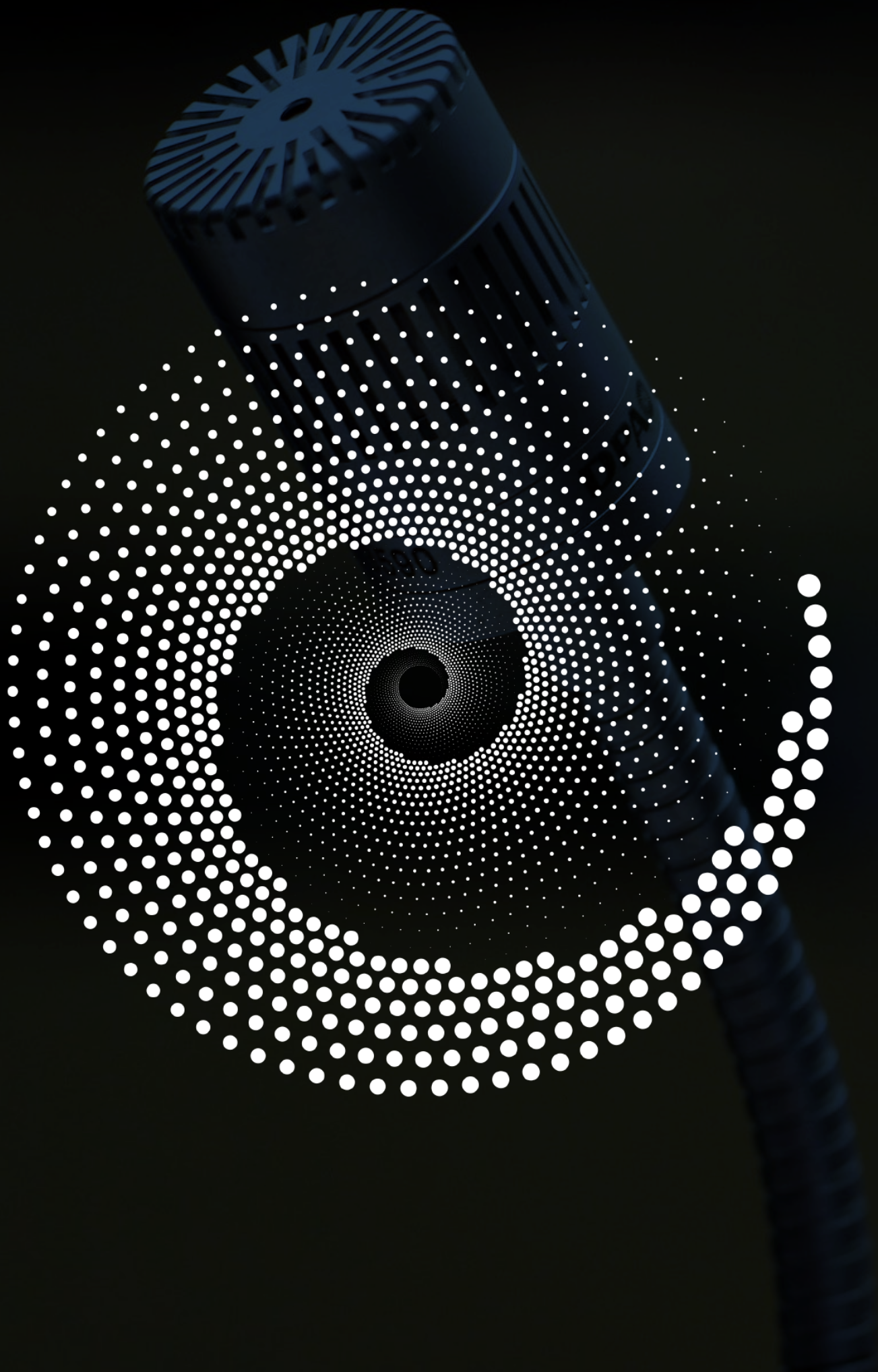






*“We ensure a vibrant competitive landscape,
fair business practices and safeguard the welfare of
consumers in Botswana.”*



To: Honourable Minister of Trade and Industry

Pursuant to Section 24 (1) of the Competition Act of 2018, please find attached a comprehensive Annual Report detailing and discussing the operations of the Authority, together with the Auditor's Report and the Audited Financial Statements of the Competition and Consumer Authority (CCA) for financial year 2023/24. The Report should be presented to the National Assembly of the Republic of Botswana.

Yours Faithfully,

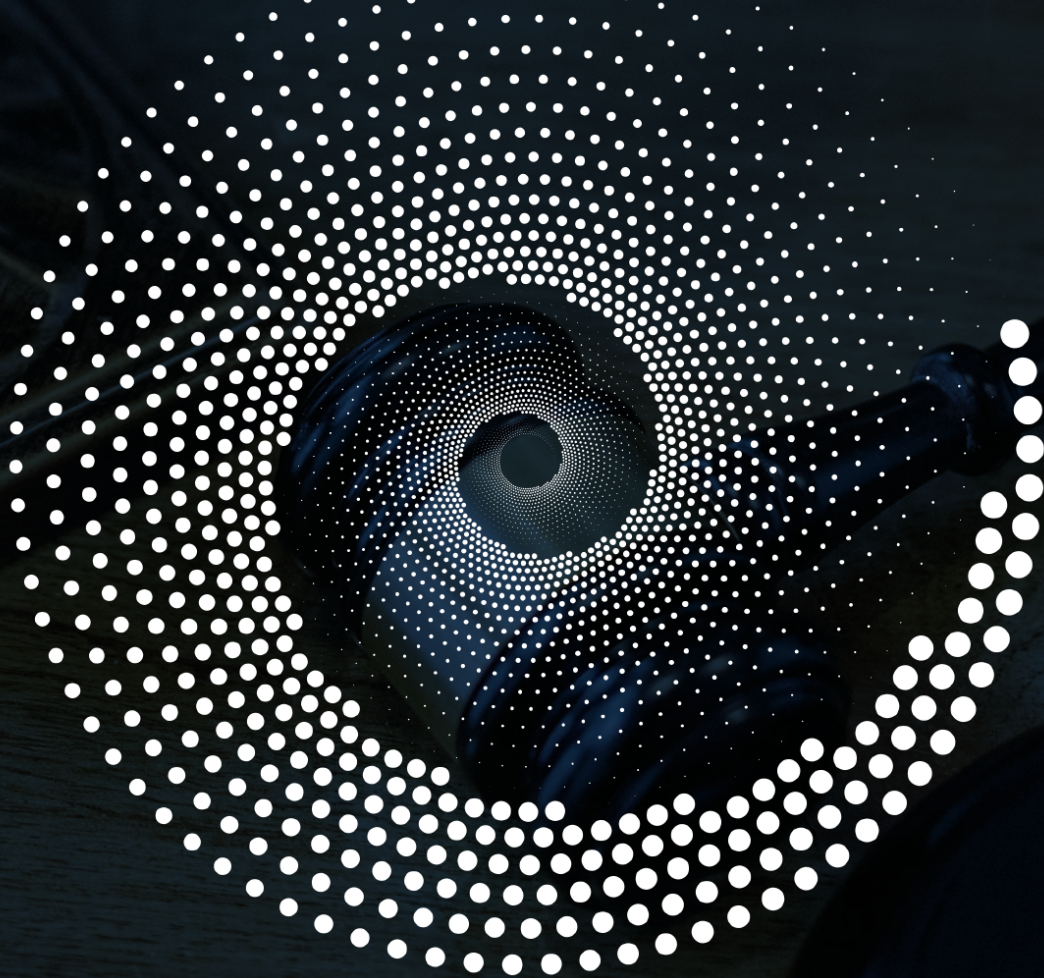


Dr. Malebogo Bakwena
Chairperson of the Competition and Consumer Board

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C O N T E N T S

Informing Stakeholders: Promoting Dialogue



ABOUT THIS REPORT

This is an integrated Annual Report of the Competition and Consumer Authority (CCA), published in accordance with Section 24 (1) of the Competition Act No 4 of 2018, that aims to provide concise, relevant and reliable information addressing the Authority's mandate, objectives and activities. The Report also presents the CCA's Audited Financial Statements of the Authority for the Financial Year 2023/24.

The theme for this annual report is ***"Informing Stakeholders: Promoting Dialogue"***. The cover depicts abstract logo elements with a reflected red "c," enlarged red dot and all making up an icon that represents the traditional kgotla setup or a modern conference facility sitting arrangement. This is done to showcase the Authority as an open and transparent entity that promotes dialogue with stakeholders to ensure fairness in implementing its mandate.

The outer part surrounding the two (C's and A) shows white dots spiraling outwards to represent the many stakeholders and key industry players that form part of the Authority's interests. The white dots also double as echoes of communication emanating from key policy decisions and financial decisions taken by the Authority as they are being disseminated to relevant stakeholders to ensure that they are not only abreast with its performance, but are also aware of key policy changes that affect their industries.

The online version of this Annual Report is available on the CCA website www.cca.co.bw

CONTACT DETAILS

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Authority - Botswana

Twitter: @CCABotswana

LinkedIn: Competition and Consumer
Authority - Botswana

BANKERS

Standard Chartered Bank Botswana Limited
Plot 1171-3 Botswana Road, Main Mall
P.O. Box 469
Gaborone, Botswana

Absa Bank Botswana Limited
Plot 74358, Building 4, Prime Plaza CBD
P.O. Box 478
Gaborone, Botswana

AUDITORS

External Auditors

BDO Botswana
Certified Auditors
BDO House – 28 Kgale Mews
Gaborone International Finance Park
P.O. Box 1839 , Gaborone
Appointed June 2024

REPORTING DATE

31st March 2024

ACRONYMS

| | |
|--------|---|
| ACF | African Competition Forum |
| AFA | Associated Fund Administrators |
| AEWG | Agency Effectiveness Working Group |
| BCCARO | Botswana Consumer Centre for Advocacy, Research and Orientation |
| BERA | Botswana Energy Regulatory Authority |
| BIC | Botswana Insurance Company |
| BIFM | Botswana Insurance Fund Management |
| BITC | Botswana Investment and Trade Centre |
| BOBS | Botswana Bureau of Standards |
| BOCRA | Botswana Communications Regulatory Authority |
| BODEA | Botswana Dental Association |
| BOMAID | Botswana Medical Aid Society |
| BOMRA | Botswana Medicines Regulatory Authority |
| BNLS | Botswana National Library Services |
| BPOMAS | Botswana Public Officers Medical Aid Scheme |
| BPOPF | Botswana Public Officers Pension Fund |
| BPS | Botswana Police Service |
| CCA | Competition and Consumer Authority |
| CEO | Chief Executive Officer |
| DCEC | Directorate on Corruption and Economic Crime |
| EDD | Economic Diversification Drive |
| ICN | International Competition Network |
| ICPEN | International Consumer Protection Enforcement Network |
| IMF | International Monetary Fund |
| MTI | Ministry of Trade and Industry |
| MoU | Memorandum of Understanding |
| NBFIRA | Non-Bank Financial Institutions Regulatory Authority |
| OECD | Organisation for Economic Cooperation and Development |
| WCD | World Competition Day |
| WCRD | World Consumer Rights Day |
| WUC | Water Utilities Corporation |
| UNCTAD | United Nations Trade and Development |



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Dr. Malebogo Bakwena
Chairperson - Competition and Consumer Board

CHAIRPERSON'S REPORT

On behalf of the Competition and Consumer Board, I am delighted to present this Annual Report and Audited Annual Financial Statements for Financial year 2023/24. This was yet another eventful year, and I am satisfied that the Authority innovatively endeavoured to achieve its strategic targets, despite facing financial and personnel challenges. Delays experienced in some areas of our Performance Plans, were satisfactorily managed to lessen their impact.

Governance and Leadership

As the Board, we remained dedicated to best practice in the exercise of our fiduciary oversight role. Healthy relationship between the Board, Executive Management and the Shareholders continued to flourish as part of our journey to achieve CCA legislative mandate.

During the year, the Board welcomed Dr. Bashi Mothusi, who is appointed for a period of five (5) years, from 10th November 2023, and Mr. Kokeletso Hule for a period of three (3) years, from 1st April 2024. The two Board members' distinctive qualifications, wealth of knowledge and experience is a necessary capability required by the Board to guide CCA pursuit of its Strategic obligations. Mr Hule has been appointed to the Board Human Resource Committee whereas Dr. Mothusi has been appointed to the Board Technical Committee as its Chairperson and member of the Human Resources Committee, respectfully.

We are also thankful for the services rendered by Mr Oteng B. Bathoki and Dr Selinah Peters whose tenure ended and Mr Phemelo Rankoro, who resigned from the Board as he was deployed on a diplomatic Mission to Namibia.

As the year was drawing to a close, the Board organised a training session on Board effectiveness to introspect and align with precepts of effective governing bodies.

A notable initiative by the Board was its decision to conduct a Board Effectiveness Review as a crucial undertaking to assess how well we operate and whether we are configured and positioned to lead effectively. This review was facilitated by a competent body of consultants, Business Direct Pty Ltd. The results of this review were well received and where action is required, the Board has made a commitment to ensure immediate redress.

Strategy and Performance

The period under review (2023/24) marks the fourth (4) anniversary of the implementation of the CCA maiden Strategic Business Plan.

The Board is gratified with overall performance despite historic financial challenges and insufficient personnel. Our efforts to promote public awareness, stakeholder collaborations, leveraging technologies and mergers control, are significant areas of noteworthy progress. We realised an increase in the number of mergers notified and assessed translating into revenue generation of BWP7, 857, 830.70 in merger fees. Though there was this increase in merger control activity, we realised high levels of compliance with the turnaround times and decision making.

BWP7, 857, 830.70

Total Revenue generated from merger control and review

Board Key Decisions

In exercising its oversight role, to ensure improved service delivery, the Board considered and approved the following instruments:

- Market Inquiries and Research Guidelines
- Consumer Protection Investigations Manual
- Communications Policy
- Corporate Social Responsibility Guidelines
- Consumer Advocacy Groups Guidelines.

These are key instruments which are essential to guide the Authority's day- to-day work on these respective areas.

Community Involvement

CCA perceives community relationships as a core attribute that adds value to its business. We achieved these through building strategic and sustainable relationships, charities and hosting events in partnership with communities. One such event is the World Consumer Rights Day which we rotate in villages and host jointly with the communities. The last commemoration day was held in the village of Shoshong. These events do not only serve to develop our corporate image and enhance our corporate reputation, but also improve the wellbeing of the communities.

Looking ahead

The Financial Year 2023/24 is the last but one year of implementation of our initial Strategic Plan adopted in 2020, following the transfer of the Consumer Protection Mandate from the Ministry of Trade and industry.

The Board has initiated a process to assess progress made and challenges. The review will also lay a foundation for refocusing our future to achieve critical expectations of the shareholder, especially improving fair play in markets and protecting consumers.

Appreciation

I would like to extend my thanks to the CCA Executive Management and Staff, for showing commitment and dedication. You all worked tirelessly and innovatively to deliver our strategic commitments. Let us all remain focused as we go into the final lap of our maiden Strategic Business Plan.

I thank my fellow Board Members for their incredible support and giving guidance in driving the Authority's mandate and getting it closer to attaining its Vision. Finally, I extend a note of appreciation to everyone who played a part in all our work in the past year.

I thank you all.



Dr. Malebogo Bakwena
Chairperson - Competition and Consumer Board



Ms. Tebelelo Pule
Chief Executive Officer

CHIEF EXECUTIVE OFFICER'S REPORT

Introduction

I am pleased to report on the operations of the Competition and Consumer Authority (CCA), for the financial year 2023/24. This Report is a reflection of our commitment to deliver services that depict our brand values. We aimed to resolve our customers' problems and assist businesses and enterprises with focus on better turnaround times despite our limited offices' footprint across the country.

We created ways to remain resolute and work even harder to achieve our strategic objectives. It is clear our efforts were successful in most of the focus areas of the strategy. We had our concentration firmly set on the future of creating Fair Markets and Empowered Consumers.

Human Capital

The CCA has skilled employees who so far, have laid down a foundation for achieving world class quality competition law enforcement and consumer protection services. I wish to appreciate all CCA employees and always hope for their persistent efforts to deliver beyond expectations, against all odds.

I further wish to state that, at Executive Management level, we operated at full strength upon recruitment of Director, Communications and Stakeholders Relations.

Commitment to National Priorities

The year under review was marked by the launch of the Mindset Change Campaign by his Excellency the President of the Republic of Botswana, Dr. Mokgweetsi Eric Keabetswe Masisi in July 20, 2023 in the Zutshwa village. This is the vehicle through which Botswana can achieve a transition to a high-income status that creates wealth, sustainable jobs, driven by intellect and innovations.

The Authority is fully aligned with this campaign and has demonstrated commitment through mindset change awareness sessions conducted within employees, aimed at promoting mindset change and incorporating Mindset Change Campaign logo in our presentation decks, publications and social media platforms.

Performance Review

Our overall performance across the Authority's set objectives was pleasing at an average of **81%**. Below are some of the remarkable areas as highlights of the Authority's performance;

- **Merger control activity and impact on competition**

During the year under review, the Authority received fifty-nine **(59)** mergers compared with forty-five **(45)** registered in the previous year. This represents a **31%** increase attributed to the steady but slow increase in economic activity as the world economy slowly stabilised. In total, the Authority handled seventy-one **(71)** mergers including twelve **(12)** brought forward from the previous year.

Fifty-eight **(58)** mergers were approved unconditionally, five **(5)** were approved with conditions whereas one **(01)** merger was rejected/prohibited.

The Authority is also compelled to conduct compliance with the prescribed conditions and this exercise was carried out for one **(1)** merger case that involved Komatsu Botswana (Pty) Ltd and Joy Global Botswana (Pty) Ltd. The assessment conformed full compliance with the conditions as prescribed.

A gratifying aspect of our merger control activity, is our ability to conclude assessments and make pronouncements within the statutory timelines, despite challenges of inadequate personnel and delayed responses from relevant stakeholders, interviews, benchmarking with other agencies regionally and globally and site visits where necessary.

The Authority has handled approximately 492 mergers (as at 31st March 2024) since inception showing a steady increase year on year.

31%

Increase in registered mergers due to increase in economic activity as the world economy slowly stabilised



● Public education and awareness

We designed and implemented a robust stakeholder engagement plan with a commitment to share information and educate our wider stakeholder network on the functions and powers of the Authority. We preferred a more targeted approach to ensure that we improved on our general outreach to communities and businesses.

The implementation of this plan was successful, with an adequate 93% rate reflecting a wide outreach for both enterprises and consumers on competition and consumer protection.

● Consumer protection and competition law cases

In the 2023/24 financial year two (02) consumer protection cases were referred to the Competition and Consumer Tribunal compared to five (5) from the previous year.

The said cases are CCA v OD Drilling (Pty) Ltd: Case No: CCT/CP/02/2003 and CCA v Bojaro Investment (Pty) Ltd: Case no: CCT/CP/C3/03/2023 and CAHGB-000003/24

As for Competition Law enforcement, three (3) cases standout in this financial year. These cases are; AKZO Nobel N.V and 2 others v CCA: Case No: CCT/MER/01/2023 I., CCA v Botswana Insurance Company Ltd and 3 others: Case No: CCT/A/01/2023 I and CCA vs Universal House (Pty) Ltd and another: Case No CCT/MER/01/2022

Details of these cases and their statuses are discussed in the Business Review section on this Annual Report.

We however noticed a growing trend on consumer complaints regarding borehole drilling and so far have shown to be complex cases due to shadowy contracts and traceability of service providers.

● Consumer complaints

The Motor vehicle sector remains the predominant source of consumer complaints with a record of 24% of all cases recorded this financial year. This a decrease of 3% from the previous financial year. This was followed by the Cell Phone sector and Electronics complaints with a total of 19% and 11% complaints registered respectively in the 2023/24 financial year.

Efforts were intensified to reduce the case backlog of 1174 cases registered in the past financial year by resolving 399 (34%). A total of 777 new consumer complaints were received in the financial year under review and a total of 341 (43%) were resolved.

● Leveraging technology in case management

Our efforts to leverage digital technologies to support business operations have been improved through the development of a Case Management System (CMS) to log and register all customer complaints and cases received.

The system assists in proper documentation of customer complaints and timely access of all information relating to consumer complaints, merger and investigation cases and enquiries.

● Business compliance monitoring

The Authority for the period under review guided by sections 10, 11 and 15 of the Consumer Protection Act conducted business monitoring compliance inspections with regards to provision of information; display of price and standards of the safety and quality standards on goods and services offered.

In this exercise, a total of **2157** businesses were inspected across the 16 Districts of Botswana against a target of 3996, reflecting a 54% achievement, as compared to the **510** businesses in the previous financial year. This was achieved by conducting regulatory business monitoring.

A compliance level of **81%** was recorded as compared to the previous financial year where a **74%** compliance level was recorded.

81%

Compliance level
was recorded this
financial year.

● Removal of market constraints

The Authority enhanced market competitiveness by identifying and removing three (3) market constraints. We intervened to remove a barrier to entry and expansion in the supply of medical devices. We facilitated market access in the funeral services sector and mediated on access to bodies at Athlone Hospital by the local (Lobatse) funeral parlours. We also facilitated access to bran by farmers and small retailers by successfully requesting Foods Botswana to reduce minimum purchase quantity for bran from thirty (30) tonnes to ten (10) tonnes to enhance access to bran for customers.

● Market studies and research

CCA as a member of the African Competition Forum (ACF), participated in a study on roaming charges. Botswana's landscape was part of this study necessitated by general concerns on high roaming charges experienced in Africa. The roaming charges in this study were restricted to voice calls and data services. The study has been completed and confirmed that international roaming charges are high in Africa and that there is no transparency in the wholesale agreements that mobile network operators enter into with their roaming partners;

● Procurement

The implementation of the Public Procurement Act, 2021 is now in its second anniversary. We strove to execute our supply chain requirements within the law and Government Policies. Most goods and services were acquired from 100% citizen owned businesses. The table below shows procurement by service category and value. Other details of CCA procurement, for instance by type of tender, value and from marginalised groups are discussed under the business review section of this report.

Table 1 : Procurement by category and value

| Category | Quarter 1 / Amount | Quarter 2 / Amount | Quarter 3 / Amount | Quarter 4 / Amount | ANNUAL TOTAL VALUE OF PROCUREMENT BY TYPE |
|--------------|-----------------------|-----------------------|-----------------------|-----------------------|--|
| | BWP | BWP | BWP | BWP | BWP |
| Services | 139,222.50 | 806,011.16 | 1,429,710.95 | 697,337.65 | 3,072,282.26 |
| Supplies | 381,853.80 | 1,970,649.61 | 932,893.32 | 399,035.22 | 3,684,431.95 |
| TOTAL | 521,076.30 | 2,776,660.77 | 2,362,604.27 | 1,096,372.87 | 6,756,714.21 |

● The future as we see it

As we move forward with our journey in meeting our shareholder and customer needs, we envisage leveraging technology, partnerships and collaborations especially as resources become scarce. We intend to optimise sharing of resources with our networks and avoid duplication and wastage.

We aim to exploit digital platforms to ensure that our work is globally noticeable especially that traditional ways of sharing information are speedily shrinking and the focus has shifted to digital platforms and avenues.

● Word of thanks

I would like to thank our Ministry of Trade and Industry and CCA Board for their guidance and support throughout the years.

My sincere gratitude goes to CCA employees, Botswana Public Employees Union (BOPEU), and CCA Executive Management team for their continued sacrifices and cooperation in our everyday work.

I thank you all.



Ms. Tebelelo Pule
Chief Executive Officer



ABOUT THE COMPETITION AND CONSUMER AUTHORITY

The Competition and Consumer Authority (CCA) is a parastatal established through the Competition Act, No. 4 of 2018.

The Shareholder, which is the Government of Botswana, expects CCA to offer unfettered wide spectrum of services and are outlined on this section.

CCA MANDATE

The Competition Act empowers the Authority to:

- Investigate Horizontal agreements (price-fixing, market allocation, bid-rigging)
- Investigate Vertical Agreements (resale price maintenance)
- Investigate Abuse of Dominance (predatory conduct, margin squeeze, refusal to deal, exclusive dealing etc.)
- Control Mergers and Acquisitions (for enterprises with assets or turnover valued at P10m or above)

The CCA further protects consumers against unfair business practices through enforcement of the Consumer Protection Act No 5, of 2018 whose main areas include:

- False, Misleading and Deceptive Conduct (false representations on goods and services, bait advertising, pyramid schemes etc.)
- Information on Goods and Services (display of prices, product labelling, used goods etc.)
- Safety and Quality of Goods and Services (right to quality goods and services, warranty, liability for damaged goods etc.)
- Direct and Mail Order Sales (direct marketing, consumer's right to cooling off etc.)
- Contracts (unfair or unjust contract terms, written contracts, prohibited contract terms, cancellation of contracts etc.)

MISSION

We ensure a vibrant competitive landscape, fair business practices and safeguard the welfare of consumers in Botswana.

