - such as unreasonable increase in school fees and tying of products and services.

The Commission is currently investigating allegations of potential anti-competitive behaviour by private education institutions across Pakistan. The Commission received more than 1000 complaints from all over the country.

Accordingly, around 123 schools in various parts of the country were asked to provide relevant information vis-à-vis their fee structures, student strengths, reasons for increasing fees and allied charges, etc.

Although many institutions responded with the requested information, others either did not or replied with incomplete and irrelevant information, despite repeated requests by the Commission.

As a consequence it was deemed necessary by the CCP to issue an order to such institutions under Section 36 of the Act. Section 36 empowers the Commission to issue a special or general order calling upon undertakings to furnish information that the Commission deems necessary or useful for discharging its functions as envisioned in the Act. Failure to provide the requisite information may make the CEOs and directors of these undertakings liable to strict penalties and other sanctions under Section 38 of the Act.

## CCP asks private schools to justify fee-hike

**IMRAN ALI KUNDI**  
ISLAMABAD

The Competition Commission of Pakistan has directed the private schools to provide relevant information regarding their fee structure, student strength, reasons for increasing fees and allied charges by 28th of September, failing which the Commission will proceed against them as per law.

The CCP had taken the notice of increasing school fees in August this year. The probe had been initiated after the general public raised concerns, especially parents, that private schools increase the fees exorbitantly every year without any justification, particularly without any corresponding increase in quality of education.

The CCP issued an order under Section 36 of the Competition Act, 2010 (the 'Act') to the CEOs and directors of private educational institutions for the provision of information required for assessing allegations of anti-competitive

practices - such as unreasonable increase in school fees - against these schools.

Sources in the CCP informed The Nation that the CEOs and directors of private educational institutes that have been issued the order are those of the City School, Beaconhouse, Elementary Montessori School, Headstart School, Roots Millennium School, The Lahore ALMA, LACAS and Şalamat School System.

They further said that Commission had received more than 1000 complaints from all over the country. Accordingly, over 100 schools in various parts of the country were asked to provide relevant information vis-à-vis their fee structure, student strength, reasons for increasing fees and allied charges etc. Although many institutions responded but others either did not or replied with incomplete and irrelevant information, despite repeated requests by the Commission.

As a result, it was deemed necessary to issue an order to such institutions un-

der Section 36 of the Act. Section 36 empowers the Commission to issue a special or general order calling upon undertakings to furnish information that the Commission deems necessary or useful for discharging its functions as envisioned in the Act. Failure to provide the requisite information may make the CEOs and directors of these undertakings liable to strict penalties and other sanctions under Section 38 of the Act.

Meanwhile, Prime Minister Nawaz Sharif on Sunday directed the Ministry of Education and Capital Administration and Development (CAD) to implement the decision about not increasing school fee during 2015 in letter and spirit. He also directed authorities concerned to come up with a proposed legislation in order to regulate private schools and keep a check on their profiteering.

The Punjab government has also issued an ordinance that bars private schools from raising their fees during an academic year unless they justify the hike to a 'registering authority' three months in advance.

## 8 بڑے نجی تعلیمی اداروں کو 28 ستمبر تک معلومات فراہم کرنے کا حکم

معلومات کی عدم فراہمی کی صورت میں سخت قانونی کارروائی کی جائے گی، مسابقتی کمیشن آف پاکستان اسلام آباد (تنویر ہاشمی، کامرس رپورٹر) مسابقتی کمیشن آف پاکستان نے فیسوں میں ناجائز اضافے کی وجوہات اور دیگر معلومات فراہم نہ کرنے والے 8 بڑے نجی تعلیمی اداروں کے سربراہوں کو 28 ستمبر 2015 تک کی ڈیڈ

لائن دی ہے۔ معلومات کی عدم فراہمی کی صورت میں سخت قانونی کارروائی کی جائے گی۔ ذرائع کے مطابق کمیشن کو ملک بھر سے نجی تعلیمی اداروں کے خلاف ایک ہزار سے باقی صفحہ 6 نمبر 11

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نجی تعلیمی ادارے / حکم

زائد شکایات موصول ہوئی تھیں اور ان نجی تعلیمی اداروں کے غیر منصفانہ رویے کے الزامات کی تحقیقات کی جا رہی ہیں۔ مسابقتی کمیشن نے ملک بھر کے 100 سے زائد سکولوں کو فیس سٹرکچر طلبا کی تعداد، فیس اور دیگر اخراجات میں اضافے کی وجوہات فراہم کرنے کی ہدایت کی تھی۔ اگرچہ بہت سے نجی تعلیمی اداروں نے معلومات فراہم کر دی ہیں لیکن کچھ اداروں نے یا تو مسابقتی کمیشن کو سرے سے جواب ہی نہیں دیا یا نامکمل اور غیر متعلقہ معلومات فراہم کی ہیں، اس لیے کپی نیشن ایکٹ 2010 کے سیکشن 36 کے تحت احکامات جاری کر دیئے گئے۔ سیکشن 36 مسابقتی کمیشن کو معلومات کے حصول کے اختیارات دیتا ہے اور معلومات کی فراہمی میں ناکامی کی صورت میں ان نجی تعلیمی اداروں کے سی ای او اور ڈائریکٹرز کو سخت جرمانہ اور دیگر پابندیاں لگائی جاسکتی ہیں۔ جن تعلیمی اداروں کے سی ای او اور ڈائریکٹرز کو معلومات کی فراہمی کا حکم دیا گیا ہے ان میں سٹی سکول، بیلین ہاؤس، ایلمینٹری موٹیسری سکول، ہیڈ سٹارٹ سکول، روٹس ملینیم سکول، دی لاہور اے ایل ایم اے، ایل اے سی اے ایس اور سلامت سکول سسٹم شامل ہیں۔

مسابقتی کمشن کی 8 نجی تعلیمی اداروں کے سی ای او کو معلومات فراہم کرنے کی ہدایت

سٹی سکول، بیکن ہاؤس، روٹس، ملینیم سکول اور سلامت سکول سٹم شامل ہیں

اسلام آباد (نمائندہ خصوصی) مسابقتی کمشن نے 8 نجی کی ہدایت کی ہے تاکہ مسابقتی قانون کی خلاف ورزی  
تعلیمی اداروں کے سی ای او کو بعض معلومات فراہم کرنے کے الزام کی تحقیقات کی جاسکیں۔ (صفحہ 9 بقیہ 24)

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8 تعلیمی ادارے

بقیہ

ذرائع نے بتایا ہے کہ جن اداروں کو نوٹس جاری کیا گیا ہے  
ان میں سٹی سکول، بیکن ہاؤس، ایلیمینٹری مائٹری سکول، ہیڈ  
شارٹ سکول، روٹس سکول، ملینیم سکول، دی لاہور میس  
اور سلامت سکول سٹم شامل ہیں۔ ان سکولوں کو ہدایت  
کی گئی ہے کہ وہ 28 ستمبر تک معلومات داخل  
کریں۔ 28 ستمبر تک ناکام رہنے کی صورت میں  
مسابقتی کمشن مزید قانونی کارروائی کرے گا۔ کمشن کو  
ملک بھر سے ان سکولوں کے خلاف ایک ہزار سے زائد  
شکایات موصول ہوئی ہیں۔