



MEDIA RELEASE

Is the Conduct of Associations in Trinidad and Tobago Anti-competitive?

From time to time, the Fair Trading Commission (FTC or “the Commission”) has observed various professional associations in Trinidad and Tobago being called to account by their clients or consumers and indeed at times by their own members.

Professional associations or other forms of representative organizations are an acceptable means of advancing the interests of professionals, businesses and others. Indeed, there are many instances where the population benefits from members of an organization working together. This can have a positive impact on citizens and indeed on the local economy. For example, in the standards for qualification of registered members, or in the role associations play in raising the quality of services offered by their members.

The FTC wishes to advise that although the Commission does not currently have jurisdiction over all activities of professional associations, the Commission will continue to monitor the activities and operations of professional associations on a case-by-case basis to ensure that the spirit of the Fair Trading Act is understood and adhered to. Further, the Commission stands ready to assist in building fair and accountable associations.

In this regard the FTC, as part of its overall public advocacy efforts, continues to provide general guidance to consumers, businesses and professional associations alike to ensure the protection and promotion of effective competition. Moreover, professional associations must exercise caution to ensure that they are not unnecessarily and perhaps illegally restricting competition in particular lines of business. For example, are qualified persons being restricted from entering certain professions without a legitimate reason?

Professional associations may find the following key points useful as they seek to guide their members in maintaining as far as possible, a fair and level playing field:

- i. Review all Laws, Regulations, Codes of Conduct relative to their operations to ensure that they do not hinder, restrict or distort competition in any manner; establish a competition compliance policy for the association if necessary and make sure respective members are familiar with it.
- ii. Ensure that membership rules are transparent, based on objective standards, proportionate and applied equally to all potential members, including supporting reasons for accreditation or qualification requirements;
- iii. Verify that the rules are not overly restrictive and don't have the unintentional effect of restricting competition, for example, through the creation of barriers to new providers or restricting qualified persons from entering any profession, that can amount to restricting competition. It may also be useful to not establish irrelevant or arbitrary rules for the admission of new members.
- iv. Be transparent when providing information about prices or costs to clients including the reasons for refusal and the rationale for price increases and refrain from requiring members to provide the association with competitively sensitive information, such as information about pricing and/or output intentions.
- v. Ensure that the public's possible lack of industry knowledge is not exploited; and
- vi. Make sure that members understand that they must act independently. In a market economy, businesses are free to set their own prices but this must not be done in a manner that unfairly affects other businesses, clients or consumers. Accordingly, associations should not be used as a channel for, or otherwise facilitate, the sharing of competitively sensitive information amongst members, about pricing, customers or output plans.

In conclusion, associations – whether professional or otherwise should operate in a manner that not only ensures their continued profitability but motivates them to regularly do a self-appraisal of their objectives and modus operandi in the context of sustainability, transparency and a fairer Trinidad and Tobago.

Any inquiries, complaints or concerns should be directed to the Executive Director of the Commission, Mr. Bevan Narinesingh, using the contact information provided below. Any information provided to the Commission will be treated as confidential.



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