VISION

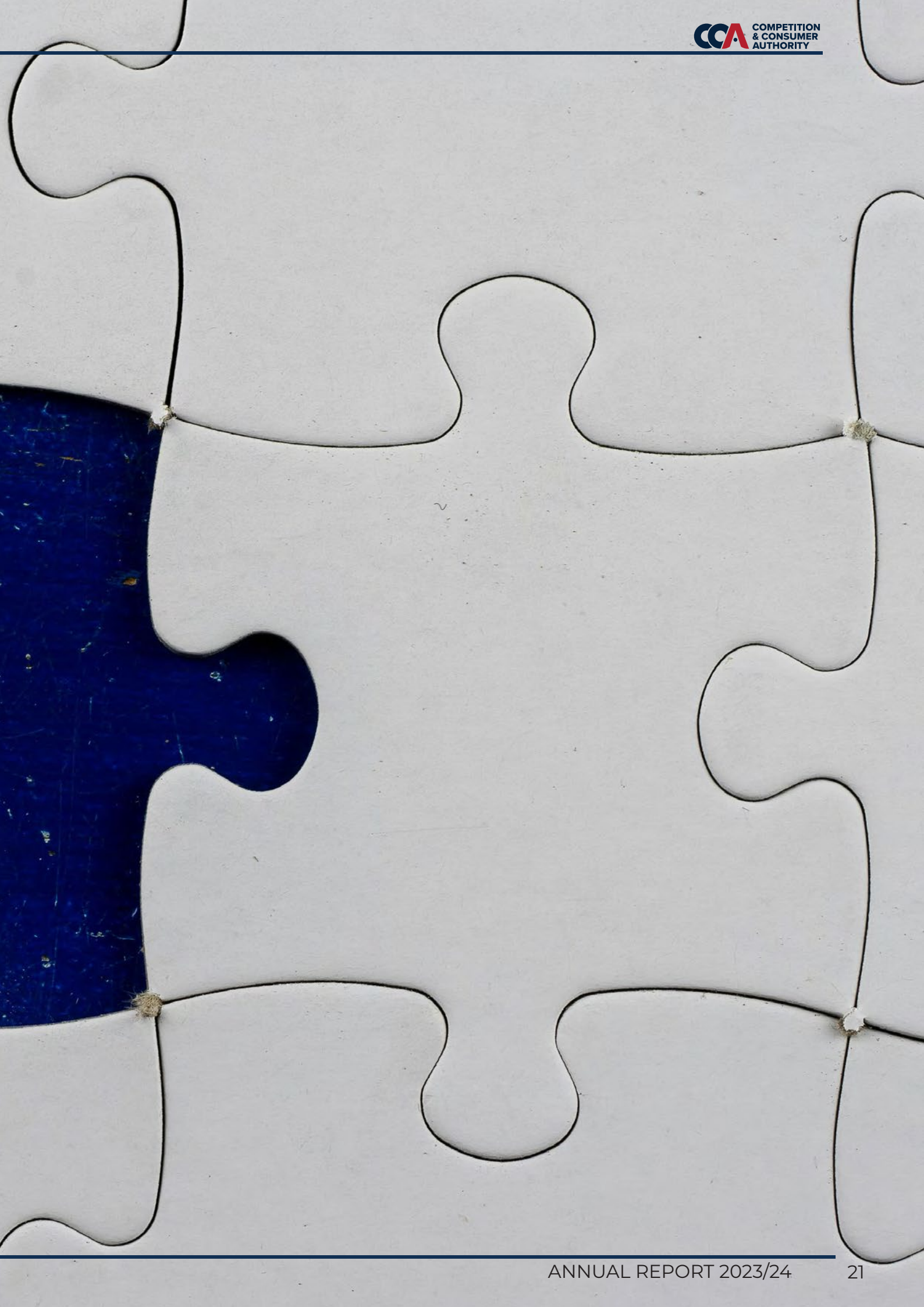
A Competitive Botswana with Fair Markets and Empowered Consumers.

VALUES

- *Transparency*
- *Professionalism*
- *Integrity*
- *Teamwork*
- *Pro-activeness*



BUSINESS LEADERSHIP AND CORPORATE GOVERNANCE



COMPETITION AND CONSUMER BOARD

(As at September 2024)

The Competition and Consumer Authority is governed by a Board consisting of Seven (7) Non-Executive Members. However, due to end of term and resignations of some members, the Board was made up of six (6) Members. The Chief Executive Officer is an Ex-Officio Member of the Board.



Dr. Malebogo Bakwena
Chairperson

Date of appointment; -
01/12/2019

- PhD Economics, University of Queensland-Brisbane, Australia
- MSc Economics and Finance, University of York, UK.
- BA Economics and Statistics, University of Botswana



Mr. Phodiso P. Valashia
Board Member

Date of appointment; -
01/10/2019

- MA Customs Law and Administration, University of Muenster, Germany
- BA Economics University of Botswana



Mr. Koonyatse K. Tamasiga
Board Member

Date of appointment; -
01/10/2019

- MSc Internal Auditing and Management, City University, UK.
- Post Graduate Diploma Internal Auditing and Management City University.
- National Diploma Accounting and Business Studies, Institute of Development Management.



Ms. Kemmonyne Keitsile
Board Member

Date of appointment; -
01/10/2019

- BSc, Consumer Science, University of Wales in Cardiff
- Diploma in Home Economics Education, University of Swaziland



Dr. Bashi Mothusi
Board Member

Date of appointment; -
09/11/2023

- PhD Public Administration
Cleveland State University Ohio, USA
- MSc Development Administration
& Planning University College,
London
- BA Social Sciences,
University of Botswana



Mr. Kokeletso Hule
Board Member

Date of appointment; -
01/04/2024

- Master in International Trade and
Business IESIC University
Business & Marketing School, Spain
- Bachelor of Laws (LLB)
University of Botswana



Ms. Tebelelo Pule - Chief Executive Officer
Ex-Officio Member of the Board

Date of appointment; - October 01, 2017

- MA, Business Administration
University of Derby, UK
- Chartered Institute of Management
Accountants
(CIMA) (UK)
- Bachelor of Commerce
University of Botswana

Co-Opted Board Member



Mr. Gosegomang Olefile Setswamokwena

Date of appointment; -December 08, 2022 Co-opted in line with Section 15 (1) Competition Act

- MSc, Strategic Management University of Derby (U.K.)
- Management Development Programme (MDP) University of Stellenbosch, South Africa
- Bachelor's Degree in Technology (Human Resources Management) Durban University of Technology

Past-immediate Board Members

The Authority recognises a praiseworthy service of its Board Members whose term ended or retired during the period under review



Mr. Phemelo M. Rankoro - Vice Chairperson

Resigned on 1st December 2023

- Bachelor of Laws, University of Botswana
- Certificate of Proficiency in Short Term Insurance-Botswana Accountancy College



Dr. Selinah Peters - Board Member

Retired on 30th September 2023

- PhD Education and Human Resource Development Studies (Interdisciplinary Studies with special emphasis on Family and Consumer Sciences). Colorado State University USA
- MA Design Merchandising and Consumer Sciences. Colorado State University
- BSc. Consumer Economics, University of Maryland USA



Mr. Oteng B. Batlhoki - Board Member

Retired on 30th November 2023

- MSc Management Arthur D. Little Management Educational Institute, Boston (USA)
- Post Graduate Diploma in International Trade and Export Marketing Helsinki School of Economics (Finland)



Board Selection and Appointment

The selection and appointment of Board Members, according to the Competition Act No 4 of 2018, lies with the Minister of Trade and Industry. The Board Members' appointments are based on prescribed skills and experience in various disciplines, such as Economics, Commerce, Law, Consumer Affairs, Public Administration or any other area relevant to the objects and functions of the Board.

The Chairperson of the Board is appointed by the Minister and the Vice Chairperson is elected by members of the Board from amongst themselves.

Responsibilities of the Board

The Competition and Consumer Board is the governing body of the Authority and is responsible for the direction of the affairs of the Authority. The Board is conscious of its responsibility and is unequivocally committed to upholding ethical behaviour in conducting its business.

The Board, through its Secretariat and the Chief Executive Officer, ensures that the day to day business of the Authority complies with the laws and regulations of Botswana.

The responsibilities of the Competition and Consumer Board are:

- Determine policy and provide strategic direction to give effect to the objects of the Competition Act and Consumer Protection Act.
- Determine the general performance of the Authority.
- Ensure compliance with applicable Laws and Regulations.
- Advise the Minister on international agreements relevant to competition.
- Do such other things as provided by the Competition Act and Consumer Protection Act or as may be necessary.

Board Committees

The Board is accountable for the Authority's activities and deals with all organisations business and achieves this through specifically delegated Committees. The Board has three (3) standing specialist committees.

- Finance and Audit Committee,
- Technical Committee
- Human Resource Committee

Table 2: Board Committees, Responsibilities and Membership as at 31st March 2024

| Committees | Members | Responsibility |
|-----------------------------|--|---|
| Finance and Audit Committee | <p>Mr. Koonyatse K. Tamasiga Chairperson</p> <p>Mr. Phemelo Rankoro (Resigned 1st December 2023)</p> <p>Mr. Phodiso P. Valashia</p> <p>Ms. Kemmony Keitsile</p> | The Committee assists the Board in discharging its oversight responsibilities of monitoring and reviewing: financial activities of the Authority and the financial reporting process to ensure balance, transparency and integrity; the Authority's compliance with the legal and regulatory requirements; the effectiveness of the Authority's internal controls; and the effectiveness of the Authority's risk management strategies. |
| Human Resources Committee | <p>Mr. Phodiso P. Valashia Chairperson</p> <p>Dr. Selinah Peters (Retired 30th September 2023)</p> <p>Mr. Oteng B. Batlhoki (Retired 30th November 2023)</p> <p>Mr. Gosegomang O. Setswamokwena</p> | The Committee assists the Board in discharging its oversight responsibilities of establishing, monitoring and reviewing appropriate human resource and compensation policies and strategies that provide the Authority with the capability to achieve its short and long term business objectives. |
| Technical Committee | <p>Dr. Bashi Mothusi Chairperson (Appointed 27th March 2024)</p> <p>Mr. Oteng B. Batlhoki Chairperson (Retired 30th November 2023)</p> <p>Ms. Kemmony Keitsile</p> <p>Mr. Koonyatse Tamasiga</p> | The Committee is tasked with assisting the Board in discharging its oversight responsibilities of formulating, monitoring and reviewing appropriate legal and technical policies, rules, guidelines and procedures that enable the Authority to undertake its enforcement and advocacy functions. |

Record of Board and Committee Meetings

The Competition and Consumer Board held three (3) ordinary meetings during the financial year 2023/24 to consider various strategic and policy matters with material effect on the Authority's affairs. Ten (10) special meetings were also convened as seen expedient for the discharge of the Board's functions.

Table 3: Record of Board and Committee Meetings as at 31st March 2024

| Name | Position | Ordinary Board | Special Board Meetings | Finance & Audit Committee | Human Resources Committee | Technical Committee |
|---------------------------|------------------|----------------|------------------------|---------------------------|---------------------------|---------------------|
| Dr. Malebogo Bakwena | Chairperson | 3 | 10 | N/A | N/A | N/A |
| Mr. Phemelo M. Rankoro | Vice Chairperson | 1 | 4 | 5 | N/A | 1 |
| Dr. Selinah Peters | Member | 1 | 6 | N/A | 3 | N/A |
| Mr. Koonyatse K. Tamasiga | Member | 3 | 10 | 8 | N/A | 1 |
| Mr. Phodiso P. Valashia | Member | 3 | 10 | 8 | 7 | N/A |
| Mr. Oteng B. Batlhoki | Member | 2 | 9 | N/A | 6 | 3 |
| Ms. Kemmony Keitsile | Member | 2 | 8 | N/A | N/A | 4 |
| Dr. Bashi Mothusi | Member | 1 | 1 | N/A | 1 | 1 |
| Ms. Tebelelo Pule | CEO | 3 | 7 | 5 | 7 | 4 |

Co-opted Board Member's Record of Meetings

| Name | Human Resources Committee |
|--------------------------------------|---------------------------|
| Mr. Gosegomang Olefile Setswamokwena | 4 |

Best Practice Code on Corporate Governance



The Competition and Consumer Board, in its efforts to strengthen corporate governance and boost accountability subjected itself to **King IV™ Code on Corporate Governance**, to intensify alignment with the precepts of governance and accountability. **King IV builds on King III, recommended by Botswana Accountancy Oversight Authority (BAOA)** established with the principal objective of providing oversight to accounting and auditing services and to promote standard, quality and credibility of providing financial and non-financial information by entities, including **Public Interest Entities (PIEs)** such as CCA.

Table 4, shows the instruments, policies and manuals developed and approved by the Board as fulfilment of **King IV™ Code on Corporate Governance Principles**. The Table also provides statements of Application and Explanations as Required by **King IV Code™**. Most of the Governance of Risk, were yet to be finalized as at the end of the financial year under review. The Governance of information technology is another area requiring attention as indicated by the penetration and vulnerability assessment. An action plan has been developed to address the concerns in the next financial year (2024/25)

Fair Markets and Empowered Consumers



Table 4: King Code Governance Principles and compliance instruments and explanations/ applications

| KING IV™ CORPORATE GOVERNANCE PRINCIPLES | PRINCIPLE FOCUS/ RECOMMENDED PRACTICES | APPLICATION/ EXPLANATION | GUIDING INSTRUMENTS/ DOCUMENTS/ LEGISLATION/POLICIES |
|---|---|--|---|
| PRINCIPLE 1: Leadership, | <ul style="list-style-type: none"> ● Emphasis is on Strategy, Policy, Oversight and Accountability. ● Governing Body should cultivate and exhibit, collectively and individually, characteristics of integrity, competence, responsibility, accountability, fairness and transparency ● Offer leadership that results in achievement of strategy and outcomes over time ● Disclose how they are being held to account for their leadership. | <p>CCA Board has shown leadership by setting the strategic direction and approved annual performance plans and budgets.</p> <p>It has effectively led the Authority's affairs in accordance with its statutory Mandate, Board Charter and Shareholder Compact.</p> <p>The Board continuously strive to account for their leadership actions in holding quarterly meetings to review performance against key strategic focus areas and policies.</p> | <ul style="list-style-type: none"> ● Competition Act ● Consumer Protection Act ● Annual Performance Plan ● 2023/24 Budget ● Audited Financial Statements ● Declaration of assets ● Conflict of Interest declarations ● Procurement Procedures and Guidelines ● Disclosures of Directors remuneration ● Declaration of gifts and presents ● Board Committees TORs ● Investigations procedures manual |
| PRINCIPLE 2: Organisational ethics. | <ul style="list-style-type: none"> ● Approve codes of conduct and ethics policies. ● Ensure that there are ways for stakeholders to be made familiar with the codes of conduct and ethics policies. ● Delegate implementation of codes of conduct and ethics policies to management and provide ongoing oversight, including results in such matters as recruitment, employee remuneration, supplier selection, breach management, whistle blowing and independent assessments | <p>The Board understands its role as the custodian of ethics and values in governing the affairs of the Authority.</p> <p>The Board has signed Board Charter and Shareholder Compact. These tools are important as they assist in aligning Shareholders expectations, strategic objectives, vision and mission, performance levels and sustainability considerations with the Board.</p> <p>CCA FAC is responsible for assessing the policies and procedures of the Authority to ensure that the accounting systems and related controls are adequate and functioning effectively.</p> | <ul style="list-style-type: none"> ● Shareholder Compact ● Board Charter ● Ethics Policy ● CCA Strategic Plan ● Stakeholder Engagement Plan ● Board Committees ● A Comprehensive Risk Register/Log ● Record of meetings' attendance and remuneration ● Disclosures on Board ● Members Academic and Professional Qualifications |

Table 4: King Code Governance Principles and compliance instruments and explanations/ applications *(Continued)*

| KING IV™ CORPORATE GOVERNANCE PRINCIPLES | PRINCIPLE FOCUS/ RECOMMENDED PRACTICES | APPLICATION/ EXPLANATION | GUIDING INSTRUMENTS/ DOCUMENTS/ LEGISLATION/POLICIES |
|---|---|--|---|
| PRINCIPLE 3: Responsible Corporate Citizenship | <ul style="list-style-type: none"> • The Board will set the direction for good corporate citizenship, including compliance with the Constitution, laws, standards and own policies and procedures, as well as congruence with the organisation's purpose, strategy and conduct • Oversee and monitors (using agreed performance indicators and targets) the organisations status as a good corporate citizen in such areas as the workplace, economic behaviours and results, societal and environmental impacts • Disclose how corporate citizenship is managed, current and future focus areas, monitoring measures and how corporate citizenship outcomes are addressed | <p>The Board understands that corporate citizenship starts with running a successful Competition and Consumer Protection organisation by producing the right solutions for its customers and making valuable contribution to economic development of the country</p> <p>CCA's commitment as a corporate citizen goes beyond the economic realms of its operations. This, commonly known as Corporate Social Investment in the form of donations and other kinds of financial assistance, made for altruistic purpose. This is an area that requires attention by creating a deliberate effort supported by a judicious budget.</p> <p>The Authority strives to intervene in calls by stakeholders such as conducting investigations on impediments of fair business practices and consumer rights.</p> | <ul style="list-style-type: none"> • Corporate Annual Performance Plan • Corporate Social Responsibility Guidelines. • Investigations procedures Guidelines. • Consumer Advocacy Groups Guidelines. |
| PRINCIPLE 4: Strategy and Performance | <p>The Board should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.</p> | <p>The Board set the strategic direction and has approved annual performance plans and budgets. It has effectively led the Authority's affairs in accordance with its statutory Mandate.</p> | <ul style="list-style-type: none"> • Corporate Strategy • Operational Performance Plan • Annual Budget • Audited Financial Statements • Annual Reports • Performance Management and review system • Risk Register • Enterprise Risk Management Framework • Risk Policy • Risk Appetite Definition • Risk Tolerance Statement |

Table 4: King Code Governance Principles and compliance instruments and explanations/ applications *(Continued)*

| KING IV™ CORPORATE GOVERNANCE PRINCIPLES | PRINCIPLE FOCUS/ RECOMMENDED PRACTICES | APPLICATION/ EXPLANATION | GUIDING INSTRUMENTS/ DOCUMENTS/ LEGISLATION/POLICIES |
|---|--|---|---|
| PRINCIPLE 5: Integrated Reporting | <p>The Board should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long term prospects.</p> <p>Set the direction, approach for the reporting frameworks and set the bases for determining materiality for the purposes of disclosure and integrity</p> | <p>The Board is bound by Section 24 of Competition Act to produce the Annual Report within a prescribed period.</p> <p>The CCA Financial Statements are audited by a competent Audit firm appointed by the Board in line with Section 23(2) of Competition Act. The Annual Reports are published in line with expected standards of disclosures.</p> | <ul style="list-style-type: none"> • Competition Act • Consumer Protection Act • CCA Annual Reports • CCA Audited Financial Statements • Board Members Academic/ Professional Qualifications disclosures |
| PRINCIPLE 6: Governing Structures and Delegation | <p>The Board will have a charter; its committees and members; approve protocol for non-executive members to get documentation and meetings with management and disclose the number of its meetings and attendance thereof, whether it is satisfied that it has discharged its responsibilities in relation to its charter.</p> | <p>The Board has established specialists' committees and delegated some of its functions and responsibilities for the purpose of performing its functions.</p> <p>The Board, subject to predefined conditions, has delegated responsibilities to the Executive Management led by the Chief Executive Officer,</p> | <ul style="list-style-type: none"> • Competition Act • Consumer Protection Act • Companies Act • Shareholder Compact • Board Charter • Executive Management Team |
| PRINCIPLE 7: Composition of the governing body | <p>The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.</p> | <p>CCA is governed by a Board appointment by the Minister of Trade and Industry in accordance with Competition Act 2018.</p> <p>The selection is based on prescribed diverse skills and experience in various disciplines, such as, commerce, economics, law, consumer affairs, public administration or any other area relevant to the objects and functions of the Board.</p> | <ul style="list-style-type: none"> • Competition Act • Consumer Protection Act • Companies Act • Shareholder Compact • Board Charter |

Table 4: King Code Governance Principles and compliance instruments and explanations/ applications *(Continued)*

| KING IV™ CORPORATE GOVERNANCE PRINCIPLES | PRINCIPLE FOCUS/ RECOMMENDED PRACTICES | APPLICATION/ EXPLANATION | GUIDING INSTRUMENTS/ DOCUMENTS/ LEGISLATION/POLICIES |
|---|--|--|--|
| PRINCIPLE 8: Committees of the governing body | The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties" | The Board has established three (3) standing specialist committees. These are; Finance and Audit Committee, Human Resource Committee and Technical Committee | <ul style="list-style-type: none"> ● Competition Act ● Board Charter ● Committees Terms of Reference |
| PRINCIPLE 9: Evaluation of the performance of the governing body | <p>The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.</p> <p>Ensure that every two years an externally facilitated performance evaluation, in accordance with the approved methodology.</p> | <p>Board Charter and Shareholder Compact have been approved and signed between the Board and Minister. These documents set the basis for the Board performance evaluation.</p> <p>Effective collaboration through cross-membership between committees, coordinated scheduling of meetings has ensured effective collaboration and working together for a common purpose.</p> <p>The Board has conducted its performance review (Board Effectiveness review) facilitated by a competent body.</p> <p>Recommendations are being applied.</p> | <ul style="list-style-type: none"> ● Shareholder Compact ● Board Charter ● Schedule of Board Meetings (Ways of Working) ● Board Effectiveness Evaluation Report ● Committees Terms of Reference ● Internal Auditors ● External Auditors |
| PRINCIPLE 10: Appointment and delegation to management | The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and effective exercise of authority and responsibilities. | Board has appointed a CEO and her responsibilities include leading strategy implementation. The CEO has been delegated to appoint executive management and to oversee key management functions led by competent and appropriately authorized individuals and resourced adequately | <ul style="list-style-type: none"> ● Board delegation of authority ● Recruitment and remuneration policies ● Access to External Legal Advice ● External Recruitment |

Table 4: King Code Governance Principles and compliance instruments and explanations/ applications *(Continued)*

| KING IV™ CORPORATE GOVERNANCE PRINCIPLES | PRINCIPLE FOCUS/ RECOMMENDED PRACTICES | APPLICATION/ EXPLANATION | GUIDING INSTRUMENTS/ DOCUMENTS/ LEGISLATION/POLICIES |
|--|---|--|--|
| PRINCIPLE 11; Risk governance | <ul style="list-style-type: none"> The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives Treat risk as integral part of decision making and adherence to duties, approve risk policy, evaluate and agree the risks it is prepared to | The Board has established a risk log their levels, their impact, likelihood and mitigations. The risks are continuously reviewed by the Finance and Audit and Risk Committee. A risk register is in place to address | <ul style="list-style-type: none"> (Risk Management Policy) Enterprise Risk Register) (Enterprise Risk Management Plan/Framework) (Risk Appetite Statement) (Annual Internal Audit Plan) (Business Continuity Management Framework) (Risk Management Philosophy and Approach) |
| PRINCIPLE 12; Technology and information governance | <p>The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.</p> <p>Oversee results of managements implementation (including integration, business resilience, monitoring for responsiveness to cyber security and social media risks, third-party and outsourced service provider risks, value delivered from technology investments and projects, disposal of obsolete technology and information, ethical and responsible use and compliance with laws).</p> | <p>The Board approved the Information, Technology and Communication Policy that focuses on the current and envisioned ICT environment to support CCA's Strategic Plan.</p> <p>The strategy also covers ICT governance to ensure effective implementation and compliance.</p> | <ul style="list-style-type: none"> Information, Technology and Communication Policy ICT Security Policy Technology Road Map Case Management Procedures |
| PRINCIPLE 13; Compliance governance | The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that it supports the organisation being ethical and a good corporate citizen" | <p>The Board, endeavours to ensure that the business of the Authority complies with the laws of Botswana and other standards. The Board Secretary provides guidance to the Board on their fiduciary duties and relevant legislation.</p> <p>CCA complies with all other Statutes relating to its business and with Government of Botswana policies and directives on local economic empowerment such as, Economic Diversification Drive (EDD), supporting marginalized groups.</p> | <ul style="list-style-type: none"> Competition Act Declaration of Assets and Liabilities Financial Reporting Act Economic Diversification Drive (EDD) Public Procurement Act International Financial Reporting Standard (IFRS) CCA Annual Reports |

Table 4: King Code Governance Principles and compliance instruments and explanations/ applications *(Continued)*

| KING IV™ CORPORATE GOVERNANCE PRINCIPLES | PRINCIPLE FOCUS/ RECOMMENDED PRACTICES | APPLICATION/ EXPLANATION | GUIDING INSTRUMENTS/ DOCUMENTS/ LEGISLATION/POLICIES |
|---|--|---|--|
| PRINCIPLE 14; Remuneration governance | The governing body should ensure that the organization remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in short, medium and long term” | The Board, through the Human Resources Committee has developed Remuneration Policy that ensures fairness, responsibility and transparency. The policy aims to attract and retain human capital, promote achievement of strategic objectives, positive outcomes, an ethical culture and responsible corporate citizenship | <ul style="list-style-type: none"> ● Remuneration Policy ● Staff General Terms of and Conditions of Service |
| PRINCIPLE 15; Assurance | The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports. | <p>The Board has an established an effective Finance and Audit Committee Chaired by a competent Member.</p> <p>The outsourced Internal Auditor conducts the Authority's independent assessments and submits the Reports to the Finance and Audit Committee for review and actions. The External Auditors provide the overall assurance according to International Financial Reporting Standard.</p> | <ul style="list-style-type: none"> ● Finance and Audit Committee ● Internal Audit Charter ● External Auditors ● Internal Auditor's Annual Plan ● Combined Assurance Framework |
| PRINCIPLE 16; Stakeholders | The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that it supports the organisation being ethical and a good corporate citizen” | <p>The Board, through the office of CEO, maintains active dialogue with various Government Ministries, and private sector. The Board is aware of reputational risk and its effect on the Authority's activities, and performance. Issues raised by stakeholders are attended expeditiously.</p> <p>Management on regular basis initiate platforms according to the Stakeholder Engagement Plan, to engage stakeholders on issues of common interest and the Authority's business operations</p> <p>Annual Reports are distributed to the rest of the stakeholder community.</p> | <ul style="list-style-type: none"> ● Stakeholder Engagement Plan ● Communications Policy ● Web-based communication (Social Media, Website, online Portals) |

Internal Audit

The Authority outsources the Internal Audit function. The function provides independent and objective assurance to the Board through the Finance and Audit Committee (FAC) on the appropriateness and effectiveness of the Authority's Governance processes, Risk Management and Internal Controls and recommends corrective actions where need be. The Internal Audit plans are informed by the risks and strategic intent of the Authority and are approved by the Board through the FAC.

External Auditors

In terms of the Competition Act, CCA is required to keep and maintain proper accounts in respect of every financial year relating to the assets, liabilities, income and expenditure audited by an Auditor appointed by the Board. The CCA Board, in under this special dispensation has BDO Botswana, a firm of Certified Public Accountants to fulfil this legal requirement.

Internal Controls

The Authority maintains systems of internal control to, among others, safeguard Authority assets and provide protection against misuse and loss of assets. As part of strengthening control procedures, some policies were reviewed during the year including the Finance Regulations and Procedure Manual, Asset Disposal Policy and IT Policy.

Ethics

Members of the Board and staff are required to conduct themselves according to the highest ethical standards. The Authority strives at all times to make relevant disclosures of information to stakeholders in a transparent manner. Board approved guidelines and processes aids day to day activities with customers, policies guides staff on the code of conduct.

Compliance with the Laws of Botswana

The CCA Board is conscious of its responsibility and is unequivocally committed to upholding ethical behaviour in conducting its business. The Board, through the Office of the Chief Executive Officers, and Finance Department, strives to ensure that the businesses of the Authority comply with the laws and regulations of Botswana.

The Authority submits monthly reports to the Public Procurement Regulatory Authority as part of compliance requirement by the Public Procurement Act. As a Public Interest Entity (PIE) the Authority appointed Botswana Accountancy Oversight Authority (BAOA) approved internal and external audit firms.

Risk Philosophy

The CCA considers risk as a natural part of any business process and the management of risk as a key operating and integral component of its activities. CCA as a transitioning organisation faces a wide range of risks, both internal and external, which can have significant impact on the outcome of its operations.

Management has a primary responsibility for identifying, managing and reporting to the Board the key risks faced by the Authority. **Table 5** overleaf shows the distribution of Identified Risks for Strategic Objectives and anticipated impact.

Table 5: Distribution of Identified Risks for each Strategic Objective

| PERSPECTIVES | STRATEGIC OBJECTIVE | RISK DESCRIPTION | IMPACT DESCRIPTION |
|----------------------|---|---|--|
| Stakeholder/Customer | CS1: Enhance Public and Consumer Awareness | Inadequate awareness on CCA Mandate and understanding of Competition and Consumer Protection legislations. | <ul style="list-style-type: none"> ● Diminished brand credibility of the CCA ● Non-resolution of consumer complaints ● Non-compliance by businesses ● Non-compliance to execution of Stakeholder Engagement Plan |
| | CS3: Remove Market constraints and Unfair Business Practices | | |
| | CS5: Strengthen Policy Advocacy | | |
| | CS6: Improve Service Provision and Access | | <ul style="list-style-type: none"> ● Decrease in Consumer welfare, ● Non Compliance to Consumer Protection provisions ● Increased misinformation and non-compliance |
| | | | <ul style="list-style-type: none"> ● Increased unfair business practices in the market |
| | | | <ul style="list-style-type: none"> ● Consumers rights are not protected ● Complaints not reaching the Authority ● Failure to achieve CCA Mandate |
| | CS2: Review Mergers and Minimise Monopolies | Issuing improper Merger decisions | <ul style="list-style-type: none"> ● May attract/lead to appeals at the Tribunal ● Diminished reputation |
| | CS4: Improve Stakeholder Collaboration | Missing critical data/information that could be used to make strategic decisions in business processes and that of the Stakeholder. | <ul style="list-style-type: none"> ● Inadequate stakeholder collaboration to leverage on diverse expertise. ● Inadequate Stakeholder capacitation on Competition and Consumer Protection mandate. ● Influx of Consumer Complaints from regulated sectors with Consumer Protection mandate |

Table 5: Distribution of Identified Risks for each Strategic Objective *(Continued)*

| PERSPECTIVES | STRATEGIC OBJECTIVE | RISK DESCRIPTION | IMPACT DESCRIPTION |
|---------------------|---|---|---|
| Internal Processes | IP1: Integrate and Optimize Organisational Processes | Poor service delivery | ● Increase or delay in Case Management |
| | IP2: Leverage Digital Technologies | | |
| | IP3: Embed Risk Management | Failure to adequately mitigate high/extreme risks | ● Not achieving mandate |
| | IP4: Strengthen Governance and organizational compliance | Reduced Board effectiveness and non-compliance with Best Practice and codes on Corporate Governance | ● Delayed Board Decision |
| Financial | F1: Prudent Financial Management | Inadequacy Mandate execution | ● Not Achieving CCA Mandate Fraudulent Transactions |
| | F2: Optimize Resource Utilization | | |
| Learning and Growth | LG1: Improve Performance and Culture | Low performance at individual and corporate level | ● Indadequate Implementation of CCA Mandate High Staff Turnover Staff Disengagement |
| | LG2: Competence and skills | | |
| | LG3: Talent Management (Enhance Human Capital) | | |

Top Eight Risks and their Mitigations

The top eight (8) risks with the potential to affect the business are identified in the table below and are reported to the CCA Board through the Finance and Audit Committee on a quarterly basis.

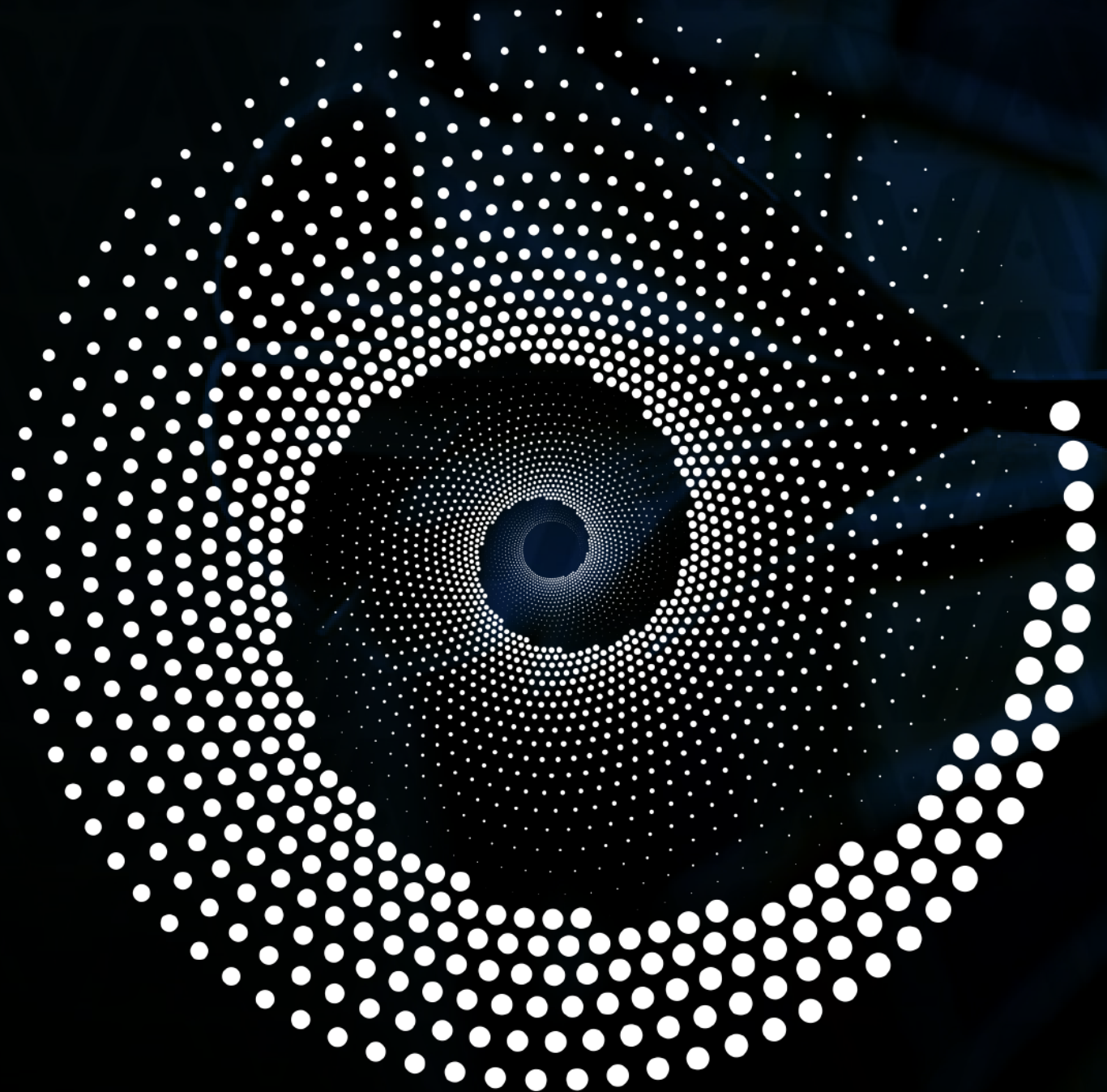


Table 6: Top Eight Identified Risks and their Mitigations

| No. | RISK DESCRIPTION | RISK MITIGATION |
|-----|---|--|
| 1 | Inadequate awareness on CCA Mandate and understanding of Competition and Consumer Protection legislations | <ul style="list-style-type: none"> • Conduct consumer and business education through implementation of the Stakeholder Engagement Plan • Advocate for Business Complaints Resolution Mechanisms • Implement Stakeholder Engagement Plan (e.g. Business and Consumer compliance programme) • Leveraging on BNLS MOU |
| 2 | Issuing improper Merger decisions | <ul style="list-style-type: none"> • Improve Merger Guidelines • Benchmark with other agencies • Monitor decisions • Site visits • Consult relevant stakeholders |
| 3 | Missing critical data/information that could be used to make strategic decisions in business processes and that of the Stakeholder. | <ul style="list-style-type: none"> • Implement MOUs to draw business value • Intensify campaigns on mandate and the rights and responsibilities of consumers |
| 4 | Poor service delivery | <ul style="list-style-type: none"> • Implementation and Monitoring of Service Level Agreements • Conduct penetration test and vulnerability assessment to identify risk areas • Implement Electronic Records Management System |
| 5 | Failure to adequately mitigate high/extreme risks | <ul style="list-style-type: none"> • Annual risk assessment and mitigation plan |
| 6 | Reduced Board effectiveness and non-compliance with Best Practice and codes on Corporate Governance | <ul style="list-style-type: none"> • Board training |
| 7 | Inadequacy in CCA Mandate execution | <ul style="list-style-type: none"> • Ensure adherence to controls in Reviewed Finance Manual |
| 8 | Low performance at individual and corporate level | <ul style="list-style-type: none"> • Fast track policy review and ensure approvals at all levels and structures |

EXECUTIVE MANAGEMENT



1 Ms. Tebelelo Pule
Chief Executive Officer



2 Ms. Nomathemba Dladla
Director - Mergers and Monopolies



3 Mr. James Baleki Molosankwe
Director - Communications
and Stakeholder Relations



4 Mr. Kesego Modongo
Director - Legal Services



5 Ms. Gomolemo Ratsie
Director - Corporate Services



6 Mr. Ernest Bagopi
Director - Investigations, Policy
and Research

ORGANISATIONAL BUSINESS REVIEW

In this section, we present the Authority's performance to fulfil the Strategic objectives in the 2023/24 financial year. The section covers Investigations, Research and Advocacy, Mergers Review, Legal and Enforcement, Stakeholder Relations and Outreach, Human Resource Management, Procurement and Information Technology .



INVESTIGATIONS, MARKET STUDIES, RESEARCH AND ADVOCACY

COMPETITION INVESTIGATIONS

Competition cases handled

During the 2023/24 financial year, CCA investigated a total 27 competition related cases, 19 which were carried over from the previous financial year. None of these cases were resolved due to varied levels of complexities. However, one case involving Competition and Consumer Authority Vs Bryte Insurance Company Botswana (Pty) Ltd t/a Bryte Risk Services Botswana (Bryte), Hollard Life Assurance

Company of Botswana (Pty) Ltd (Hollard), Old Mutual Life Insurance Company (Botswana) (Pty) Ltd (Old Mutual) and Botswana Insurance Company Limited (BIC), has been referred to the Competition and Consumer Tribunal. The remaining twenty-six (26) cases are remain under investigation and will be carried forward to the 2024/25 financial year. [Table 7](#) shows a summary of the competition cases handled

Table 7: Competition Cases Handled

| TYPE OF CASE | NUMBER |
|---|--------|
| Number of cases investigated | 27 |
| Number of new cases | 8 |
| Number of cases taken over from the previous year | 19 |
| Number of cases closed after being investigated | 0 |
| Number of cases referred to the Competition and Consumer Tribunal | 1 |
| Number of cases carried forward to next year | 26 |

Cases still under investigation (as at end of financial Year 2023/24)

Short-term Insurance Market

The basis of the case are on allegations of the insurance companies named above abusing their dominance, price fixing, dictating hourly labour rates charged by motor vehicle panel beaters and demanding motor vehicle panel beaters to exclusively source parts from a nominated supplier.

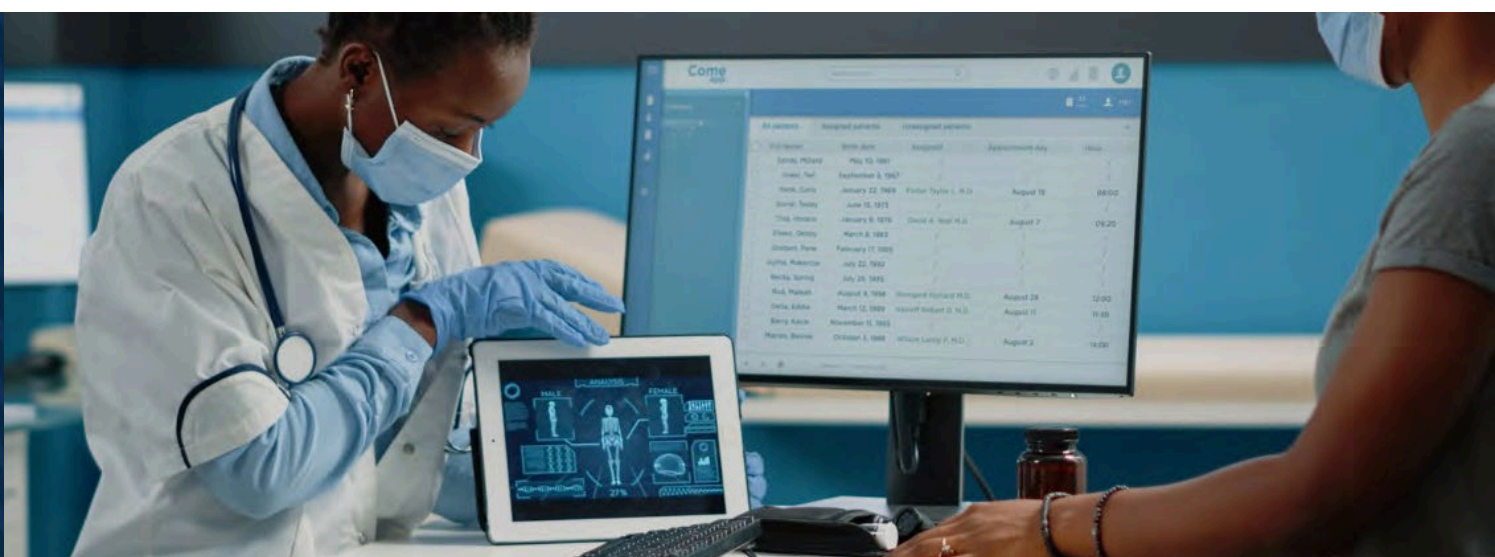
The Authority has completed its investigations and has referred the case to the Competition and Consumer Tribunal for prosecution.

Medical schemes market

The Authority has resumed an investigation into possible abuse of dominance by the Botswana Medical Aid Society (BOMAID) on allegations of possible contravention of section 31(1)(g) and (h).

The investigation was put on hold during the 2021/22 financial year after BOMAID approached the High Court, challenging the Authority's jurisdiction and proclaiming to be exempt from the Competition Act. The matter has been settled by the Court of Appeal, which upheld the High Court Judgement, which pronounced that BOMAID is not exempted from the Competition Act.

The Authority also resumed another investigation in the same market following the High Court judgement, which pronounced that BOMAID is not exempted from the Competition Act. The investigation concerned the allegations of abuse of dominance in the form of refusal of access to an essential facility and possible horizontal agreement through price fixing by some lead health insurance companies. Abuse of dominance in the form of refusal to deal infringes Section 31(1) (e) of the Competition Act, while price fixing is prohibited under Section 25 (a).





**COMPETITION AND
CONSUMER AUTHORITY**

New Cases Handled

Horticulture/potato production and supply market

The Authority commenced an investigation against some potato farmers or growers for possible infringement of section 31(1)(g). The investigation was precipitated by several complainants the Authority received from small potato retailers or hawkers alleging that the respondents discriminate between large customers (chain stores and wholesales) and hawkers by applying favourable trade terms to the chain stores and wholesales to the detriment of the hawkers.

It was further alleged that the respondents provide favourable ordering and loading conditions to chain stores and wholesales by allowing them to place orders for potatoes electronically and loading their orders timeously.

Meanwhile, hawkers are required to place potato orders at the farm gate and queue up for loading, which, on average, takes three (3) weeks.

Another alleged discriminatory trade condition pointed to the respondents refusing to supply hawkers with superior quality (Grade 1) potatoes instead of exclusively reserving it for chain stores and supermarkets. Hawkers also lamented about the supply of rotten potatoes by one potato grower in January 2024. The case is still under investigation and has been carried forward to 2024/25 financial year.

Automatic Teller Machines (ATMs) and complementary products and services

The Authority launched a preliminary investigation against two market players for allegedly abusing their dominant position by tying the supply of customer-operated Automatic Teller Machines (ATMs) to the provision of maintenance services and supply of spare parts in Botswana.

It was further alleged that the respondents may have entered into a vertical agreement that has the object and effect of blocking entry or substantially lessening competition in the aftermarket through an exclusive distribution agreement involving the supply of one of the respondents' branded ATMs, spare parts, diagnostic tools and provision of maintenance services outside the warranty period. The investigation is still underway, and the respondents have been notified. The case will be carried forward to the next financial year 2024/25.

Cartels

During the year under review, the Authority initiated investigation of two (2) cartel cases after receiving information from the informants alleging possible bid-rigging.

CONSUMER PROTECTION INVESTIGATIONS

The Consumer Protection Act of 2018 empowers the Authority to investigate and remove unfair business practices in the economy of Botswana. This is aimed at enhancing consumer protection by removal of unfair business practices. The removal of unfair business practices can be done through investigation of consumer complaints together with regulatory business compliance monitoring.

Consumer Complaints

The Authority received complaints from various sectors of the economy with predominant consumer complaints handled in the Motor Vehicle sector wherein 24% of the consumer complaints were registered. ***This showed a decrease of 3% from the previous financial year.*** This was followed by the Cell Phone sector and Electronics complaints with a total of 19% and 11% complaints registered respectively in the 2023/24 financial year.

Figure 1 depicts the changes recorded of the predominant consumer complaints that were registered per category:

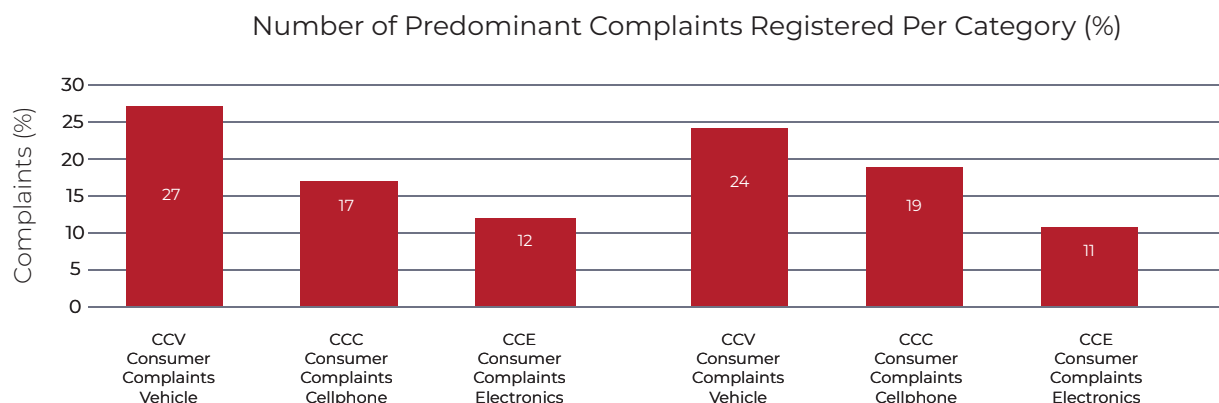


Figure 1 Number of Predominant Complaints Registered Per Category

The Authority intensified efforts to reduce the case backlog of 1174 cases registered in the past financial year by 34%. A total of 308 consumer complaints were brought forward to the current financial year making a total of 1085 cases. The Authority registered to a total of 777 new consumer complaints received and resolved resolving a total of 341 consumer complaints for the year under review.

The Authority received complaints that are related to the various categories as depicted in [Figure 2](#).

Out of the 777 consumer complaints received, the Authority recorded consumer complaints from the Consumer Complaint Vehicle (CCV) category with a (24%), Consumer Complaint Cell phone (CCC) category, (19%), Consumer Complaint Electronics (CCE) category (11%) and other different categories which are less than 11%. Despite the challenges the Authority faced in resolving the cases, the Authority resolved a total of 377 cases out of the 777 received cases marking a 49% resolution rate.

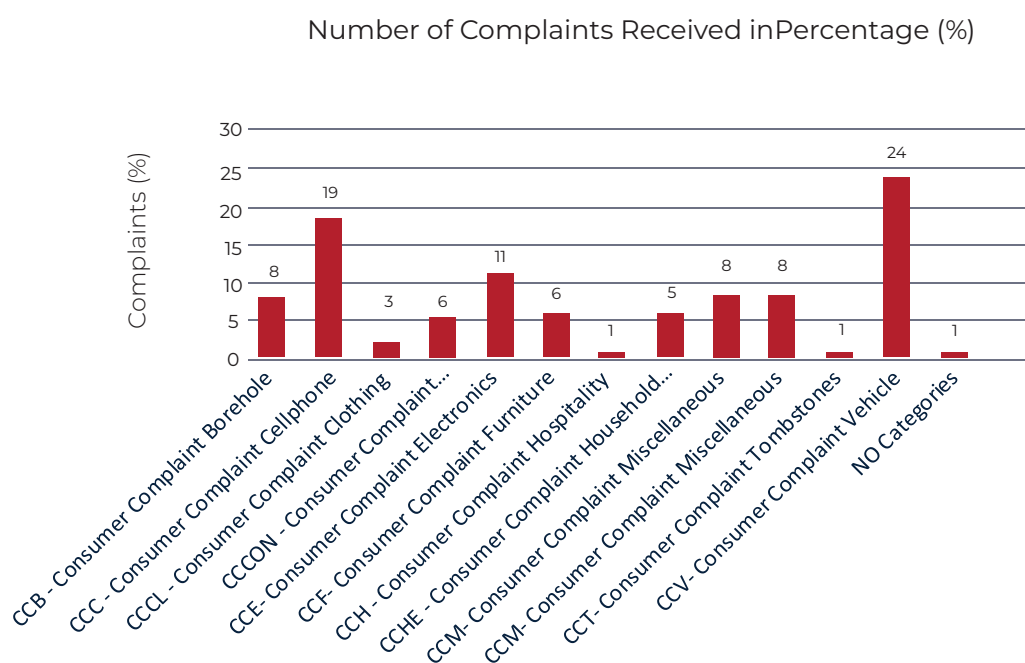


Figure 2 Total Consumer Complaints Received Per Category

A detailed analysis of the total number of consumer complaints the Authority received per category is depicted below:

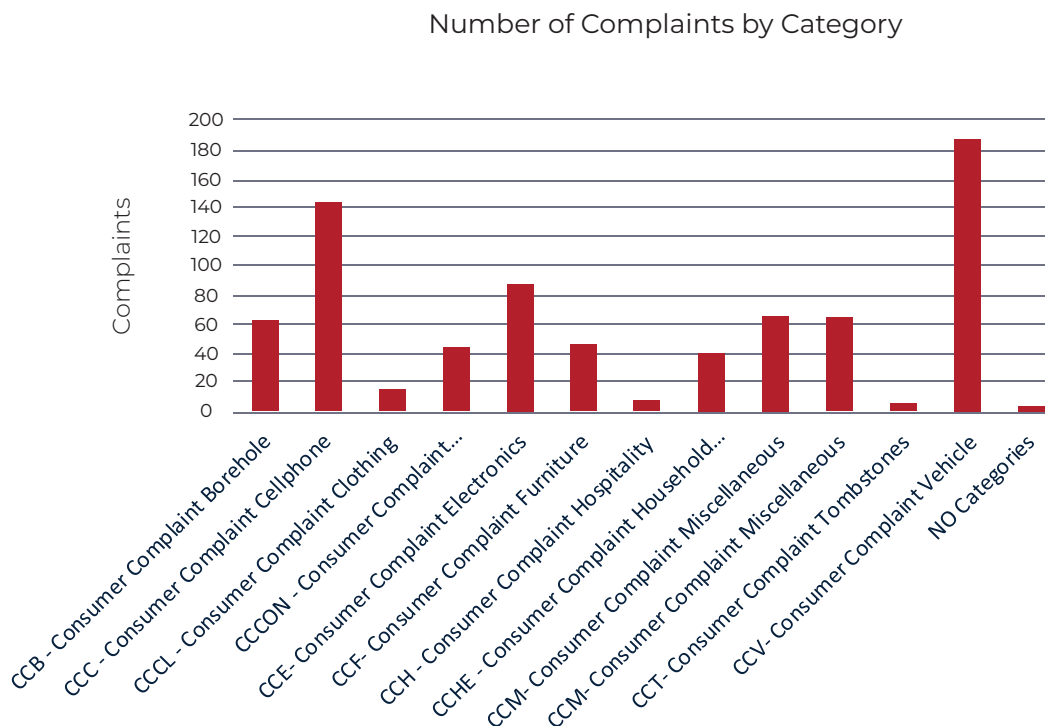


Figure 3 Consumer Complaints Per Category Registered from 1st April 2023 to 31st March 2024

The predominant consumer complaints resolved per category are depicted below:

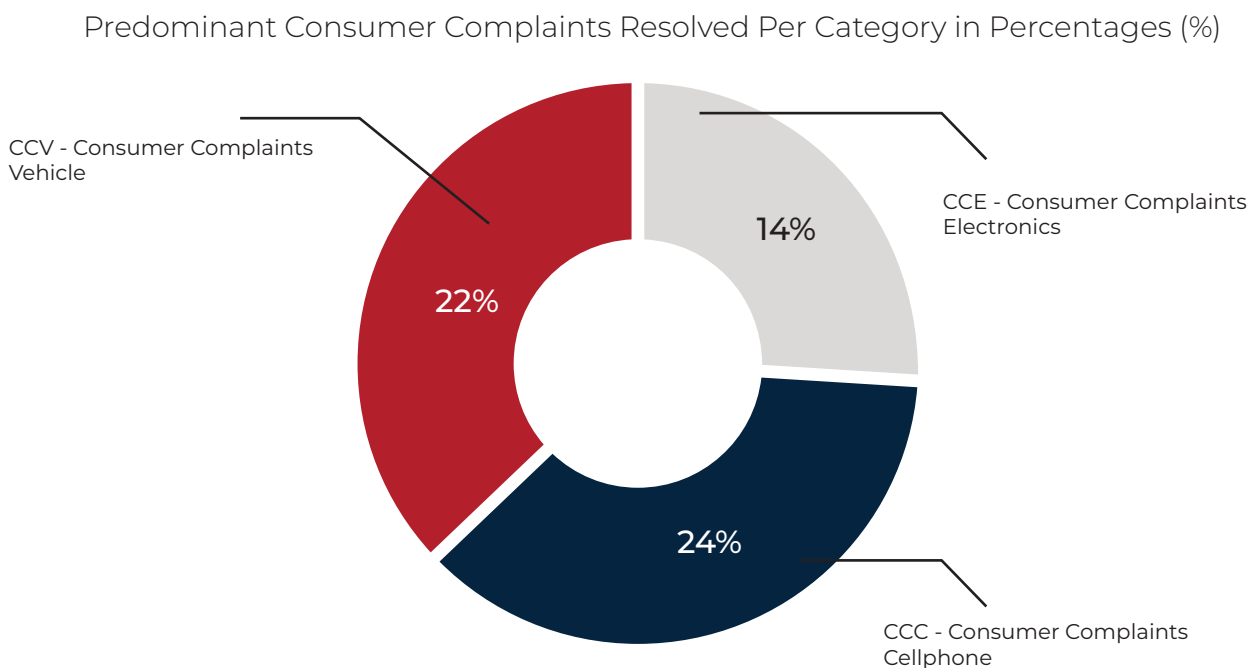


Figure 4 Predominant Consumer Complaints Registered March 2024

In the year Under review, from the 377 cases resolved, Consumer Complaint Cellphone (CCC) category accounted for 24% of the total consumer complaints resolved. These complaints related to misleading and deceptive conducts in cellphones such as warranty issues, failure to label used goods, service quality or device malfunctions.

Consumer Complaint Electronics (CCE) are electronics related complaints made up 14% of the total. These involved various electronic gadgets, computers, TVs, or home appliances. Common issues included defects, warranty claims, or customer service problems. Consumer Complaint Vehicle (CCV) category represented 22% of the consumer complaints resolved. These complaints related to automobiles or other modes of transportation. Issues handled included faulty parts, poor service, malfunctioning vehicles, poor repairs, warranty issues or safety concerns as raised by the consumers.

The overall status of consumer complaints across the various categories per quarter from 1st April 2023 to 31st March 2024 is shown in Figure 5 below:

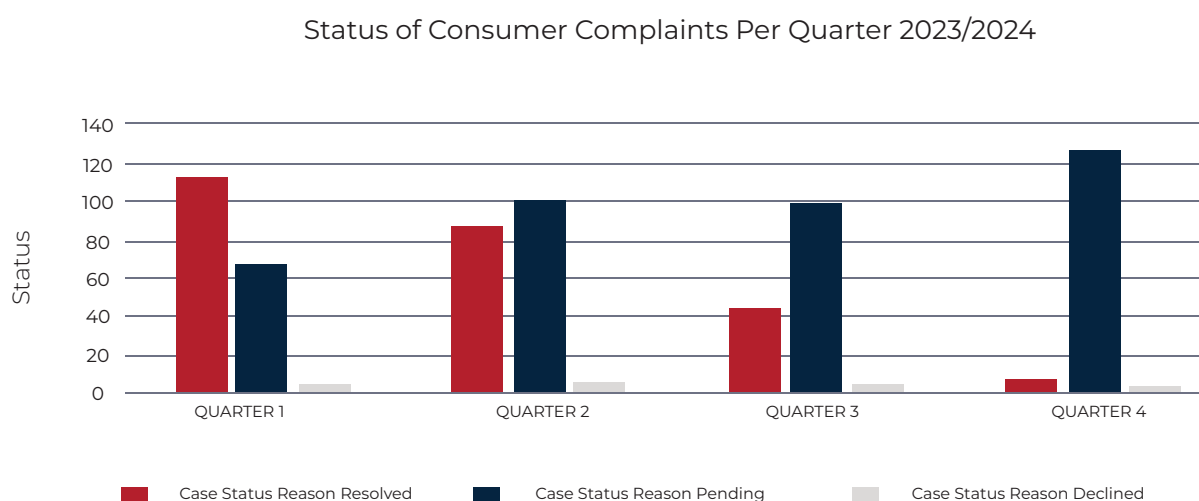


Figure 5 Consumer Complaints Per Quarter from 1st April 2023 to 31st March 2024

Complaint referrals to other sector regulators or institutions

The Authority in the period under review received 14 complaints which did not qualify as consumer complaint under the Consumer Protection Act. However, when in receipt of such complaints, the Authority refers them to the relevant sector regulators or institutions.

Figure 6 depicts the total number of complaints received and referred to other sector regulators or institutions.

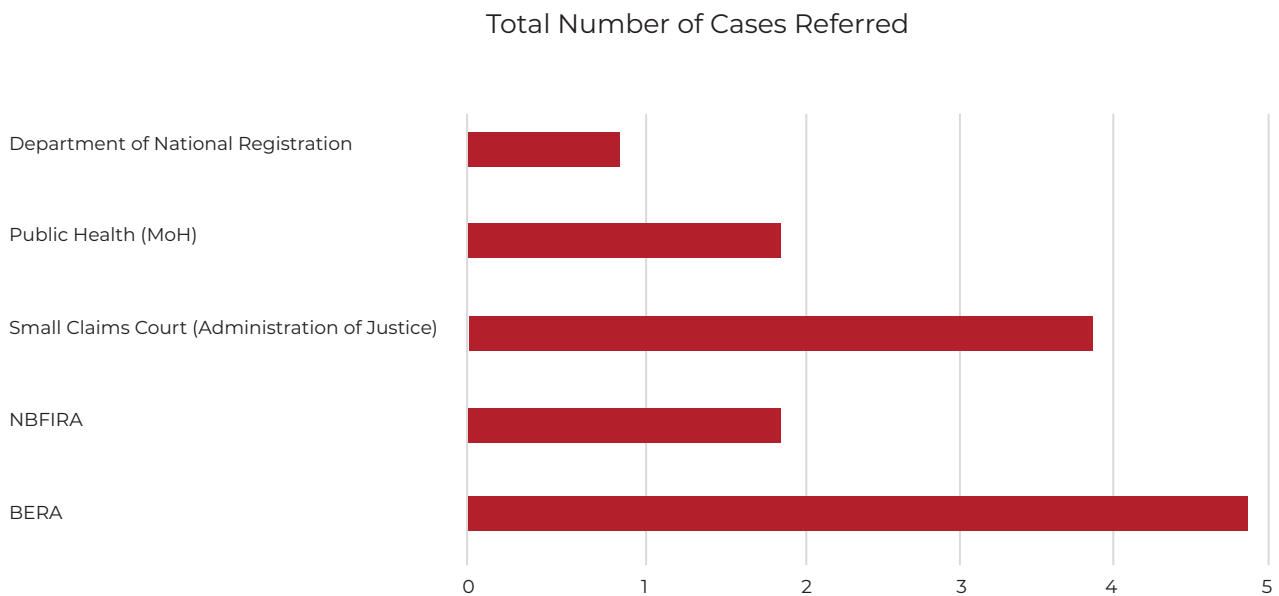


Figure 6 Total Number of Complaints Received and Referred to Other Sector Regulators or Institutions

Business Compliance Monitoring

In accordance with the provisions of the Consumer Protection Act (2018), the Authority for the period under review was guided by sections 10, 11 and 15 of Act which state that businesses should provide information on the goods and services offered to consumers; suppliers should display the price of goods and services; and that goods and services supplied should meet the safety and quality standards. To that end, the Authority conducted, as mandated, business monitoring to ensure compliance and to ensure that consumer rights are protected.

A total of 2157 businesses were inspected as compared to the 510 businesses inspected in the previous financial year. This was achieved by conducting regulatory business monitoring across the 16 Districts of Botswana. A compliance level of 81% was recorded as compared to the previous financial year where a 74% compliance level was recorded.

Figure 7 depicts the 2157 businesses that were inspected between 1st April 2023 and 31st March 2024 against a target of 3996, reflecting a 54% achievement.

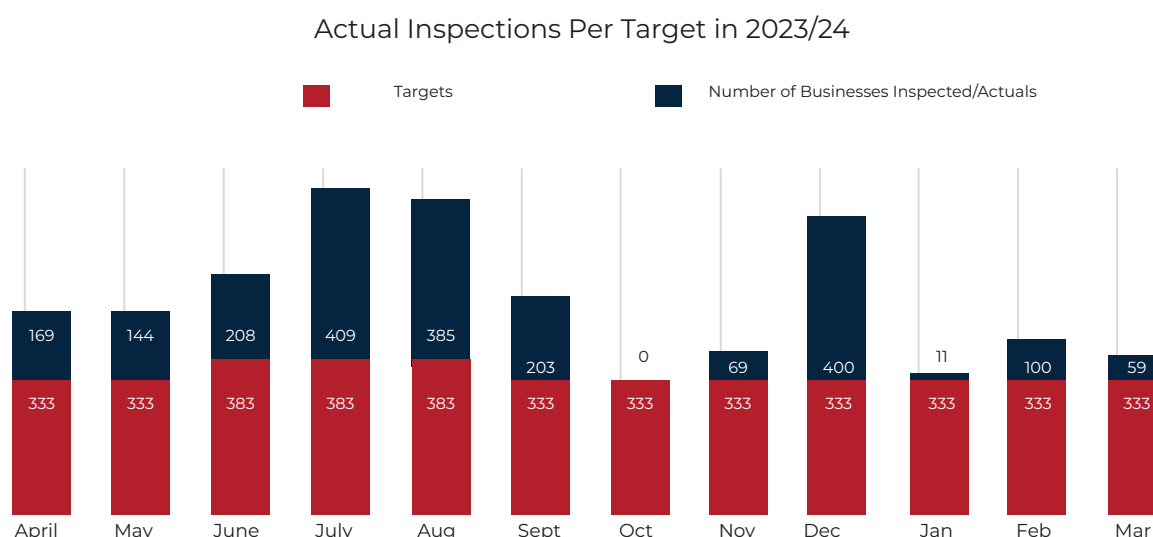


Figure 7 Compliance Inspections for the Year 2023/24

The Authority is hampered by limitations on the powers conferred to it in the Consumer Protection Act to apply spot fines for non-compliance. However, to bridge the gap, the Authority carried out business inspections, investigations and educational campaigns with strategic partners which included: Botswana Police Services (BPS); District and Town Councils (Commercial Affairs, Environmental Health and Bye Law), Botswana Communications Regulatory Authority (BOCRA), Botswana Medicines Regulatory Authority (BOMRA), Botswana Bureau of Standards (BOBS), Botswana Energy Regulatory Authority (BERA) Water Utilities Corporation (WUC) among others. The joint collaborations were intended for the relevant sector regulators to enforce their specific mandates in order to protect the interests of consumers.

Market Constraints

During the 2023/24 financial year, the Authority enhanced market competitiveness by identifying and removing three (3) market constraints in the health and agriculture sectors.

Removal of a Barrier to Entry and Expansion in the Supply of Medical Devices

The Authority assessed the National Pharmaceutical Product Index/Interface (NAPPI Code) requirement for actual or likely effects on competition in the local medical supplies market. The intervention was precipitated by a complaint filed with the Authority alleging that the requirement for NAPPI-coded medical supplies by medical aid schemes to which private health institutions have aligned is restricting local medical supplies manufacturers' access to the private healthcare procurement market.

The assessment established that NAPPI Codes originating from South Africa were only available to enterprises domiciled there, which meant that local manufacturers were ineligible. The NAPPI Code requirement, therefore, hampered the competitive process, as it excluded local manufacturers of medical devices and consumables from supplying the private health practitioners and facilities that provide health services to members of medical aid companies. Instead, it reserved that market for medical devices and consumables manufactured in South Africa.

The Authority's intervention facilitated market access for the local manufacturers. This was achieved through collaboration with other relevant stakeholders including the Botswana Medicines Regulation Authority (BOMRA), the Botswana Investment and Trade Centre (BITC), the Non-Bank Financial Institutions Regulatory Authority (NBFIRA), the Ministry of Health, the Ministry of Trade and Industry, SPEDU, the Medical Aid Schemes Association and the Associated Fund Administrators (AFA).

Facilitation of Market Access for Market Players in Funeral Services

The Authority also intervened on access to corpses at Athlone Hospital by the local (Lobatse) funeral parlours. The intervention was in response to a complaint lodged by one of the market players alleging that the hospital mortuary was out of operation, and that the hospital arrangement whereby local private mortuaries temporarily hold corpses for a period not exceeding three days at no fee was implemented discriminatorily. Allegedly, corpses were distributed to only two out of the three funeral parlours for no valid reasons.

The Authority's intervention facilitated the equitable distribution of corpses among the local funeral parlours on a rotational basis. Athlone Hospital is the only facility where the bodies of the deceased are mandated to pass through for death certification. Denial of access or providing access on discriminatory terms may harm competition by denying competitors the opportunity to effectively compete through pricing and service quality, and limits consumer options.

Facilitation of Access to Bran by Farmers and Small Retailers

The Authority facilitated access to bran by advocating that Foods Botswana reduce the minimum purchase quantity for bran from thirty (30) tonnes to ten (10) tonnes to enhance access to bran for customers, including small businesses and individuals who may have been previously constrained. The Authority's intervention was prompted by several complaints from consumers and stakeholders about access to bran from Foods Botswana. Initially, Foods Botswana had established a minimum purchase quantity of 30 tonnes, which limited market access and competition in the retailing of bran as only a few large businesses could meet the requirement leading to market concentration. Based on that, the Authority engaged Foods Botswana to remove the identified market constraint and reduce the minimum purchase quantity of brand to allow access by many businesses. The intervention came at an opportune moment when the country is facing drought throughout the country.

MARKET STUDIES AND RESEARCH

Study on International Roaming Charges

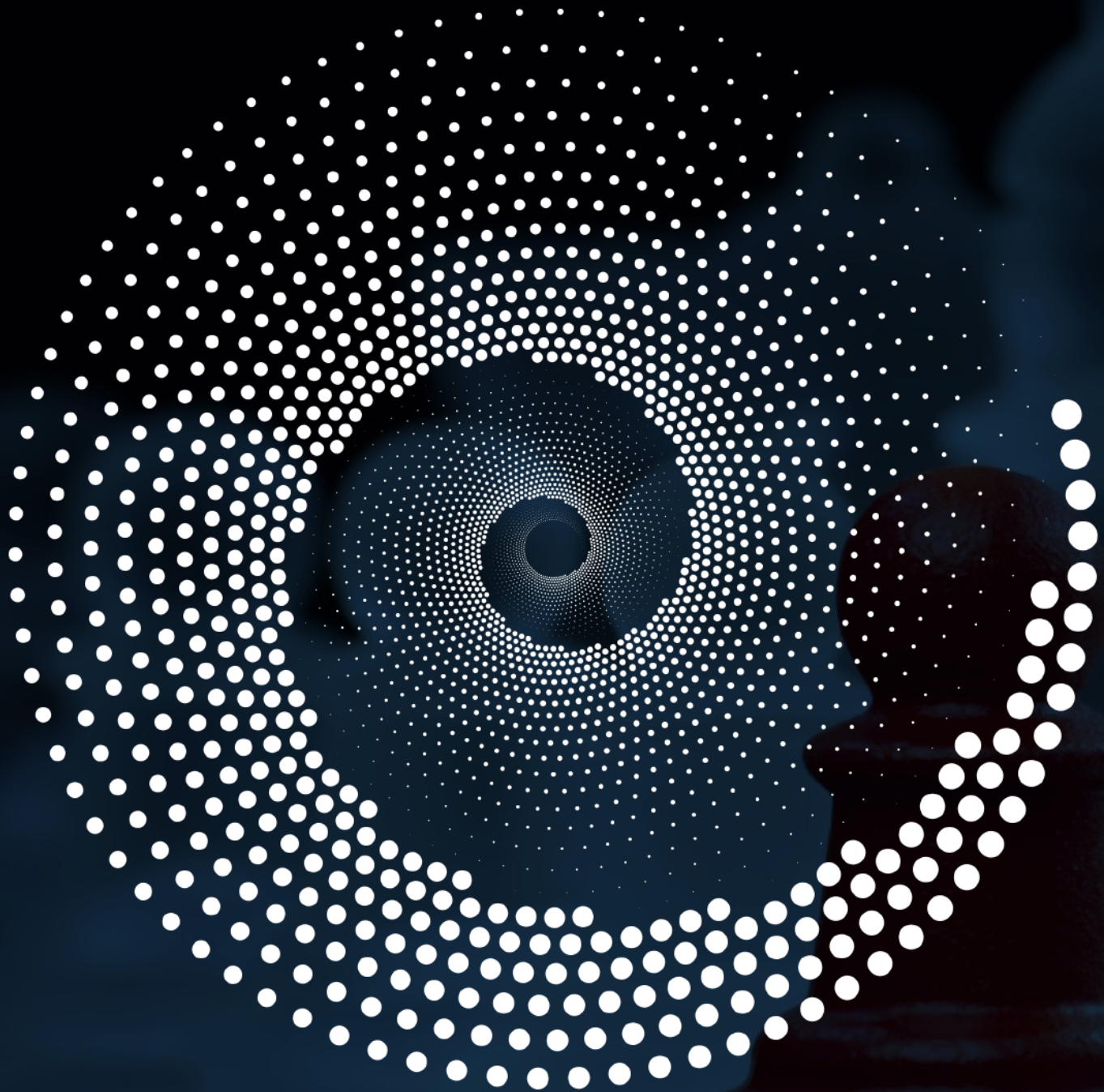
During the reporting period, CCA being a member of the African Competition Forum (ACF) participated in a study on roaming charges. Botswana's landscape was part of this study necessitated by general concerns on high roaming charges experienced in Africa showing potential negative impact on trade and tourism. The roaming charges in this study were restricted to voice calls and data services. The study has been completed and was launched in The Gambia in October/November 2023.

Other members of ACF covered by this study were: Angola, COMESA, Kenya, South Africa, Zambia, and Zimbabwe.

Some of the findings of the study are:

- International roaming charges are high in Africa;
- There is no transparency in the wholesale agreements that mobile network operators enter into with their roaming partners;
- There are exclusivity agreements which may be anti-competitive;
- The East African Community has lower international roaming rates and this is attributed to the adoption and higher compliance to Roaming Like at Home Regulation.

The subsidy has been extended to January 2025 and data collection is continuing.



MERGERS REVIEW

Part XI of the Competition Act 2018 Act mandates the Authority to oversee and control enterprise mergers and acquisitions and prescribes a rigorous process of assessment and analysis.

Introduction

Part XI of the Competition Act 2018 Act mandates the Authority to oversee and control enterprise mergers and acquisitions and prescribes a rigorous process of assessment and analysis. This exercise is undertaken in compliance with the statutory timelines stipulated contained in section 49 of the Act.

Key considerations in this process include the following;

- Whether a proposed merger is likely to substantially prevent or lessen competition;
- Whether a proposed merger is likely to result in any enterprise, including an enterprise which is not involved as a party in the proposed merger;
- Whether the new enterprise will acquire a dominant position in a market, and whether the merger can, or cannot be justified on public interest grounds.

Merger Classification

The Authority classifies mergers under simple and complex categories for operational efficiency. This classification is based on a postulated effect (or lack thereof) of the proposed merger on competition. Simple mergers are generally those with no competition concerns and are envisaged to be assessed within 30 working days.

Complex mergers are those that reveal signs of potential competition and/or public interest concerns during preliminary analysis, and are assessed within 90 working days.

In the determination of a proposed merger(s), the Authority may: (i) unconditionally approve (ii) conditionally approve or (iii) prohibit/decline a proposed merger.

Merger Activity 2023-24

The Authority received 59 mergers in the 2023/24 financial year compared to 45 mergers registered in the previous year representing a **31%** increase. The increase in merger notifications observed in the reporting financial year could be attributed to the steady but slow increase in economic activity as the world economy slowly stabilised. In total, the Authority handled 71 mergers including the 12 that were brought forward from the previous year.

Out of the 71 mergers handled, 64 were assessed and finalised in the 2023/24 financial year, the remaining seven (7) mergers (including a suspended transaction) were carried forward to the 2024/25 financial year for completion. Thus, the Authority completed 88.1 % of the mergers received in the 2023/24 financial year.



88.1%

The Authority completed 88.1 % of the mergers received in the 2023/24 financial year.

Table 8: Summary of Merger Activity for the 2023/24 Financial Year

| Brought Forward | Notified 2022/23 | Simple Merger | Complex Merger | Conditionally Approved | Unconditionally Approved | Prohibited Declined | Carried Forward |
|-----------------|------------------|---------------|----------------|------------------------|--------------------------|---------------------|-----------------|
| 12 | 59 | 67 | 4 | 5 | 58 | 1 | 7 |

Source: CCA Mergers and Acquisitions Database as at 31st March 2024

Classification of mergers by sector

The period under review saw the assessment of mergers across a number of sectors as illustrated in Figure 8 below.

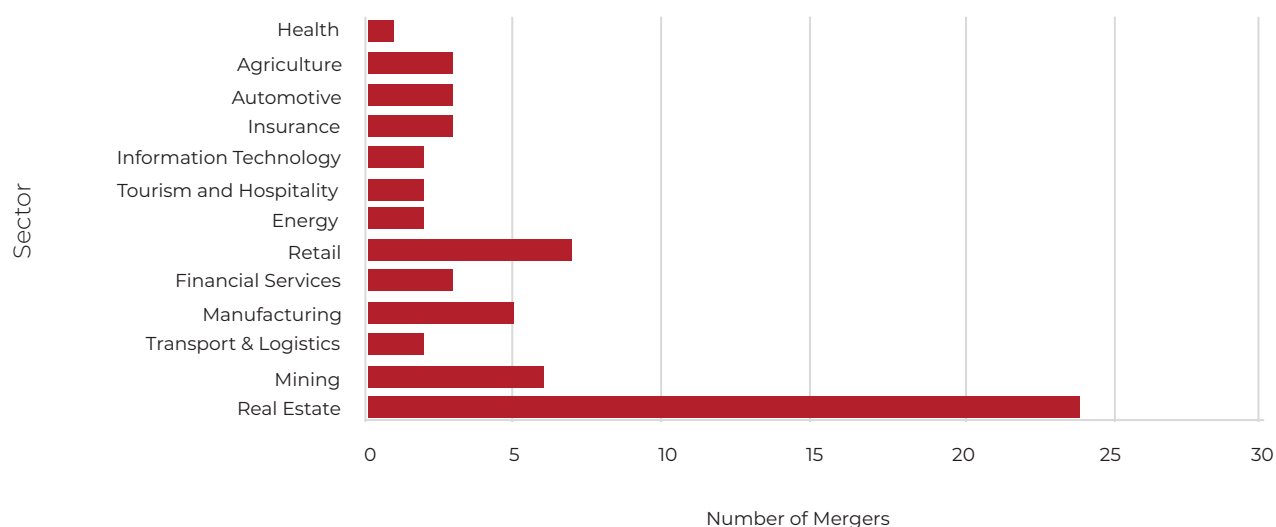


Figure 8 Number of Mergers Assessed and Finalised by Sector in the 2023/24 Financial Year

¹These are mergers carried forward from the previous financial year mainly because they were notified close to the end of the 2021/2022 financial year.

²This includes the suspended transaction.

In the period under review, the Authority assessed and finalised 24 transactions from the Real Estate sector. Most of the mergers in the sector involved the Botswana Public Officers Pension Fund (BPOPF) acquisitions through property asset managers Seventy 5 Degrees (Pty) Ltd and Khumo Property Asset Managers.

This could be attributed to the new strategic policy that was introduced in the past two (2) years that instructs 50% of the pension funds to be invested locally. Prior to that offshore investment was 70%, and 30% locally.

This arrangement was subsequently reversed 30% offshore, and 70% local. Complaints from investors ensued in relation to this investment split, citing the small market of Botswana which is also not liquid, and a 50/50 threshold by the Non-Bank Financial Institutions Regulatory Authority (NBFIRA) was agreed upon.

This policy largely explains the influx of investments that the Authority has seen that the BPOPF undertook over the past years. Other mergers may have been prompted by enterprises varying their investment portfolio with more risk tolerant assets, while others may be liquidating their assets for purposes of reinvesting the funds from the sale.

According to the International Monetary Fund, (IMF), the world economy was showing signs of recovery with a steady growth and the slowdown of inflation.

In the past three (3) years the world economy was hit by a number of events that had significant effects starting with supply-chain disruptions in the aftermath of the Covid-19 pandemic, an energy and food crisis triggered by the Russia-Ukraine war, a considerable surge in inflation, followed by a globally synchronised monetary policy tightening. For the 2023/24 period, the world economy experienced a resilient growth and rapid disinflation point toward favourable supply developments, including the fading of energy price shocks, and a striking rebound in labour supply complications.

In Botswana, the period saw a decrease in inflation from 9.9 percent in March 2023 to 2.9 percent in March 2024 as reported by the Bank of Botswana⁴. The steadying of the economy presented with more business activities in Botswana in terms of merger acquisitions in various sectors compared to the previous years including the real estate sector as well as the mining, retail and manufacturing sectors.

As observed on Figure 8 above, the afore-mentioned sectors registered six (6), seven (7) and five (5) mergers respectively. In each of the stated sectors, the notified mergers involved entities playing in differing subsectors, as such, the consummations were driven by differing motives. However, from a general perspective, the Authority attributes this activity to the recovery of the world economy as indicated above.

Mergers Approved Unconditionally

The Authority unconditionally approves a proposed transaction with no competition and/or public interest concerns. In the period under review, 58 mergers were approved unconditionally as shown in [Table 9](#) shows a 66% increase from the 35 mergers approved unconditionally in the previous financial year.

66%

Increase from the 35 mergers approved unconditionally in the previous financial year



Table 9: Mergers Approved Without Conditions in the 2023/24 Financial Year

| No. | Acquiring Enterprise | Target Enterprise | Sector |
|-----|--|--|-------------------------|
| 1 | Bing Liu | Master Quarry (Pty) Ltd | Mining |
| 2 | BPOPF | Chelford Limited | Real Estate |
| 3 | Caroline Bolten | Omogolo (Pty) Ltd | Tourism & Hospitality |
| 4 | ACA Cornerstone and Capital Alliance Private Equity IV Limited | C-RE Holding Limited | Insurance |
| 5 | Sanlam Limited and Sanlam Life Insurance Limited | AfroCentric Investment Corporation Limited | Insurance |
| 6 | EMIF II Investments | Vector Logistics | Transport and Logistics |
| 7 | Mascom | MTN Solutions | Information Technology |
| 8 | RIC Development | Roman Catholic | Real Estate |
| 9 | K2023647(South Africa) | Danny's Auto Body Parts | Automotive |
| 10 | Ineos Automotive | Kavango Engineering | Automotive |
| 11 | African Energy Limited | African Energy Holdings SRL | Mining |
| 12 | Candlewood Enterprises (Pty) Ltd | BIFM Trust (Pty) Ltd | Real estate |
| 13 | Sithega Protect Proprietary Limited | Legal Expenses Group Africa Limited | Insurance |
| 14 | Tsetseng Retail Group (Pty) Ltd | Syndicate Capital (Pty) Ltd | Real estate |

Table 9: Mergers Approved Without Conditions in the 2023/24 Financial Year *(Continued)*

| No. | Acquiring Enterprise | Target Enterprise | Sector |
|-----|---|---|--------------------|
| 15 | Eunice Mpoloka | Hoisting Solutions (Pty) Ltd | Mining |
| 16 | Imtiaz Mahomed Ikqbal and Mahomed Ikqbal | Merle Investment (Pty) Ltd | Real Estate |
| 17 | Guantico Holdings (Pty)Ltd | Finance House (Pty) Ltd | Real Estate |
| 18 | Diageo South Africa (Pty) Ltd | Castle Wine and E K Green Limited/ The Gordon's London Dry Gin and Pimm's No.1 Cup Products | Retail |
| 19 | Evan David Edwards and Sean Walbridge | Lonrho Holdings | Retail |
| 20 | Shining Sun Investments (Pty) Ltd | Letlole la Rona Limited | Financial Services |
| 21 | African Mobility (Pty) Ltd | Silverline Investments (Pty) Ltd | Automotive |
| 22 | Versfeld Trust | Darn Co (Pty) Ltd | Agriculture |
| 23 | Versfeld Trust | Vegi Block | Agriculture |
| 24 | Cider House Investments Proprietary Limited | Heineken Brouwerijen B.V. | Manufacturing |
| 25 | Tshukudu Metals Botswana (Pty) Ltd | Carel Lemcke | Mining |
| 26 | Afrimat Limited | Lafarge South Africa Holdings Limited | Manufacturing |
| 27 | BCP VI Neptune Bidco Holdings Limited | Network International Holdings Plc | Financial services |
| 28 | Botswana Public Officers Pension Fund | Shoebill (Pty) Ltd | Real estate |
| 29 | Gifted Success Proprietary Limited | Bonanza Equipment Proprietary Limited | Real estate |
| 30 | Lotus Resources Limited | A-Cap Energy Limited | Mining |
| 31 | Letlole La Rona | JTTM Properties (Pty) Ltd | Real estate |
| 32 | Asterion Industrial Partners SGEIC, S.A. | STEAG GmbH | Energy |
| 33 | Botswana Public Officers Pension Fund | Protocol Plant and Civil Investments (Pty) Ltd | Real estate |
| 34 | First Capital Bank Limited | Winchester Properties Proprietary Limited | Real estate |

Table 9: Mergers Approved Without Conditions in the 2023/24 Financial Year *(Continued)*

| No. | Acquiring Enterprise | Target Enterprise | Sector |
|-----|---------------------------------------|---|------------------------|
| 35 | Elite Footware | Bata (Pty) Ltd | Retail |
| 36 | Botswana Public Officers Pension Fund | M3 (Pty) Ltd | Real estate |
| 37 | Botswana Public Officers Pension Fund | Time Projects (Pty) Ltd | Real estate |
| 38 | Seventy5 Degrees (Pty) Ltd | Owley Properties (Pty) Ltd | Real estate |
| 39 | Seventy5 Degrees (Pty) Ltd | Consortium Investments (Pty) Ltd | Real estate |
| 40 | Seventy5 Degrees (Pty) Ltd | Southern Business Solutions (Pty) Ltd | Real estate |
| 41 | Seventy5 Degrees (Pty) Ltd | Kruger Agencies (Pty) Ltd | Real estate |
| 42 | Seventy5 Degrees (Pty) Ltd | Tswelela Investments (Pty) Ltd & Chelford Limited | Real estate |
| 43 | Seventy5 Degrees (Pty) Ltd | Tealbar Investments (Pty)Ltd | Real estate |
| 44 | Seventy5 Degrees (Pty) Ltd | Idimo Holdings (Pty) Ltd | Real estate |
| 45 | Beancoup (Pty) Ltd | Belservest FM Botswana (Pty) Ltd | Tourism & Hospitality |
| 46 | Keriotic Investments (Pty) Ltd | Smithshine Enterprises (Pty) Ltd | Retail |
| 47 | AIH Limited | Joseph Investments | Agriculture |
| 48 | Skyways Holdings (Pty) Ltd | Victoria Properties (Pty) Ltd | Real estate |
| 49 | Monamodi Mabile | Integrated Mechanical Service (Pty) Ltd | Construction |
| 50 | A-OPCO (Pty) Ltd | Delta Pharmaceuticals (Pty) Ltd | Health |
| 51 | MMG Africa Ventures Inc | Cuprous Capital Limited | Mining |
| 52 | Varun Beverages Limited | The Beverage Company (Pty) Ltd | Retail |
| 53 | Technique (Pty) Ltd | Primetel (Pty) Ltd | Information Technology |
| 54 | Barloworld Equipment (Pty) Ltd | Treesource (Pty) Ltd | Real estate |

Table 9: Mergers Approved Without Conditions in the 2023/24 Financial Year

| No. | Acquiring Enterprise | Target Enterprise | Sector |
|-----|------------------------------|----------------------------|-----------------------|
| 55 | Seventy5 Degrees (Pty) Ltd | RDC (Pty) Ltd | Real estate |
| 56 | Nedbank Group Limited | Eqstra Investment Holdings | Financial services |
| 57 | VPB Holdings (Pty) Ltd | Olspa Botswana | Transport & Logistics |
| 58 | The Far Property Company Ltd | Royal Empress (Pty) Ltd | Real estate |

Mergers Approved with Conditions

The Authority approves a merger with condition(s) if it has found that a specific remedy can address the competition and/or public interest concerns identified during merger assessment. The Authority, therefore, expansively engages the merged entity during the period of monitoring the condition(s). In the period under review, five (5) mergers were approved with conditions as follows:

Leif 853 (Pty) Ltd and Zimco Group (Pty) Ltd (Manufacturing Sector)

The Authority approved the transaction with the following conditions;

1. The Merging Parties shall negotiate with CEB to amend the duration of the existing Toll Agreement for a period of 5 (five) years ending in the year 2027. This will be in accordance with the terms and conditions of the existing Toll Agreement (Extended Toll Agreement), subject to the supply of feedstock and reasonable competitive commercial terms and conditions being acceptable to the contracting parties.
2. The Merging Parties shall submit the finalised Extended Toll Agreement to the Competition and Consumer Authority within six (6) months from the decision date and the Extended Toll Agreement shall be effective upon submission to the Authority.
3. Notwithstanding the provisions of clause 1, for the avoidance of doubt, the following shall apply in relation to the Extended Toll Agreement:

4. The Merging Parties shall maintain the specifications and volumes of lead supplied in accordance with the terms and conditions of the existing toll agreement while CEB shall maintain its current specifications and volume requirements in accordance with the terms and conditions of the existing toll agreement; and
5. compliance by the Merging Parties in terms and conditions of the Extended Toll Agreements shall be wholly dependent on the CEB supplying sufficient scrap lead that meets the specific chemical requirements of CEB notwithstanding any obligation to the contrary in the existing toll agreement.
6. The Merging Parties shall include other Special Metals/ Alloys, which CEB currently procures from Fry's Metals and the trading of these will be subjected to the terms and conditions of the Extended Toll Agreement. The Special Metals/ Alloys will include: COS Antimonial Lead Alloy (COS), 0.1% Calcium Alloy, Calcium Positive (CAP), C2 Antimonial Lead Alloy (C2), 5HT Antimonial Lead Alloy (5HT) and Refined Soft Lead (RSL).
2. There shall be no merger specific retrenchments or redundancies of citizen employees for a period of three (3) years from the date of implementation. For clarity, merger specific retrenchments or redundancies do not include (the list is not exhaustive):
 - voluntary retrenchment and/or voluntary separation arrangements;
 - voluntary early retirement packages;
 - unreasonable refusals to be redeployed;
 - resignations or retirements in the ordinary course of business;
 - retrenchments lawfully effected for operational requirements unrelated to the Merger; and
 - terminations in the ordinary course of business, including but not limited to, dismissals as a result of misconduct or poor performance;
3. The Merged Enterprise shall inherit all employees of the Target Enterprise on the same or better terms and conditions of employment;
4. The Merged Enterprise shall provide details (Full Name; Identification Number; Gender; Position; and; contact number) of the current employees of the Target Enterprise within ninety (90) business days from the Approval date;

Choppies Distribution Centre (Pty) Ltd and Kamoso Africa (Pty) Ltd (Retail Sector)

The Authority approved the transaction with the conditions that;

1. The Merged Enterprise shall inform the Authority of the date of implementation within 30 business days, post implementation. However, if the merging parties fail to implement the merger within 12 months from the date of approval, the consummation of the acquisition post this period will require a new merger filing to the Authority for
5. The Merged Enterprise shall share a copy of the conditions of approval with all employees of the Target Enterprise and/or their respective representatives within ninety (90) business days from the Approval date;

6. The Merged Enterprise shall not dispose any of the businesses of the Target Enterprise within three (3) years from the date of implementation without prior notification of such disposal to the Authority;
7. If any of the businesses of the Target Enterprise is declared to be in Liquidation and the Merged Enterprise resolves to close it down, such decision must be communicated to the Authority immediately; and
8. The Merged Enterprise shall for a period of (three) 3 years from the implementation date submit to the Authority, a report on each anniversary of the implementation date, detailing its compliance with the conditions of approval and demonstrate its contribution to citizen empowerment, SMMEs and employment in addition to its current commitments to these highlighted areas.
2. The disposal shall be concluded within a period of 18 months (business days) from the implementation date, subject to the right to request for an extension of the time period from the Authority. If the disposal is not executed within the prescribed timelines and the Authority is not satisfied with the merged entity's efforts to dispose of the 40 identified sites, the Authority reserves the right to appoint an independent Trustee to facilitate the disposal at the Merging Parties' cost;
3. The disposal of the 40 sites must target Company Owned Dealer Operated (CODO) sites, inclusive of those owned and leased by the Merging Parties from third parties;
4. The Merged entity is prohibited from taking part to franchise bid for any of the 40 sites identified for disposal for a period of 10 years from the completion date of disposal;
5. The Merged entity is prohibited to supply the identified 40 sites with fuel requirements for a period of 10 years from the completion date of disposal, except under challenging or unfavourable circumstances such as natural disasters and pandemic situations like Covid-19 where national supply is severely constrained;

Vitol Emerald Bidco and Engen Limited (Energy Sector)

The Authority approved the proposed transaction with the conditions that;

1. The Merged Entity will dispose (sell) of a total of 40 service stations (whether Engen or Shell branded), which will dilute their market dominance post-merger to facilitate new entry. The disposal must be structured as follows:
 - All sites must be disposed (sold) to citizens or wholly citizen-owned companies;
 - The disposal must prioritise the existing dealers who are engaged in the operation of each identified site;
 - 50% of the 40 sites must be disposed (sold) to new entrants. The new entrant should not include the Merging Parties' principals, agents, partners, representatives, share holders or directors; and
 - The other 50% must be disposed (sold) to entities with 20 or less sites (including those in partnerships or joint ventures);
6. Pending the disposal of the service stations, a CCA approved independent trustee will be appointed immediately, at the Merging Parties' cost to monitor the manner in which the merged entity interacts with the relevant service stations, in order to ensure that their viability and competitiveness are not unreasonably impaired after the merger is implemented;

7. The Merged Enterprise shall inform the Authority of the date of implementation within 30 business days, post implementation date. However, if the Merging Parties fail to implement the merger within 36 months from the date of approval, the consummation of the acquisition post this period will require a new merger filing to the Authority for re-assessment as the market dynamics and competitive landscape may change;
8. There shall be no direct merger specific retrenchments or redundancies of citizen employees for a period of three (3) years from the Approval date. For clarity, merger specific retrenchments or redundancies do not include (the list is not exhaustive):
 - voluntary retrenchment and/or voluntary separation arrangements;
 - voluntary early retirement packages;
 - unreasonable refusals to be redeployed;
 - resignations or retirements in the ordinary course of business;
 - retrenchments lawfully effected for operational requirements unrelated to the Merger; and
 - terminations in the ordinary course of business, including but not limited to, dismissals as a result of misconduct or poor performance;
9. The Merged Enterprise shall inherit all employees of the Target Enterprise on the same or better terms and conditions of employment;
10. The Merged Enterprise shall provide details (Full Name; Identification Number; Gender; Position; and; contact number) of the current employees of the Target Enterprise and the Acquiring Enterprise within 30 business days from the Approval date;
11. The Merged Enterprise shall share a copy of the conditions of approval with all employees of the Target Enterprise and Acquiring Enterprise and/or their respective representatives within 30 business days from the Approval date;
12. The Merged Enterprise shall for a period of (three) 3 years from the implementation date submit to the Authority, a report on each anniversary of the implementation date, detailing its compliance with the conditions of approval and demonstrate its contribution to Citizen Empowerment, SMMEs development, Environmental Conservation, Facilitation of market entry of citizen-owned companies into the transport and logistics segment, and Employment in addition to its current commitments on these highlighted areas.

Sherashiya (Pty) Ltd and Pula Steel and Casting Manufacturing (Pty) Ltd (Manufacturing Sector)

The Authority approved the transaction with the conditions that;

1. Sherashiya will not conclude exclusive supply agreements with any of the scrap metal suppliers in Botswana;
2. Subject to the undertaking, in the event that the merged entity resolves to enter into exclusive supply agreements with scrap metal suppliers in Botswana, they would notify the Authority; and
3. The merged enterprise shall for a period of (three) 3 years from the implementation date submit to the Authority, a report on each anniversary of the implementation date, detailing its compliance with the conditions of approval and demonstrate its contribution to citizen empowerment, SMMEs, employment and skills transfer.

Jaddy Holdings (Pty) Ltd, Execonsult Botswana (Pty) Ltd and Sukuma Safari (Pty) Ltd (Retail Sector)

The Authority approved the transaction with the conditions that:

1. Prohibition of merger specific retrenchments for a period of twelve (12) months from the date of implementation. For clarity, merger specific retrenchments or redundancies do not include:
 - voluntary retrenchment and/or voluntary separation arrangements;
 - voluntary early retirement packages;
 - unreasonable refusals to be redeployed;
 - resignations or retirements in the ordinary course of business;
 - retrenchments lawfully effected for operational requirements unrelated to the Merger;
 - Terminations in the ordinary course of business, including but not limited to, dismissals as a result of misconduct or poor performance.
2. The employees of Sakuma should continue to work on terms and conditions substantially no less favourable than their current terms and conditions of employment;
3. Jaddy Holdings (Pty) Ltd must circulate a copy of these conditions to all their employees within seven (7) days from the date of approval; and
4. Jaddy Holdings (Pty) Ltd must revert to the Authority within 6 (six) months from the date of approval with a status report regarding the above mentioned conditions.

Mergers rejected/prohibited in the 2023/24 Financial Year

Akzo Nobel NV. And Kansai Paint (Manufacturing Sector)

The Authority prohibited the proposed transaction on account that;

1. The Merging Parties are close competitors in terms of price, quality, and product range and the merger will remove competitive rivalry between two notable brands, thus reducing consumer choice;
2. There will be a removal of a vigorous competitor being Plascon Botswana as it is the only other significant player in the relevant market. As such, the merger will enhance Dulux Botswana's dominant position in the market;
3. The Merged Entity is highly likely to act unilaterally with less competition restraint from remaining competitors as they are significantly smaller than the Merging Parties;
4. Plascon Botswana and Dulux Botswana possess strong brand recognition and customer loyalty built over many years. This has provided and will continue to provide insulation from competitive pressure as they are able to maintain relatively higher market shares despite their product pricing being relatively higher than of their competitors. As such, it takes considerable time for new entrants to offer effective competition to the Merging Parties;
5. KPAL's survival in the relevant market is not dependent on the proposed merger; and
6. In terms of Public Interest Considerations, the findings of the assessment revealed that there is potential for loss of jobs arising from duplication of roles.





Mergers Brought Forward

Twelve (12) mergers that were notified in the 2022/23 financial year were brought forward and finalised in the 2023/24 period under review. These mergers were filed in the last quarter of the financial year as shown in Table 10 below:

Table 10: Mergers Brought Forward from the 2023/24 Financial Year

| NO. | ACQUIRING FIRM | TARGET FIRM | SECTOR |
|-----|--|--|-------------------------|
| 1 | Leif 853 (Pty) Ltd | Zimco Group (Pty) Ltd | Manufacturing |
| 2 | Akzo Nobel NV. | Kansai Paint | Manufacturing |
| 3 | Bing Liu | Master Quarry (Pty) Ltd | Mining |
| 4 | BPOPF | Chelford Limited | Real Estate |
| 5 | Caroline Bolten | Omogolo (Pty) Ltd | Tourism |
| 6 | ACA Cornerstone and Capital Alliance Private Equity IV Limited | C-RE Holding Limited | Insurance |
| 7 | Sanlam Limited and Sanlam Life Insurance Limited | AfroCentric Investment Corporation Limited | Insurance |
| 8 | Vitol Emerald Bidco | Engen Limited | Energy |
| 9 | EMIF II Investments | Vector Logistics | Transport and Logistics |
| 10 | Mascom | MTN Solutions | Information Technology |
| 11 | RIC | Roman Catholic | Real Estate |
| 12 | Choppies Distribution Centre (Pty) Ltd | Kamoso Africa (Pty) Ltd | Retail |

Source: The Authority's Mergers and Acquisitions Database as at 31 March 2024

Mergers Carried Forward

Table 11 below shows mergers that were notified in the 2023/24 financial year and carried forward to the 2024/25 financial year.

Table 11: Mergers Carried Forward to the 2024/25 Financial Year

| NO. | ACQUIRING FIRM | TARGET FIRM | SECTOR |
|-----|---|--|------------------------|
| 1 | Riverview Holdings (Pty) Ltd | Platinum Icons (Pty) Ltd | Real estate |
| 2 | Prax South Africa (Pty) Ltd | TotalEnergies Marketing Botswana (Pty) Ltd | Energy |
| 3 | Agile Holdings (Pty) Ltd, Diagno Firm (Pty) Ltd, BPOMAS Property Holdings (Pty) Ltd | BCL | Health |
| 4 | Sun International (S.A.) Limited | Peermont Holdings (Pty) Ltd | Tourism & hospitality |
| 5 | Sean Byron Irish | Optimal Solutions (Pty) Ltd | Real estate |
| 6 | Sean Byron Irish | Technique (Pty) Ltd | Information Technology |
| 7 | Value Logistics (Pty) Ltd | RTT Group (Pty) Ltd | Transport & logistics |

Source: Mergers and Acquisitions Database as at 31st March 2024

Turnaround Times

The Authority strives for efficiency in engaging relevant stakeholders with regards to requests for information during merger assessment through conducting interviews, site visits at the premises/production plants of some of the merging parties where necessary, as well as benchmarking with other agencies regionally and globally. This approach remains instructive in enabling efficiently in order to meet prescribed merger assessment timelines.

In the period under review, the Authority completed 60 simple and four (4) complex mergers at an average turnaround time of 35 working days compared to 25.6 working days in the 2022/23 financial year. This represents a slight increase in turnaround time of mergers assessed in the year under review due to a high number of cases that were notified and an increase in the number of complex transactions, which by their nature require extensive research and investigation, and consequently time. The average turnaround time however still fell within the 90-day statutory time frame.

Compliance Assessment

The Authority carried out a compliance exercise for one (1) merger case in the period under review as shown below:

Table 12: Compliance Assessment

| Parties to the transaction | Date of the decision | Condition | Compliance Status |
|--|----------------------|--|-------------------|
| Komatsu Botswana (Pty) Ltd and Joy Global Botswana (Pty) Ltd | 24th August 2020 | There shall be no merger specific retrenchments that may affect the employees of the merged enterprises. | Compliant |

Source: 2023-2024 Compliance Assessment Report

Impact Assessment

The Authority carried out an impact assessment exercise for two (2) merger cases. Impact studies or ex-post evaluations are an important instrument for assessing previous merger decisions, as well as improving the quality of future decisions (Impact Evaluation of Policy Decisions, Competition Law and Policy, OECD, 2011:13) The evaluations provide an opportunity to assess whether the conditions/remedies imposed were sound, given the information available at the time, and if the assumptions on which the conditions were made were sensible. A reasonable time frame to conduct ex-post reviews is usually 3-4 years post the implementation of a merger.

This time frame is deemed reasonable enough to allow for a merger to realise any benefits in the economy. However, it should be noted that in the case of the Komatsu Botswana and Joy Global Botswana merger, the Authority approved the merger on 24th August 2020, but it was implemented on 1st April 2022 due to the Covid-19 State of Emergency (SOE).

The SOE resulted in restricted movement of labour and therefore affected the implementation timelines. Consequently, the compliance period for this case was severely affected, given that it was only two (2) years which is against the norm of 3-4 years. The Authority notes that the remedy set for this transaction was complied with to the best of the merged enterprise's ability, save for the effects of Covid-19, and the fact that Komatsu Botswana lost one of its major contracts and was forced into restructuring.

It is also important to highlight that, for this period, the Authority chose cases that had no conditions set out in their decisions for the Impact Assessment. Regardless, the impact from these two mergers is well acknowledged where social development initiatives and employment are concerned. The two mergers and their impact is as follows:

Coirechan (Pty) Ltd T/A Mega Mining Equipment Sales and Ms. Tshepiso T. Mopipi (Date of Decision 27th March 2020)

The findings of the assessment indicate that;

There was an overall staff complement of 16 employees (8 males and 8 females) pre-merger. As at the time of the Impact Assessment exercise, the records show that the merged enterprise's staff complement had increase by an average of 50% to 24 employees (10 males and 14 females). There are however employees who resigned from their posts for other employment opportunities but they were replaced accordingly;

In addition to the two (2) Mega Mining a)branches at Jwaneng and Orapa, the merged enterprise opened the third branch at Ghanzi in August 2021;

b)The feedback gathered is that there was an insignificant change in business in terms of revenue generated. This is mainly because of the negative effects which were caused by the transformation of the Cut-9 project by Debswana were augmented by revenue generated via the Ghanzi branch which is said to be doing well and was highlighted as an achievement; and

c)In terms of its contribution to any particular industry, the merged enterprise's submission was that they supply the mining industry being Debswana and its sub-contracted companies with protective clothing and consumables which they need in their daily work. Through safety, the merged enterprise also contributed to the welfare of employees of both Debswana as well as its subcontracted companies.



Carel Lemcke and Tshukudu Metals Botswana (Date of Decision 5th March 2019)

a) Motheo mine which commenced extracting and producing copper concentrates in May 2023, is a mid-tier mine which produces 10 tonnes of copper concentrates per year, with a mine life of 10 years;

b)Since, the inception of Motheo Project, employment has been created for mining, exploration, Gaborone office and contractors with 1157 males and 297 female Batswana employees. Tshukudu metals estimates that a further 800 plus jobs are expected during the subsequent 10 plus years of operations;

- c) About 11% of the work force comprises unskilled and /or semi-skilled labour, which are predominately natives of Ghanzi. This is a deliberate move to prioritise Ghanzi natives matching the mine's available skills;
- d) Motheo mine, in conjunction with the Ghanzi District Council, commissioned a solar street light project at the Kuke village. The solar streetlights are located beside the main highway, and are meant to improve safety for the village community;
- e) Motheo mine has constructed two (2) semi- detached LA houses and the community charging station ("charging station"). The LA houses were handed over to the Settlement Development Committee to raise funds for the committee through rental to Government employees such teachers, nurses and Kgotla officers. The charging station is meant to enhance communication in Kuke through the community charging their electronic devices, particularly phones;
- f) In partnership with the Ministry of Agriculture Production, Motheo team established Kuke Horticulture Capacity Project. The project aims to provide women and youth in Kuke with the tools and resources to grow nutritious food not only for consumption but also to generate income and provide financial independence. The project offers free access to high quality seeds, land, water, fertilisers, pesticides, pumps, storage and handling, and viable sales channels are provided alongside classroom-based training and onsite demonstration;
- g) Motheo Mine has also provided two (2) bus stop shelters ("bus shelters") at the entrance and exist of Ghanzi, which were constructed in response to the request made by the Ghanzi community;
- h) The merged enterprise has created sustainable economic growth by supporting local businesses within the Ghanzi District through encouraging and prioritising local business for procurement contracts. Currently, they source their fresh produce (fruits and vegetables) from farmers in Ghanzi;
- i) In an effort to support and empower local businesses, Motheo Mine has awarded Kwa Nokeng Oil a ten (10) years contract to supply them with fuel. This was a competitive tender bidding that was competed for by big players such as Vitol Energy Botswana and Engen Botswana. However, priority was given to Kwa Nokeng because is a 100% citizen owned company;
- j) Motheo Mine has developed Contractor Social Management Plan and Suppliers Code of Conduct. This has been done as a way of instilling a culture of corporate social responsibilities amongst its sub-contractors. One of its sub-contractors known as the Mighty Infinity Service ["Mighty Infinity"] has embraced such, and it donated school bags and shoes to D'Kar students, as well as toiletries to Kuke Primary School.

Monetary Value of all Merger Transactions by Sector

In the 2023/24 financial year, the Authority collected approximately **BWP7, 857, 830.70** in merger fees. The highest grossing sector for the period under review was the Real Estate sector with approximately BWP2, 223, 037.03, followed by the Insurance and Mining Sectors with approximately BWP1, 897, 419.73 and BWP1, 745, 107.18 respectively. For this period, the Construction sector was the least performing sector with only BWP5, 607.88.

Table 13: Merger Fees Collected Per Sector for 2023/24

| SECTOR | MERGER FEES COLLECTED PER SECTOR (BWP) |
|------------------------|--|
| Insurance | 1, 897 ,410.73 |
| Agriculture | 14 ,594.03 |
| Mining | 1,745 ,107.18 |
| Manufacturing | 64, 431.32 |
| Construction | 5, 607.88 |
| Energy | 728 ,068.43 |
| Information Technology | 268 ,138.63 |
| Transport & Logistics | 47, 090.95 |
| Tourism & Hospitality | 6, 404.75 |
| Automotive | 7, 454.84 |
| Retail | 649, 206.84 |
| Real Estate | 2, 223, 037.03 |
| Financial Services | 156, 238.25 |
| Health | 45 ,030.84 |
| TOTAL | 7, 857, 830.70 |

Historical Merger Control Activity

In total, the Authority processed approximately 492 mergers (as at 31st March 2024) since inception, which indicates the significant role that the Authority continues to play in regulating merger activities in Botswana's economy, ensuring that mergers and acquisitions don't lead to concentration which might ultimately harm both competition and consumer welfare.

In addition, the Authority's intervention ensures that product innovation, industrial growth, competitive pricing of goods and services, quality goods, consumer welfare and general expansion of markets are encouraged and maintained through the assessment of mergers and acquisitions.



LEGAL AND ENFORCEMENT





Cases Handled in the Year Under Review

CCA v Decodroy Autos (Pty) Ltd: Case No: CCT/01/2023 I

The case was referred on 9th February 2023, against the service provider Decodroy Autos (Pty) Ltd (Decodroy), for engaging in an unfair business practice by failing to deliver goods in a timely manner and/or failed to provide timely notice of unavoidable delay. The complainant purchased a Volkswagen Golf 2010 model for P57 500 to be delivered within a reasonable time but the vehicle was never delivered to the complainant. An arrangement to conclude was entered into between the parties for the payment of P57 500 however it was never honoured therefore the case was referred to the Tribunal.

The parties entered into a draft consent order on 7th September 2023, wherein Decodroy was to make payment of the outstanding amount in instalments and this was not done. The Authority has invoked the provisions of Section 35 (2) of the Consumer Protection Act and opened a criminal case against Decodroy for failure to comply with a court order. The matter is still pending before the police.

AKZO Nobel N.V and 2 others v CCA: Case No: CCT/MER/01/2023 I

On 16th May 2023, the Authority rejected a merger between two prominent international decorative paint manufactures. Akzo Nobel N.V had undertaken to acquire Kansai Plascon Africa Limited, in certain parts of Africa, the acquisition was therefore notified in Botswana, South Africa, Namibia and the COMESA region. In Botswana, the effect of the merger was Dulux Botswana Proprietary Limited acquiring all of Kansai Plascon Botswana Proprietary Limited. The Authority rejected the merger recognising that within the country the two were close competitors in terms of quality, price and product range and therefore the merger would result in the removal of a vigorous competitor which would have an effect on consumer choice.

In addition, that, there was no effective competition against the two in the country due to their strong brand recognition and customer loyalty built over many years and therefore they enjoyed some level of insulation from competitive pressure. The parties being dissatisfied with the decision appealed to the Tribunal and the Authority duly defended its decision. The appeal has since been withdrawn and the decision stands.

CCA v Universal House (Pty) Ltd and another: Case no: CCT/MER/01/2022

The Authority filed an application in 2022 at the Tribunal to have its merger decision of 17th February 2017, enforced against Universal House (Pty) Ltd (Universal). In the said decision, the Authority had ordered the parties to dispose 28.73% shares acquired in Mmegi Investment Holdings (Pty) Ltd (Mmegi) by Universal without notifying the Authority about the acquisition.

The acquisition was assessed post implementation and the Authority found that it raised competition issues. The disposal of the 28.73% shares was to be made to an entity or persons with no business interests affiliated in anyway with Universal within three (3) months of the decision. The Tribunal dismissed the application on 7th November 2023 but ordered that a divestiture trustee should be appointed at Universal's expense to sell the shares and barred both Universal and Mmegi from selling, dealing in, transferring or disposing the shares outside the share disposal process through the divestiture trustee.

Universal has appealed the decision to the High Court. The tumorous litigations and delays regarding the disposal of the shares is on its 7th year running.

CCA v OD Drilling (Pty) Ltd: Case No: CCT/CP/02/2003 I

The case was referred on 12th April 2023, against the service provider OD Drilling (Pty) Ltd (OD Drilling) for engaging in an unfair business practice. The company failed to perform services in a timely manner and or failed to provide timely notice of any unavoidable delays in the provision of a service. OD Drilling was paid BWP120 000.00 by the complainant to drill a borehole and the service was never provided. A default order was issued on 13th June 2023 by the Tribunal for OD Drilling to refund the consumer.

CCA v Bojaro Investment (Pty) Ltd: Case no: CCT/CP/C3/03/2023 and CAHGB-000003/24

The case was referred on 2nd August 2023, against the service provider Bojaro Investment (Pty) Ltd (Bojaro) for engaging in an unfair business practice. The company failed to deliver goods in a timely manner and/or failed to provide timely notice of unavoidable delay in the delivery of an engine worth P67 040.00. Bojaro raised points of law to the effect that the Authority was time barred from referring the matter to the Tribunal as the case was referred 4 years after signing of the arrangement to conclude instead of 30 days from signature when the service provider fails to honour the arrangement to conclude.

The case raised questions on when the Authority should be deemed to have completed its investigations or failed to resolve complaint through an Arrangement to Conclude. The Tribunal on 20th November 2023, agreed with Bojaro's position and dismissed the matter. The Authority has since appealed the decision to the High Court.

CCA v Botswana Insurance Company Ltd and 3 others: Case No: CCT/A/01/2023 I

A case emanating from the insurance market was referred to the Tribunal on 30th November 2023 against three short term insurance enterprises and one motor vehicle parts supplier. The case against the insurance enterprises Botswana Insurance Company Limited, Hollard Insurance Company of Botswana (Pty) Ltd and Old Mutual Short-Term Insurance Botswana Limited is that, they have entered into horizontal agreements contrary to the Competition Act by directly or indirectly fixing the terms of trade; they have also entered into vertical and horizontal agreements in the form of active cooperation and sharing of trade secrets that would have the effect of substantially lessening competition and abusing their dominance through exclusive dealing.

The case against the parts supplier Parts Portal (Pty) Ltd t/a Autoboy's Evolve is that, it has entered into vertical agreements with the insurance enterprises that has the effect of substantially lessening competition, involves a concerted practice and collective denial of access to other enterprises. The case is currently pending before the Tribunal.

Cases Referred to the Competition and Consumer Tribunal

Two (2) consumer cases were referred to the Competition and Consumer Tribunal in the year under review as compared to five (5) from the previous year and one (1) case was carried forward from the previous year. The Authority also secured two orders for refunds on behalf of consumers amounting to P177 500 though this is only from two orders this is more than the P77 880 in refund orders from the previous year. There were no orders as to costs compared to the P26 760.20 of costs awarded to the Authority in the previous year.

The Authority's referral of the second case was dismissed on technicalities resulting in the Authority failing to recover a P67 040 refund for a consumer. One (1) competition case involving major players in the short term insurance market was referred to the Tribunal.

The Authority suffered yet another setback in the enforcement of its 17th February 2017 merger decision in the Universal and Mmegi case. The Tribunal dismissed the Authority's application to compel the parties to sell the shares.

Lastly the Authority defended its merger decision in the Dulux and Plascon merger at the Tribunal, the parties eventually withdrew the appeal.

Table 14: Cases handled and referred to the Tribunal

| NO. | DATE OF ORDER/ DECISION | PARTIES TO THE CASE | CONTRAVENED PROVISION OF THE ACT | AMOUNT OF PENALTY | DETAILS OF THE ORDER | RECOVERY STATUS ON 31ST MARCH 2024 |
|-----|-------------------------|---|--|-------------------|---|------------------------------------|
| 1 | 13.06.2023 | CCA v OD Drilling | Section 14 (l) (a) Consumer Protection Act | P120 000 | The supplier was ordered to refund the consumer P120 000.00 having failed to provide borehole drilling services | Still pending |
| 2 | 20.11.2023 | CCA v Bojaro Investment (Pty) Ltd | Section 14(l) (b) of the Consumer Protection Act | P 67 040 | Dismissal of the referral by the Tribunal | Pending appeal at the High Court |
| 3 | 7.09.2023 | CCA v Decodroy (Pty) Ltd | Section 14 (l)(a) | P57 500 | Consent order for the supplier to refund the consumer in 3 instalments | Pending refund |
| 4 | Pending | CCA v Botswana Insurance Company Limited and 3 others | Sections 25,28 and 31 of the Competition Act | N/A | The case is at the initial stages of referral for allegation of horizontal and vertical agreement between competitor and a supplier and abuse of dominance. | Pending hearing |

Source: The Authority's Mergers and Acquisitions Database as at 31 March 2024

Table 14: Cases handled and referred to the Tribunal *(Continued)*

| NO. | DATE OF ORDER/ DECISION | PARTIES TO THE CASE | CONTRAVENED PROVISION OF THE ACT | AMOUNT OF PENALTY | DETAILS OF THE ORDER | RECOVERY STATUS ON 31ST MARCH 2024 |
|-----|-------------------------|---|---|-------------------|---|------------------------------------|
| 5 | 07.11.2023 | CCA v CCA v Universal House (Pty) Ltd and another | Section 63 (1) of the Competition Act no 17 of 2009 | N/A | Application by the Authority to enforce its merger decision of 17th February 2017 was dismissed by the Tribunal | Pending appeal at the High Court |
| 6 | 01.12.2023 | AKZO No bel N.V and 2 others v CCA | Section 57 of the Competition Act | N/A | An appeal of a merger decision of the Authority which was subsequently withdrawn | subsequently |
| 7 | 12.05.2022 | CCA v Katlego Motors (Pty) Ltd | Section 15(1) of the Consumer Protection Act | P23 100 | The service provider was ordered to refund the consumer P23 100 within 21 days of the order. | Pending payment |

Table 14: Cases handled and referred to the Tribunal *(Continued)*

| NO. | DATE OF ORDER/ DECISION | PARTIES TO THE CASE | CONTRAVENED PROVISION OF THE ACT | AMOUNT OF PENALTY | DETAILS OF THE ORDER | RECOVERY STATUS ON 31ST MARCH 2024 |
|-----|-------------------------|-------------------------------------|----------------------------------|--------------------------------------|---|--|
| 8 | 15.09.2022 | CCA v High Hills Holdings (Pty) Ltd | Section 14 (1)(a) and (b) | P9 080 | For the service provider to refund the consumer P9 080 | Pending payment |
| 9 | 2.06.2022 | CCA v Givemore (Pty) Ltd | Section 14(1)(a) | P6 160 in legal costs | For the supplier to mix the gamazine paint delivered to the consumer's home and paint her house within 7 days from the date of the order. | The paints were mixed and the house was painted within 7 days of the order. Payment of the legal costs is still pending. |
| 10 | 19.11.2022 | CCA v Hogan Holdings (Pty) Ltd | Section 14(1)(a) | P39 200.00 And legal costs of P5 885 | For the supplier to refund the consumer P39 200.00 within 21 days of the order. | Pending payment |

STAKEHOLDER RELATIONS AND OUTREACH

The Authority has a broad stakeholder base which includes, individuals, groups and organisations that have interest and influence at different levels in the affairs of the CCA.

Introduction

Maintaining Stakeholder relationships is a strategic objective for CCA and it is considered key to building a viable organisation. The Authority has a broad stakeholder base which includes, individuals, groups and organisations. It is therefore important for the CCA to be aware and responsive to the needs and expectations of these various stakeholders.

In an attempt to accomplish the needs and expectations of its wider stakeholder network, the Authority carried out activities aimed at raising awareness about fair competition in the market and consumer protection. Some of the activities carried out were initiated by the Authority through a Stakeholder Engagement Plan informed by the awareness gaps identified during enforcement of the Competition Act and the Consumer Protection Act, while some were organised by the Authority's strategic partners such as the parent Ministry of Trade and Industry, other parastatals and the private sector.

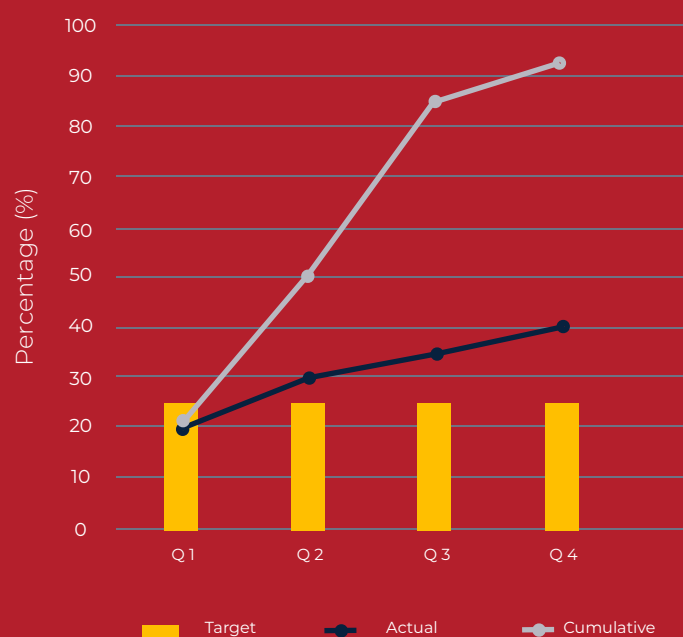
Implementation of 93% of the Stakeholder Engagement plan has been realised, setting an adequate baseline for the future as shown in the graph below;

The Authority aimed at attaining 100% of implementing planned initiatives but fell short due to unmatched circumstances. Low implementation was realised in the first quarter which was largely dedicated to planning.

The following initiatives were carried out in the 2023/24 financial year to enhance public awareness.

93%

Implementation of the Stakeholder Engagement Plan has been realised, setting an adequate baseline for the future as shown in the graph.



Business Consumer Complaints Management

In the review period, one of the priority areas for the Authority was to sensitise the business community on the importance to resolve consumer complaints expeditiously in-house.

The Authority organised a workshop for the Business Community on Consumer Complaints Management Mechanisms, in Gaborone. Participants at the workshop were drawn from various sectors such as second hand motor vehicles and cell-phone retailers where the Authority has received the majority of consumer complaints.

The Authority established that failure by businesses to address consumer complaints is largely attributable to the absence of established internal complaints management systems or procedures. The Authority also found that some businesses which have established complaints management systems, do not utilise them and some do not conform to the procedures.

Local Authorities (Councils) Meetings

CCA undertook an initiative to address local authorities (District and Town Councils) and managed to engage six (6) out of the planned eights (8) across the country. The purpose on these meetings was to increase awareness of local authorities on the mandate of the Authority, and improve cooperation through the various functions of Councils where the two have common interest regarding fair play in businesses and consumer protection.

The meetings, led by the CEO addressed the Sowa Town Council, the Kweneng District Council in Molepolole, the Lobatse Town Council on 10th October, Selebi-Phikwe and Jwaneng Town Councils and the Francistown City Council respectively.

A common feedback from these consultative meetings was the importance of the Authority to intensify consumer education in remote areas. There was also a concern about retailers who do not display prices and selling consumers commodities with shelf prices different from till prices, some retailers displaying prices in foreign currencies, uncertified borehole drillers, shops denying consumers refunds, sale of expired goods and denying warranties contrary to the Consumer Protection Act.



Memoranda of Understanding (MoUs)

The CCA and the Botswana National Library Service (BNLS) signed an MoU on 23rd April 2023 aimed at facilitating consumer access to CCA's services across the country.

The MoU was signed by Ms. Tebelelo Pule, the Authority's CEO, and the Permanent Secretary in the Ministry of Youth, Gender, Sport and Culture, Mr. Kitso Kemoeng. Under this BNLS/CCA partnership, consumers will be able to file their complaints and receive educational materials through the countrywide BNLS network starting with 12 public libraries in Lobatse, Kanye, Jwaneng, Ghanzi, Hukuntsi, Tsabong, Mahalapye, Serowe, Selibe-Phikwe, Kasane, Maun, and Shakawe.

BNLS has a network of 45 public libraries and 59 Village Reading Rooms across the country. Currently, the CCA has a limited footprint operating from only two offices in Gaborone and Francistown.

The CCA further signed an MoU with the Namibian Competition Commission (NaCC) on 23rd May 2023 aimed at formalising cooperation in the field of competition law enforcement.

The MOU was signed by the CEO of the CCA, Ms. Tebelelo Pule, and the CEO of the NaCC, Mr. Vitalis Ndalikokule, in a signing ceremony held through a virtual platform.

The MoU is expected to assist the two agencies to execute their mandates through sharing experiences in the practical enforcement of competition law, joint planning and initiation of investigations, and staff exchanges.

Guest Lectures to Students

The Authority targeted students with a view to build a culture of competition and awareness about consumer rights. To that end, the Authority conducted guest lectures to students of Moeding College on 15th February 2024 and Botswana Accountancy College on 23rd February 2024.





World Consumer Rights Day

The Authority Botswana joined global consumer rights agencies in commemorating World Consumer Rights Day (WCRD) on 15th March 2024. The commemoration was held in Shoshong Village in the Mahalapye District under the Theme - ***'My Consumer Rights, My Responsibility.'*** The national theme intended to encourage consumers in Botswana to take a more active role in exercising their rights and responsibilities under the Consumer Protection Act. The Rights of Consumers stipulated in the Consumer Protection Act include - Right to Information on Goods and Services, Right to Demand Quality Service, Right to Safe and Good Quality Goods and Services, Right to Fair Contracts, Right to Repair/Replace/Refund of goods by suppliers and the Right to be Heard.

During WCRD commemoration, the Authority further urged businesses to fulfil consumers' fundamental Right to be Heard by establishing Complaints Management Processes for resolution of consumer complaints. This is in line with the United Nations Guidelines for Consumer Protection which stipulate that "Businesses should make available complaints-handling mechanisms that provide consumers with expeditious, fair, transparent, inexpensive, accessible, speedy and effective dispute resolution without unnecessary cost or burden."



World Competition Day

The CCA on 5th December 2023 joined other competition agencies in observing World Competition Day under the theme “Prioritising Socially Sensitive Sectors, which intended to reflect on how several crises like the Corona virus pandemic, armed conflicts and climate change adversely affected societies and communities. It also called upon policy makers and regulators to prioritise socially sensitive sectors and issues such as pharmaceuticals and healthcare, food and agriculture, information and communication, education and jobs.

The Authority commemorated the day by hosting a press conference at its Gaborone office in which it shared the economic and public interest impact of some of its merger assessments. The Authority also shared highlights on business operations contained in the 2022/23 Annual Report and Audited Financial Statements.

To ensure the northern part of the country is covered, the Authority held activations at Galo Mall and sensitised members of the public and the business community about competition issues, raising public awareness on how fair and competitive markets are beneficial to the economy.



Media Engagement

The Authority continued to use radio, television and newspapers to disseminate its messages in the year under review. The Authority had the following media engagements in the period under review:

Press Releases and Press Conferences

- 1) Joint press release with Bank of Botswana on Ecoplexus pyramid scheme on 17th May 2023
- 2) Press release on World Consumer Rights Day on 15th March 2024
- 3) Press release on World Competition Day on 5th December 2023
- 4) Press release on MoU signing with the Botswana National Library Service on 6th April 2023
- 5) Press release on CCA and Foods Botswana Agreement on Minimum Purchase Quantity for Bran on 16th August 2023
- 6) Press release on fraudulent practices in borehole drilling on 30th August 2023
- 7) Press release on CCA concern about rising consumer complaints on 22nd September 2023
- 8) Press conference on Mergers Impact Assessment and Annual Report on 5th December 2023

Media Interviews

- 1) YTV Interview on Mergers with on 22nd June 2023
- 2) Btv interview on mergers and acquisitions on 22nd June 2023
- 3) RB 1 interview on restrictive business practices and mergers on 21st August 2023
- 4) Duma FM interview on bran agreement with Foods Botswana on 17th August 2023
- 5) RB 2 interview on restrictive business practices on 24th August 2023
- 6) RB 2 interview on mergers and acquisitions on 25th August 2023
- 7) Duma FM interview on restrictive business practices on 25th August 2023
- 8) Botswana Television interview on fraudulent practices in borehole drilling on 4th September 2023
- 9) Botswana Television interview on festive season fraudulent business practices on 23rd November 2023
- 10) Radio Botswana interview on consumer rights on 27th November 2023





Fairs and Exhibitions

The Authority continued to use fairs and exhibitions to interact with consumers and the business community. The Authority hosted exhibitions in Malls and other public areas in various parts of the country as follows:

- 1) Gaborone Riverwalk Mall - 14th April 2023
- 2) Gaborone Game City Mall - 04th April 2023
- 3) Jwaneng Teemane Mall - 8th May 2023
- 4) Tsabong Sefalana - 10th May 2023
- 5) Kang Choppies Centre - 11th May 2023
- 6) Hukuntsi Macheng Mall - 13th May 2023
- 7) Ghanzi – Dans/Choppies Mall -15th May 2023
- 8) Francistown Galo Mall - 18th May 2023
- 9) Selebi-Phikwe Civic Centre - 16th May 2023
- 10) Palapye Diphlane Mall - 13th May 2023
- 11) Kasane Spar Mall - 8th May 2023
- 12) Maun Delta Palms Mall - 11th May 2023



Collaborative Activities with the Public and Private Sector

The Authority also participated at other events organised by other parastatals, government departments and the private sector. The Authority saw it fit to participate at these events to interact with consumers and businesses.

- Presentation by the CCA on bid-rigging at a training workshop for the Directorate on Corruption and Economic Crime (DCEC) in Francistown on 10th August 2023.
- Presentation by the CCA on bid-rigging at a training workshop for the DCEC in Palapye on 7th to 8th September 2023.
- Presentation by the CCA on bid-rigging at a training workshop for the DCEC in Gaborone on 13th October 2023.
- Business Botswana Northern Trade Fair 24th to 28th May 2023
- Botswana Consumer Fair
- Participation at DCEC Anti-corruption Pitso 24th April 2023
- Taking Services to the People - Francistown Phase 4 Kgotla



Consumer Alerts

In the period under review, the Authority issued three consumer alerts aimed at sensitising consumers about deceptive business practices. The alerts involved the borehole drilling and furniture retail sector. The alerts were issued in both English and Setswana so as to reach a wider audience.

The consumer alerts that were issued are summarised in **Table 15** below:

Table 15: Summary of Consumer Alerts from 1st April 2023 to 31st March 2024

| No. | Date Issued | Subject of Alert | Sector |
|-----|---------------------|--|------------------------|
| 1 | 26th January 2024 | Delcor Drilling and The Major Professionals: The Authority cautioned consumers against the use of the services of two borehole drilling companies being Delcor Drilling Botswana (Pty) Ltd, and The Major Professionals (Pty) Ltd. The Authority has received a total of ten (10) consumer complaints against Delcor Drilling Botswana and five (5) against The Major Professionals. Most complaints received against these two drilling companies had to do with their failure to provide drilling services with consumers having been made to pay advance payments or deposits. Delcor Drilling Botswana collected at least P345 000.00 from consumers, either as a deposit or full payment, but no service has been rendered while The Major Professionals collected at least P240 000.00 from consumers, also with no service delivery. | Borehole drilling |
| 2 | 25th September 2023 | Garona Crafts: The Authority cautions consumers against transacting with a company called Garona Crafts and Interiors Botswana (Pty) Ltd. The CCA had registered six (6) complaints against this factory shop. The Authority had established that Garona Crafts showcases to the public the different types of upholstery furniture and fabric products that it sells, and when a consumer indicates interest to buy, they are required to pay a deposit or make a full payment with delivery promised within a week or so. However, when the delivery time approaches, management of Garona Crafts would be nowhere to be found. Should the management be found at the shop; the delivery date will be postponed but would never be honoured. | Upholstery and weaving |

Table 15: Summary of Consumer Alerts from 1st April 2023 to 31st March 2024 (*Continued*)

| No. | Date Issued | Subject of Alert | Sector |
|-----|------------------|---|-------------------|
| 3 | 30th August 2023 | Borehole drilling companies: The Authority issued a general alert after receiving a high number of consumer complaints, 63 in total, against some local borehole drilling companies. The public was advised to be vigilant and make informed decisions before engaging any borehole drilling company to avoid being swindled. The complaints were that the borehole drilling companies would request for deposits or full payments, but disappear without providing such service, or substandard drilling services, which were done without reasonable care and skill and would drag for months causing inconvenience. | Borehole drilling |





Cooperation with Consumer Advocacy Groups

The Authority recognises that one of the avenues for effectively protecting consumers from unfair business practices is cooperation with consumer advocacy groups. To ensure effective cooperation the Authority developed guidelines for such cooperation.

The Guidelines were developed pursuant to section 3 (3) of the Consumer Protection Act 2018, which states that the Authority may permit and consider representations made by any class of consumers and consumer organisation on any matter of consumer protection, and may cooperate with and support the activities carried out by consumer organisations as may be reasonably considered by the Authority.

In the review period the Authority embarked on an exercise to cascade the guidelines to the consumer advocacy groups.

To that end, the Authority of 24th March 2024 made a Presentation to the Executive Committee of the Botswana Consumer Centre for Advocacy Research and Orientation (BCCARO).

Social Media

The Authority continued to actively utilise social media to reach out to its stakeholders. The corporate Facebook page; recorded an increase in engagement by stakeholders with a cumulative increase in Followers to more than 18-thousand. The number of Twitter Followers stood at 504 by 31st March 2024 with more than 5-thousand Post Reach.

The Authority's LinkedIn page recorded a steady increase of Followers standing at more than 500 by 31st March 2024.

Facebook Followers remained stagnant from 19th October 2024 as there was a technical issue with the page and the CCA was still working on recovery of the page in consultation with Facebook consultants by the end of the financial year.



Corporate Social Responsibility

The CCA recognises that its relevance and value addition will not only be measured by the fulfilment of its mandate, but also by the extent to which it is connected to the communities it serves.

In the period under review, the Authority donated essential items to three secondary schools in Shoshong under its Corporate Social Responsibility programme, demonstrating its commitment to supporting education and empowering the community. On 15th March 2024, the Authority donated over 500 sanitary towels, 500 pens and 160 notebooks to the schools.

The Authority also donated toiletries to Camphill School in Otse on 3rd May 2023.

International Collaborations and Engagements

In the period under review, the Authority continued to collaborate with regional and international partners in Competition and Consumer Protection Law enforcement.

Table 16: International Collaborations and Engagements

| No. | INTERNATIONAL PARTNER | SCOPE | PARTNERSHIP AND BENEFITS IN 2023/24 |
|-----|--|--|--|
| 1 | African Competition Forum - ACF | ACF promotes the adoption of competition principles in the implementation of national and regional economic policies of African countries. ACF engages in activities such as encouraging and assisting African countries that do not have a competition law to adopt one. It helps in capacity of existing and future African competition agencies and increasing the awareness of the benefits of implementing competition laws among governments, the general public to the objectives of the ACF | During the reporting period, CCA being a member of the African Competition Forum (ACF) participated in a study on roaming charges. Botswana's landscape was part of this study necessitated by general concerns on high roaming charges experienced in Africa showing potential negative impact on trade and tourism. |
| 2 | Africa Continental Free Trade Area Secretariat | The African Continental Free Trade Area (AfCFTA) is one of the Flagship Projects of Agenda 2063 Africa's development framework. The AfCFTA was approved by to establish an African Continental Free Trade Area and the Action Plan for Boosting intra-African trade as a key initiatives whose implementation would promote socio-economic growth development. The AfCFTA aims at accelerating intra-African trade and boosting Africa's trading position in the global market by strengthening Africa's common voice and policy space in global trade negotiations. The Competition Protocol is one of the protocols to the AfCFTA and the Competition and Consumer Authority is the focal point in so far as coordination and implementation of the protocol to Botswana's matters is concerned. | On the 26-27 July 2023, the Southern Africa Development Community (SADC) Secretariat, in partnership with the German Development Cooperation (GIZ) Programme Support to the AfCFTA Secretariat, organised a SADC Regional workshop on the AfCFTA Protocol on Competition Policy. The aim of the workshop was to take stock of the latest developments in the AfCFTA Competition Policy Protocol. |

Table 16: International Collaborations and Engagements*(Continued)*

| No. | INTERNATIONAL PARTNER | SCOPE | PARTNERSHIP AND BENEFITS IN 2023/24 |
|-----|---|---|--|
| | | | <p>The workshop also considered the challenges and experiences gained from the implementation of competition policies at national level and with a view to inform the development of the Regulations under the AfCFTA Protocol on Competition Policy particularly in respect of AfCFTA market share thresholds for determining a dominant position and notifiable mergers and acquisitions; procedures of the AfCFTA Competition Authority; cooperation mechanism between the AfCFTA Competition Authority and National Competition Authorities of Member States; the AfCFTA Competition Tribunal; as well as SADC Member States' capacity building needs.</p> |
| 3 | Namibian Competition Commission MoU | The NCC implements the Namibian Competition Act | On 23rd May 2023 the CCA signed an MoU with the NCC, the MoU paved way for cooperation in the field of competition law enforcement and policy. |
| 4 | United Nations Conference on Trade and Development (UNCTAD) | UNCTAD supports developing countries to access the benefits of a globalised economy more fairly and effectively. It provides economic and trade analysis, facilitates consensus-building and offer technical assistance to help developing countries use trade, investment, finance and technology for inclusive and sustainable development. | |

HUMAN RESOURCE MANAGEMENT, PROCUREMENT AND INFORMATION TECHNOLOGY

CCA values its employees and strives to adhere to best employee relations management practices that are designed to attract, retain and develop personnel to achieve a positive impact on the Authority and its wider stakeholder community.



Staffing

The Authority has a total establishment of forty-six (46). As at 31st March 2024, the head count stood at forty-three (43), the vacancy rate was 7%. Overall turnover rate stood at 4% whilst retention rate was 95%. The Authority had eleven (11) National Internship Programme Participants who were placed across the different divisions.

Performance Management

As part of instilling a high performance culture, the Authority encourages seamless and integrated collaborations across the Authority and a work hard play hard culture cultivated through employee engagement. Employee performance averaged 80% for the year, this falls in the performance category of 80% – 89% (excellent performance) and is aligned to the Authority performance. Despite limited funding, the Authority was able to accord employees performance rewards and inflationary salary adjustments.

Training and Development

In total one hundred and thirteen (113) employees attended various trainings, workshops and conferences. The Authority collaborated with the National Consumer Commission (NCC) of South Africa to upskill 32 employees on Investigation techniques. Staff were trained on online document management to enhance information and data security where documents are saved on cloud platforms.

Staff Engagement and Welfare

Employee engagement is natured at organisational, divisional and departmental/units' levels through staff meetings and team building initiatives. The Authority Staff Welfare Committee initiative helps foster employee engagement. Key engagement initiatives during the year included review of policies and guidelines, general staff meetings, commemoration of culture/ independence day.

The Health and Safety Policy advocates for giving employees an opportunity for a Support Programme within the principle that Authority Employees shall have equitable and reasonable access to employee assistance programmes. The Employee Support Programme offers employees services including psychosocial and financial health and wellness assessments; lifestyle management motivational talks; psychosocial support services. Twenty-nine (29) employees utilised counselling services during the financial year, the Authority continues to encourage staff to utilise the services. Educational and motivational information are regularly shared with staff to create awareness on issues such as cancer and mental health.

Industrial Relations and Union Management

The Authority recognised Botswana Public Employees Union (BOPEU) as the bargaining agent for Authority employees. A Collective Labour Agreement (CLA) to guide engagement by parties was signed in June 2024. Amongst others the Joint Negotiation Consultative Committee (JNCC) engaged on a number of issues including salary adjustments for 2023/24, year-end festive closure, performance rewards and leave encashment.

Pension Fund

The Authority participates in an umbrella pension fund, Senthaga Pension Fund. The Pension Fund is a contributory pension scheme to which a pensionable employee makes a monthly contribution of a minimum of 5% of basic salary, and the Authority makes contributions of 15% of the Employee's basic salary. Employees may make additional voluntary contributions.

Procurement

The implementation of the Public Procurement Act, 2021 was eased by the coming in of the Public Procurement Regulations, 2023 as the regulations provide detailed guidelines for implementation of the Act. In line with the Act, most of the services and goods were procured from 100% citizen owned businesses. Out of a total of 113 100% Citizen- Owned enterprises, procurement of goods and services done from 16 were youth and 21 women owned,. The tables below show procurements made during the financial year 2023/24 categorised by service and supplies and procurement by type of tender and value.



Table 17: Procurement by category and value

| Category | Quarter 1 / Amount | Quarter 2 / Amount | Quarter 3 / Amount | Quarter 4 / Amount | ANNUAL TOTAL VALUE OF PROCUREMENT BY CATEGORY |
|--------------|-----------------------|-----------------------|-----------------------|-----------------------|--|
| | P | P | P | P | P |
| Services | 139,222.50 | 806,011.16 | 1,429,710.95 | 697,337.65 | 3,072,282.26 |
| Supplies | 381,853.80 | 1,970,649.61 | 932,893.32 | 399,035.22 | 3,684,431.95 |
| TOTAL | 521,076.30 | 2,776,660.77 | 2,362,604.27 | 1,096,372.87 | 6,756,714.21 |

Table 18: Procurement by type of tender and value for 2023-24

| NO. | Type | Quarter 1 / Amount | Quarter 2 / Amount | Quarter 3 / Amount | Quarter 4 / Amount | ANNUAL TOTAL VALUE OF PROCUREMENT BY TYPE |
|-----|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|--|
| | | P | P | P | P | P |
| 1 | Direct Appointment | 18,891.00 | 0.00 | 0.00 | 0.00 | 18,891.00 |
| 2 | Selective Tender | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3 | Open Tender | 0.00 | 1,347,055.62 | 0.00 | 0.00 | 1,347,055.62 |
| 4 | Quotation Based | 502,185.80 | 1,429,605.07 | 1,547,077.72 | 1,096,372.87 | 4,575,241.46 |
| 5 | TOTAL | 521,076.80 | 2,776,660.69 | 1,547,077.72 | 1,096,372.87 | 5,941,188.08 |

Information Technology

In line with efforts to leverage digital technologies to support business operations and enhance business productivity by delivering value added services has been a strategic priority for the year under review. The Authority has invested, in a Case Management System (CMS) to log and register all customer complaints and cases it receives.

The CMS has assisted in proper documentation of consumer complaints and allowed timely access of all information relating to consumer complaints, merger cases and investigation enquiries. The Authority embarked on an exercise to enhance the system functionality to assist case officers and improve operational efficiency.

The Authority undertook a cybersecurity campaign aimed at educating users on risks to be mindful of as they access Authority web-based systems. The campaign was aimed at empowering Authority users with information on how to identify cybersecurity challenges as they navigate the internet. Another key priority was conducting network penetration testing to identify cybersecurity risks and challenges the CCA may face. The exercise was necessary for the entity to identify key vulnerable areas and assist management make timely decisions to ensure cybersecurity risks are adequately managed.

In an effort to improve operational performance, CCA introduced a business process management system called 4Flo. The system is aimed at improving operational efficiency by digitising the procurement purchase requisition process.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024



COMPETITION AND CONSUMER AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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COMPETITION AND CONSUMER AUTHORITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

General Information

The Competition and Consumer Authority is constituted in terms of the Competition Act, 2018 and is domiciled in the Republic of Botswana. The Authority is responsible for the prevention of, and redress for, anti-competitive practices in the economy, and the removal of constraints on the free play of competition in the market. It further receives and investigates consumer complaints, promotes awareness of consumer rights and conducts consumer education. The governing body of the Competition and Consumer Authority is the Competition and Consumer Board, which is responsible for the direction of the affairs of the Authority. The Authority started its operations on the 18th of April 2011.

Competition and Consumer Board

| | |
|---------------------------|---|
| Dr. Malebogo Bakwena | Chairperson of the Board |
| Mr. Phemelo Rankoro | Vice Chairperson of the Board (Resigned 01 December 2023) |
| Mr. Oteng B. Batlhoki | Member (End of term 30 November 2023) |
| Dr. Selinah Peters | Member (End of term 30 September 2023) |
| Ms. Kemmony Keitsile | Member |
| Mr. Koonyatse K. Tamasiga | Member |
| Mr. Phodiso P. Valashia | Member |
| Dr. Bashi Mothusi | Member (Appointed 10 November 2023) |
| Ms. Tebelelo Pule | Chief Executive Officer (ex-officio member) |

Registered Office

Plot 28
Matsitama Road, Main Mall
Gaborone

Postal Address

Private Bag 00101
Gaborone

Bankers

Absa Bank Botswana Limited
Standard Chartered Bank Botswana Limited

External Auditors

BDO Botswana

Board Secretary

Ms. Idah Joel

Functional and Presentation Currency

Botswana Pula

COMPETITION AND CONSUMER AUTHORITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

BOARDS' RESPONSIBILITY AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The Board of Directors of the Competition and Consumer Authority is responsible for the preparation of the Financial Statements and all other information presented therewith. The Board's responsibility includes maintenance of financial records and the preparation of Financial Statements in accordance with the International Financial Reporting Standards.

The Competition and Consumer Authority maintains systems of internal control, which are designed to provide reasonable assurance that the records accurately reflect its transactions and to provide protection against serious misuse of the Competition and Consumer Authority's assets. According to Section 23 of the Competition Act 2018, the Competition and Consumer Authority appoints the External Auditor but the Board is also responsible for providing policy and reviewing the design, implementation, maintenance and monitoring of the systems of internal control.

The Independent Auditor is responsible for giving an independent opinion on the Annual Financial Statements based on their audit of the affairs of the Competition and Consumer Authority.

After making enquiries, the Board has no reason to believe that the Competition and Consumer Authority will not be a going concern in the foreseeable future. For this reason they continue to adopt the going concern basis in preparing these Annual Financial Statements based on forecasts, available cash resources and continued support of the Government of the Republic of Botswana.

The Board is satisfied that Management introduced and maintained adequate internal controls to ensure that dependable records exist for the preparation of the Annual Financial Statements, to safeguard the assets of the Competition and Consumer Authority and to ensure that all transactions are duly authorised.

Against this background, the Board accepts responsibility for the Annual Financial Statements on pages 118 to 143 which were approved and signed on its behalf by:



Dr. Malebogo Bakwena
Chairperson of the Board



Ms. Tebelelo Pule
Chief Executive Officer

26 September 2024



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Gaborone International Finance Park
P O Box 1839, Gaborone
Botswana

Independent Auditor's Report

To the Shareholder of Competition and Consumer Authority

Opinion

We have audited the financial statements of Competition and Consumer Authority set out on pages 118 to 143, which comprise the statement of financial position as at 31 March 2024, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of Competition and Consumer Authority as at 31 March 2024, and its financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with other ethical requirements that are relevant to our audit of the financial statements in Botswana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 20 to the financial statements which indicates that the Authority incurred a loss before tax of P1 391 639 (2023: P 162 725) for the year ended 31 March 2024 and as of this date the total liabilities exceeded total assets by P6 622 552 (2023 P5 230 913). Current liabilities exceeded current assets by P4 080 908 (2023: P2 356 062) as at 31 March 2024. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Authority's ability to continue operating as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO
Registration number: RBN 1992/10527
Certified Auditors

Partners: Chris Bray FCA(ICAEW) FCA(Bots) – (Motswana) . Christopher Matamande CA(z) FCA(Bots) –(Zimbabwe)

BDO, a Botswana partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the International BDO network of independent members firms.

Existence and accuracy of payroll and administration expenditure

Refer to note 4 – staff costs and note 5 – administration expenses

| Key Audit Matter | How the Matter was Addressed in the Audit |
|--|--|
| <p>The Competition and Consumer Authority incurs significant annual expenditure in discharging its mandate and relies on Government funding for conducting its business.</p> <p>The total expenditure incurred during the year amounted to P42 395 743.</p> <p>Due to the high volume of expense transactions and the significant risks of susceptibility of non-approval of expenses; recording of expenditure not incurred or expenditure recorded in the incorrect accounts and the significant work effort by the team, the existence and accuracy of expenditure was considered a key audit matter.</p> | <p>Our procedures included the following:</p> <ul style="list-style-type: none"> • Review of the budget approval and monitoring process. • Testing the design and implementation as well as operating effectiveness of internal control over the processing, review, monitoring and authorisation of expenditure to assess whether expenditure incurred and recognised was in line with the requirements of the finance manual and approved by the appropriate levels. • Evaluated the procurement process to ensure expenditure items are appropriately authorised in accordance with the approval matrix of the Authority and verified that these were supported by valid invoices, supplier contracts etc. • Evaluated the monthly changes to payroll to ensure appropriately authorised. • Evaluated the payment process for expenses to ensure two signatories required for the authorisation of expense payments. |

Other Information

The directors are responsible for the other information. The other information comprises the general information as set out on page 112, board's responsibility and approval of the financial statements as set out on page 113. The other information does not form part of the financial statements as is presented as additional information.

Our opinion on the financial statements does not cover the other information and we do not express an opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Botswana

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate to them all relationships and other matters that maybe reasonably be thought to bear on our independence, and where applicable related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The financial statements of Competition and Consumer Authority for the year ended 31 March 2023 were audited by a predecessor auditor who expressed an unmodified opinion on those financial statements on 28 September 2023.



BDO
Firm of Certified Auditors

Gaborone
26 September 2024

Practicing member: Christopher Matamande (CAP 0042 2024)
Partner

BDO
Registration number: RBN 1992/10527
Certified Auditors

Partners: Chris Bray FCA(ICAEW) FCA(Bots) – (Motswana) . Christopher Matamande CA(z) FCA(Bots) –(Zimbabwe)

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COMPETITION AND CONSUMER AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2024

| Revenue | Notes | 2024 BWP | 2023 BWP |
|---|-------|--------------------|-------------------|
| Government subvention | 1 | 33 979 501 | 37 193 898 |
| Revenue arising from contracts with customers | 2 | 7 960 118 | 2 584 039 |
| Total Revenue | | 41 939 619 | 39 777 937 |
| Other income | 3 | 143 150 | 297 809 |
| Total Income | | 42 082 769 | 40 075 746 |
| Administration Expenses | 4 & 5 | (42 395 743) | (38 954 662) |
| Operating Profit/loss | | (312 974) | 1 121 083 |
| Finance Income | 6 | 116 002 | 55 892 |
| Impairment loss on Assets Held for Sale | 8 | (2 596) | (3 511) |
| Finance Costs on Lease Liability | 6 | (1 192 072) | (1 336 190) |
| Total comprehensive loss for the year | | (1 391 639) | (162 725) |

COMPETITION AND CONSUMER AUTHORITY
STATEMENT OF FINANCIAL POSITION
As at 31 March 2024

| ASSETS | Notes | 2024 BWP | 2023 BWP |
|-------------------------------------|-------|-------------------|-------------------|
| Non-Current Assets | | | |
| Plant and Equipment | 7 | 3 884 701 | 1 230 528 |
| Right of Use Assets | 16 | 10 369 458 | 14 640 553 |
| | | 14 254 159 | 15 871 081 |
| Current Assets | | | |
| Assets Held for sale | 8 | 18 874 | 27 643 |
| Receivables and prepayments | 9 | 1 723 024 | 1 700 561 |
| Cash and cash equivalents | 10 | 1 670 814 | 4 070 834 |
| | | 3 412 712 | 5 799 038 |
| Total Assets | | 17 666 871 | 21 670 119 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Reserves | | | |
| Accumulated loss | | (6 622 552) | (5 230 913) |
| LIABILITIES | | | |
| Non-Current Liabilities | | | |
| Deferred capital grant | 18 | 3 484 267 | 556 639 |
| Lease liability | 16 | 13 311 535 | 18 189 293 |
| | | 16 795 802 | 18 745 932 |
| Current Liabilities | | | |
| Trade and other payables | 11 | 1 176 166 | 3 425 085 |
| Employee Benefits Accruals | 12 | 2 832 772 | 1 843 029 |
| Deferred capital grant | 18 | 443 813 | 538 931 |
| Lease liability | 16 | 3 040 869 | 2 348 055 |
| | | 7 493 620 | 8 155 100 |
| Total Liabilities | | 24 289 422 | 26 901 032 |
| Total Equity and Liabilities | | 17 666 871 | 21 670 119 |

COMPETITION AND CONSUMER AUTHORITY
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2024

| | Accumulated Loss BWP | Total BWP |
|---------------------------------------|---------------------------------|----------------------|
| Balance at 1 April 2022 | (5 068 188) | (5 068 188) |
| Total Comprehensive loss for the year | (162 725) | (162 725) |
| Balance at 31 March 2023 | (5 230 913) | (5 230 913) |
| Balance at 1 April 2023 | (5 230 913) | (5 230 913) |
| Total Comprehensive loss for the year | (1 391 639) | (1 391 639) |
| Balance at 31 March 2024 | (6 622 552) | (6 622 552) |

COMPETITION AND CONSUMER AUTHORITY
STATEMENT OF CASH FLOWS
For the year ended 31 March 2024

| CASH FLOWS FROM OPERATING ACTIVITIES: | Notes | 2024 BWP | 2023 BWP |
|---|--------------|---------------------|---------------------|
| Loss for the year | | (1 391 639) | (162 725) |
| Adjustments for:- | | | |
| Finance income | 6 | (116 002) | (55 892) |
| Finance costs | 6 | 1 192 072 | 1 336 190 |
| Profit on disposal of plant and equipment and assets held-for-sale | 3 | (130 682) | (270 836) |
| Armortisation of capital grant | 18 | (443 813) | (538 931) |
| Depreciation of plant and equipment | 7 | 578 771 | 538 931 |
| Impairment of assets held for sale | 8 | 2 596 | 3 511 |
| Depreciation on right of use asset | 16 | 2 756 433 | 2 861 205 |
| Movement in provision for gratuity pay | 12 | 832 538 | 240 994 |
| Movement in provision for leave pay | 12 | 271 620 | 227 644 |
| Movement in provision for leave travel | 12 | (114 416) | 44 082 |
| Cash generated by operations | | 3 437 478 | 4 224 173 |
| Decrease/(Increase) in trade and other receivables | 9 | (22 463) | (549 064) |
| (Decrease)/Increase in trade and other payables | 11 | (2 248 919) | 2 394 146 |
| Net cash flows from operating activities | | 1 166 096 | 6 069 254 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Interest received | 6 | 116 002 | 55 892 |
| Purchase of plant and equipment | 7 | (3 276 321) | (122 083) |
| Proceeds from disposal of plant and equipment | | 180 238 | 494 625 |
| Net cash flows generated from (used in) investing activities | | (2 980 081) | 428 434 |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Capital grant received | 18 | 3 276 321 | 122 083 |
| Payment of lease liabilities | 16 | (3 862 355) | (3 684 245) |
| Net cash flows used in financing activities | | (586 034) | (3 562 162) |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | | (2 400 020) | 2 935 526 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | | 4 070 834 | 1 135 308 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 10 | 1 670 814 | 4 070 834 |

COMPETITION AND CONSUMER AUTHORITY

ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

1. PRESENTATION OF FINANCIAL STATEMENTS

The Annual Financial Statements are presented in Botswana Pula which is the Authority's functional currency. The financial statements have been prepared on a historical cost basis. All values are rounded to the nearest Pula (BWP) except where otherwise indicated.

2. ENTITY INFORMATION

Competition and Consumer Authority (CCA/the Authority) is a parastatal established through the Competition Act No 4 of 2018 and is domiciled in Botswana. The Head Office is situated at Plot 28, Matsitama Road, Main Mall, Gaborone, Botswana. The Authority is responsible for enforcing law on anti-competitive behaviour and take action against businesses for non-compliance.

3. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the financial statements is in conformity with the IFRS, which requires the use of certain critical accounting estimates and judgments concerning the future. Significant judgements in the application of International Financial Reporting Standards are mainly in the areas of assessment of residual values and depreciation rates applied to Plant and Equipment, impairment of assets held for sale and leases. Estimates and judgments are continually evaluated and are based on historical factors coupled with expectations about future events that are considered reasonable. The estimation is based on management's best judgment.

5. PLANT AND EQUIPMENT

All plant and equipment are measured at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is charged so as to write off the cost of the assets over their estimated useful lives, to estimated residual values. Where significant parts of an item have different useful lives to the item itself, these parts are depreciated separately over their estimated useful lives. The methods of depreciation, useful lives and residual values are reviewed annually, with the effect of any change in estimates accounted for prospectively.

The following rates were used during the period to depreciate plant and equipment on a straight line basis to estimated residual values.

| | |
|------------------------|--------|
| Furniture and Fittings | 10-20% |
| Motor Vehicles | 10-20% |
| Computer Equipment | 20-25% |

An item of plant and equipment is derecognised upon disposal, scrapped or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in surplus or deficit in the period the asset is recognised.

COMPETITION AND CONSUMER AUTHORITY

ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

6. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell. The assets are classified as held for sale if their carrying amount will be recovered through a sale transaction. The condition is regarded as having been met only if the sale is highly probable and the asset is available for sale in its present condition. Depreciation for the assets classified as held for sale ceases immediately upon the asset being classified as such.

7. IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Authority assesses whether there is any indication that assets are impaired. If any such indication exists for any asset, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where an asset does not generate cash flows that are largely independent of those of other assets or group of assets, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined by the market values relating to the asset and the related costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount. Impairment losses are recognised in the surplus or deficit in those expense categories consistent with the function of the impaired asset. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating-unit) is increased to the revised estimate of its recoverable amount. This increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in surplus or deficit.

8. REVENUE RECOGNITION

Revenue arising from contracts with customers

Revenue is accounted as per the requirements of IFRS 15: Revenue. Revenue is measured based on the consideration to which the Authority expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue recognition follows a five step model framework as follows:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Merger fees

The threshold for merger notification is satisfied when either the turnover or asset value of the target enterprise is more than BWP10 million or the combined market share of the merging enterprises is 20% or more. It is also required under Regulation 18 (2) that a merger shall be accompanied by a merger fee of 0.01 percent of the merging enterprises' combined turnover or assets in Botswana, whichever is higher. Merger fees are recognised upon approval of the merger.

COMPETITION AND CONSUMER AUTHORITY

ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

8. REVENUE RECOGNITION *(Continued)*

Exemption Fees

Regulation 7 (2) requires that an application for an exemption shall be accompanied by an application fee of 0.01 percent of the applicant's latest turnover. Exemption fees are recognised on an accrual basis. There were no exemption fees received during the current and prior year.

9. OTHER INCOME

Sale of Tender Documents

Tender fees are recognised when payment is received from the bidders. The fees are non-refundable.

Insurance

Insurance claimed against losses covered under the Authority's insurance Policy are recorded upon receipt from the Insurer.

Profit/loss on Disposal of Assets

A gain or loss is recognised as the difference between the disposal proceeds and the carrying value of the asset at the time of disposal.

10. FINANCE INCOME

Interest income is recognised as it accrues (using the effective interest rate). Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

11. RELATED PARTY TRANSACTIONS

The Authority maintains a very close relationship with the Government of Botswana. The Government of Botswana provides significant income to the Authority through operational subventions and capital grants and also has a representation of one member in the Competition and Consumer Board. Transactions directly with Government of Botswana are treated as related party transactions.

Transactions with members of the Competition and Consumer Board and Executive Management are treated as related party transactions.

12. EMPLOYEE BENEFITS

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

COMPETITION AND CONSUMER AUTHORITY

ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

12. EMPLOYEE BENEFITS *(Continued)*

Pension

For eligible permanent and pensionable employees, the Competition and Consumer Authority operates a defined contribution scheme for the employees. Payments to the scheme are charged as an expense to the statement of comprehensive income as they fall due.

Gratuity

For contract employees, the Competition and Consumer Authority pays gratuity in accordance with the respective contracts of employment. Employees have an option to be paid gratuity annually or be deferred and settled at the end of the contract.

Leave Pay

The Competition and Consumer Authority recognises, in full, employees' rights to annual leave entitlement in respect of past service. The recognition is made each year and is calculated based on accrued leave days not utilised during the year. The charge is made to expenses in the Statement of Comprehensive Income and a separate accrual is recognised in the Statement of Financial Position.

13. FINANCIAL INSTRUMENTS

Initial recognition and measurement

Financial instruments recognised on the statement of financial position include cash and cash equivalents, receivables and trade and other payables. Financial instruments are initially measured at fair value, including transaction costs, when the company becomes a party to the contractual arrangements. Financial assets are classified at initial recognition and subsequently measured at amortised cost.

The company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Receivables

Receivables are held by the entity to collect contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. Receivables are therefore classified and subsequently measured at amortised cost, using the Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Cash and cash equivalents

Bank balances and cash in the statement of financial position comprise cash at banks and on hand and short term deposits with an original maturity of three months or less. Cash and cash equivalents are classified and subsequently measured at amortised cost. For the purpose of the cash flow statement, bank balances and cash consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

COMPETITION AND CONSUMER AUTHORITY

ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

13. FINANCIAL INSTRUMENTS *(Continued)*

Impairment of Financial Assets

The entity recognises an allowance for expected credit losses (ECLs) for financial instruments measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For receivables, the entity applies a simplified approach in calculating ECLs. Therefore, management does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. ECLs are based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial assets are written off when there is no reasonable expectation of recovering the contractual cash flows.

Trade and other payables

After initial recognition, trade and other payables are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial asset is derecognised when the rights to receive cash flows from the asset have expired. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

14 PROVISIONS AND CONTINGENCIES

Provisions are recognised when the Competition and Consumer Authority has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are measured at management's best estimate of expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect of the time value of money is material. When discounting is used, the increase in the provision due to the passage of time is recognised as finance costs. Contingent assets and contingent liabilities are not recognised.

COMPETITION AND CONSUMER AUTHORITY

ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

15. TAX

No provision for tax is made as the Authority is exempt from Income Tax.

16. LEASES

Leases are recognised, measured and presented in line with "IFRS 16: Leases". The Authority recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified assets for a period of time.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date of the lease and deferred lease asset amount relating to the lease contract at the beginning of the reporting period. The right-of-use asset is depreciated using the straight line method over the shorter of the asset's useful life and the lease term.

The lease liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate at the date of initial application. Lease payments included in the measurement of the lease liability comprise of the fixed payments. The lease liability is subsequently measured by discounting revised lease payments using the applicable entity's incremental borrowing rate at the date of initial application.

The Authority presents the right-of-use asset separately under Non-current Assets and the lease liability separately under Current and Non-Current Liabilities.

The Right-of-Use Assets are depreciated over the lease period.

| Right-of-Use Asset | Useful life |
|---------------------------|--------------------|
| Buildings | 3 - 6.5 years |

After the commencement date, the Right- of- Use Assets are measured at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any re-measurement of the lease liability.

Leases of low value assets

The Authority has elected not to recognise right of use assets and lease liabilities for leases of low value assets. The Authority recognises lease payments associated with such leases as an expense in the statement of comprehensive income.

17. GOVERNMENT GRANT

Government grants are recognised when there is reasonable assurance that: the Authority will comply with the conditions attaching to them; and the grants will be received.

COMPETITION AND CONSUMER AUTHORITY

ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

17. GOVERNMENT GRANT *(Continued)*

Government grants related to income

These are government grants other than those related to assets. These are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate. A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Authority with no future related costs is recognised as income of the period in which it becomes receivable. When the grant relates to an expense item, it is recognised on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Government grants related to income are presented as income in the statement of comprehensive income.

Government grants related to assets (Capital Grants)

These are grants whose primary condition is that for the Authority to qualify for them, it should purchase, construct or otherwise acquire long-term assets. Subsidiary conditions may also be attached restricting the type or location of the assets or the periods during which they are to be acquired or held. The grants are transferred to the statement of comprehensive income in a manner that represents the economic benefits derived from the usage of such assets. The grant is recognised in statement of comprehensive income over the useful lives of depreciable assets as reduced depreciation expenses.

Deferred income

Grants received in advance or grant received, but not spent for the purpose of which it is received by the end of reporting date is deferred in the statement of financial position. There was no deferred income during the year.

18. NEW STANDARDS AND INTERPRETATIONS

(a) New Standards and Interpretations effective and adopted in the current year.

| Standard/Interpretation | Effective date: Years beginning on or after: | Impact |
|---|--|--|
| Disclosure of Accounting Policies Amendment to IAS 1 and IFRS Practice Statement 2 | 01 January 2023 | The impact on the amendments is not material |
| Definition of Accounting Estimates: Amendment to IAS 8 | 01 January 2023 | The impact on the amendments is not material |
| Deferred Tax related to assets and liabilities arising from a single transaction-Amendments to IAS 12 | 01 January 2023 | The impact on the amendments is not material |

COMPETITION AND CONSUMER AUTHORITY

ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

18. NEW STANDARDS AND INTERPRETATIONS *(Continued)*

Disclosure of Accounting Policies-Ammendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued ammendments to IAS 1, which change the disclosure requirements with respect to accounting policies issued from Significant accounting policies' to material accounting policy information. The ammendments provide guidance on when accounting policy information is likely to be considered material. The ammendments to IAS 1 are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted. As IFRS Practice Statements are non-mandatory guidance, no mandatory effective date has been specified for the ammendments to IFRS Practice Statement 2.

Definition of Accounting Estimates-Ammendments to IAS 8

In February 2021, the IASB issued ammendments to IAS, in which it introduces a definition of accounting estimates'. The ammendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurements techniques and inputs to develop accounting estimates.

The ammendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

b) New Statndards and Interpretations Issued but not effective

The new and ammended standards and interpretations that are issued, but not yet effective, up to the date of the issuance of the Authority's financial statements are disclosed below. CCA intends to adopt these and amend standards and interpretations, if applicable.

| Standard/Interpretation | Effective date: Years beginning on or after: | Impact |
|--|--|---|
| Supplier Finance Arrangemets Ammendment to IAS 7 and IFRS 7 | 01 January 2024 | The impact on the ammendments is not material |
| Lease Liability in a Sale and Leaseback Ammendment to IFRS 16 | 01 January 2024 | The impact on the ammendments is not material |
| Classification of Liabilities as Current or Non-Current Ammendment to IAS 1 | 01 January 2024 | The impact on the ammendments is not material |
| Ammendment-Non Current Liabilities with Covenants Ammendment to IAS 1 | 02 January 2027 | The impact on the ammendments is not material |
| Presentation and Disclosure in Financial Statements: IFRS 18 | 03 January 2024 | The impact on the ammendments is not material |

COMPETITION AND CONSUMER AUTHORITY

ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

18. NEW STANDARDS AND INTERPRETATIONS *(Continued)*

New and Amended Standards and Interpretations

Supplier Finance Arrangements - Amendment to IAS 7 and IFRS 7

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (the Amendments).

These Amendments arose as a result of a submission received by the IFRS Interpretations Committee (the Committee) about the presentation requirements for liabilities and associated cash flows arising out of supply chain financing arrangements and related disclosures. In December 2020, the Committee published an Agenda Decision Supply Chain Financing Arrangements-Reverse Factoring that addressed this submission based on the requirements in IFRS Accounting Standards existing at that time. The Amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The Amendments also provide guidance on characteristics of supplier finance arrangements.

The amendments are not expected to have a material impact on CCA.

Presentation and Disclosure in Financial Statements - IFRS 18

In April 2024 the IASB issued a new IFRS Accounting Standard to improve reporting of financial performance. IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements. IFRS 18 aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, but companies can apply it earlier. Changes in companies' reporting resulting from IFRS 18 will depend on their current reporting practices and IT systems.

The amendments are not expected to have a material impact on CCA.

Lease Liability in a Sale and Leaseback - Amendment to IFRS 16

The IFRS Interpretations Committee issued an agenda decision in June 2020 – Sale and leaseback with Variable Payments. This matter was referred to the IASB for standard setting for some aspects. The IASB issued the final amendments in September 2022. The Amendments provide a requirement for the seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

The amendments are not expected to have a material impact on CCA.

COMPETITION AND CONSUMER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

| | 2024 BWP | 2023 BWP |
|---|-------------------|-------------------|
| 1. GOVERNMENT SUBVENTION | | |
| Revenue/subvention received from the Government of Botswana | 33 400 730 | 36 654 967 |
| Armotisation of capital grant note 18 | 578 771 | 538 931 |
| Total Government subvention received | 33 979 501 | 37 193 898 |
| Amount recognised as income includes amortisation of grants received to fund capital expenditure. | | |
| There were no unfulfilled conditions or contingencies attached to these income and capital grants. | | |
| 2. REVENUE ARISING FROM CONTRACTS WITH CUSTOMERS | | |
| Regulation 16 (2) stipulates that a merger application shall be accompanied by a merger fee of 0.01 percent of the merging enterprises' combined turnover or assets in Botswana, whichever is higher. The basis of recognition is disclosed in Accounting Policy note 8. The revenue is recognised on completion of assessment of a merger. | 7 960 118 | 2 584 039 |
| 3. OTHER INCOME | | |
| Sale of tender documents | 12 050 | 14 500 |
| Bidders are required to pay for the tender documents upon collection. There are no contractual obligations around tender fees and the fees are non-refundable. | | |
| Sundry income | 419 | 12 473 |
| Profit on disposal of assets | 130 682 | 270 836 |
| This is profit made from the sale of non-current assets | 143 150 | 297 809 |
| 4. STAFF COSTS | | |
| Salaries and wages | 19 245 695 | 17 251 327 |
| Allowances and benefits | 3 666 628 | 3 428 409 |
| Pension fund contributions | 2 167 506 | 1 989 902 |
| Medical aid and uniforms | 1 390 866 | 1 344 646 |
| Contract gratuity, severance and leave pay | 2 414 739 | 2 036 708 |
| | 28 885 435 | 26 050 992 |

COMPETITION AND CONSUMER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

| | | 2024 BWP | 2023 BWP |
|--|--------|---------------------|---------------------|
| 5. ADMINISTRATION EXPENSES | | | |
| Advertising and Publicity | | 914 374 | 868 039 |
| Competition and Consumer Board sitting allowances | | 404 100 | 507 150 |
| Competition and Consumer Board training and related expenses | | 258 116 | 231 601 |
| External audit fees | | 256 773 | 331 237 |
| Internal audit fees | | - | 248 199 |
| Bank charges | | 15 185 | 21 385 |
| Depreciation | 7 & 18 | 713 730 | 538 931 |
| Insurance | | 439 856 | 392 682 |
| Cleaning expenses | | 268 221 | 317 579 |
| Printing and stationery | | 449 684 | 498 283 |
| Merger related costs | | 91 880 | 78 038 |
| Information technology and related services costs | | 977 623 | 698 582 |
| Workshop and seminars | | 19 715 | 242 105 |
| Staff training | | 374 207 | 400 154 |
| Staff welfare and social activities | | 352 362 | 409 840 |
| Utilities | | 1 401 798 | 1 492 095 |
| Vehicle Expenses | | 172 144 | 257 600 |
| Legal expenses | | 1 221 851 | 279 030 |
| Recruitment expenses | | 164 993 | 367 048 |
| Repairs and maintenance | | 458 530 | 182 765 |
| Security services | | 135 727 | 123 342 |
| Subscriptions to professional bodies | | 98 593 | 42 131 |
| Office refreshments and utensils | | 165 779 | 76 870 |
| Travel and accommodation | | 764 980 | 1 061 452 |
| Depreciation on right of use asset | 16 | 2 756 433 | 2 861 205 |
| Consultancy Costs | | 633 652 | 306 393 |
| Provision for Doubtful debt | | - | 69 937 |
| | | 13 510 308 | 12 903 669 |

COMPETITION AND CONSUMER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

| | | | 2024 BWP | 2023 BWP |
|------------------------------------|-------------------------------|--------------------------|------------------------------|--------------|
| 6 FINANCE INCOME AND COSTS | | | | |
| 6.1 Finance Income | | | | |
| Interest income from bank deposits | | | 116 002 | 55 892 |
| 6.2 Finance Costs | | | | |
| Lease Liabilities | | | 1 192 012 | 1 336 190 |
| 7 PLANT AND EQUIPMENT | | | | |
| | Furniture& Fittings BWP | Motor Vehicles BWP | Computer Equipment BWP | Total BWP |
| 2024 COST | | | | |
| At 31 March 2023 | 3 444 552 | 1 815 847 | 5 327 495 | 10 587 894 |
| Additions for the period | 728 829 | 1 266 784 | 1 280 708 | 3 276 321 |
| Disposals | (73 390) | (381 911) | (412 632) | (867 933) |
| Reclassified from Held for Sale | 195 400 | - | - | 195 400 |
| Reclassified as Held for Sale | (241 410) | - | (189 889) | (431 299) |
| At 31 March 2024 | 4 053 981 | 2 700 720 | 6 005 682 | 12 760 383 |
| ACCUMULATED DEPRECIATION | | | | |
| At 31 March 2023 | 3 051 880 | 1 536 920 | 4 768 566 | 9 357 366 |
| Depreciation | 134 775 | 156 749 | 287 247 | 578 771 |
| Depreciation on Disposals | (64 401) | (381 911) | (372 070) | (818 382) |
| Reclassified from Held for Sale | 164 246 | - | - | 164 246 |
| Reclassified as Held for Sale | (233 966) | - | (172 353) | (406 319) |
| At 31 March 2024 | 3 052 534 | 1 311 758 | 4 511 390 | 8 875 682 |
| CARRYING AMOUNT | | | | |
| At 31 March 2024 | 1 001 447 | 1 388 962 | 1 494 292 | 3 884 701 |
| | Furniture& Fittings BWP | Motor Vehicles BWP | Computer Equipment BWP | Total BWP |
| 2023 COST | | | | |
| At 31 March 2022 | 3 927 589 | 2 526 207 | 5 222 422 | 11 676 218 |
| Additions for the period | 17 010 | - | 105 073 | 122 083 |
| Disposals | (304 647) | (710 360) | - | (1 015 007) |
| Reclassified as Held for Sale | (195 400) | - | - | (195 400) |
| At 31 March 2023 | 3 444 552 | 1 815 847 | 5 327 495 | 10 587 894 |
| ACCUMULATED DEPRECIATION | | | | |
| At 31 March 2022 | 3 281 568 | 1 971 307 | 4 521 024 | 9 773 899 |
| Depreciation | 193 006 | 98 383 | 247 542 | 538 932 |
| Depreciation on Disposals | (258 448) | (532 770) | - | (791 218) |
| Reclassified as Held for Sale | (164 246) | - | - | (164 246) |
| At 31 March 2023 | 3 051 880 | 1 536 920 | 4 768 566 | 9 357 366 |
| CARRYING AMOUNT | | | | |
| AT 31 MARCH 2023 | 392 672 | 278 927 | 558 929 | 1 230 528 |

COMPETITION AND CONSUMER AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

8 ASSETS HELD FOR SALE

As at year end, the Authority held assets which were approved for sale in their current condition but were not yet disposed as at year end. The assets were classified as "non-current assets held for sale" on 13th December 2022 on approval of the sale. Another batch was approved for disposal on the 21st December 2023. As at 31st March 2024, the assets were still in the process of being disposed. The sale process is expected to be completed within one year. The assets have been remeasured and are now carried at the lower of their carrying amount or fair value less cost to sell, Fair value less cost to sell has been determined as the amount as advised by a professional valuer. An impairment loss has been recognised for assets whose fair value was lower than the carrying amount and have not been depreciated after recognition as "held for sale".

| | 2024 BWP | 2023 BWP |
|--|------------------|------------------|
| Balance at beginning of the year | 27 643 | - |
| Transferred from plant and equipment | 244 546 | 195 400 |
| Depreciation charged for the year before classification as held for sale | (242 072) | (164 246) |
| Balance transferred from plant and equipment | 30 117 | 31 154 |
| Impairment on reclassification | (2 596) | (3 511) |
| Assets sold | (8 647) | - |
| Carrying amount classified to held for sale | 18 874 | 27 643 |
| 9 RECEIVABLES AND PREPAYMENTS | | |
| Receivables-Deposits | 249 983 | 231 655 |
| Staff receivables | 488 728 | 251 740 |
| Allowance for credit losses | (18 897) | (18 897) |
| | 719 814 | 464 498 |
| Prepayments | 1 054 250 | 1 287 103 |
| Allowance for credit losses | (51 040) | (51 040) |
| | 1 723 024 | 1 700 561 |
| Staff receivables are for salary advances recovered over Six months and Twenty Four months for training advance. Staff advances do not attract any interest. Receivables were evaluated for impairment. A prepayment of P51 040 was made to a supplier who failed to deliver and the amount receivable has been classified as a doubtful debt. Amounts receivable from employees are recoverable through payroll deductions. | | |
| Receivables - Deposits consists of rental and utilities deposits. Prepayments mainly consists of rental, licences and insurance paid for in advance. | | |
| Reconciliation of allowance for credit losses | | |
| Opening balance | (69 937) | - |
| Provision raised during the year | - | (69 937) |
| Closing balance | (69 937) | (69 937) |

A provision for doubtful debts was raised for amounts due to the Authority for more than 12 months.

COMPETITION AND CONSUMER AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

| | 2024 BWP | 2023 BWP |
|--------------------------------------|------------------|------------------|
| 10. CASH AND CASH EQUIVALENTS | | |
| Call | 1 196 075 | 4 014 541 |
| Current | 468 545 | 51 243 |
| Cash in hand | 6 194 | 5 050 |
| | 1 670 814 | 4 070 834 |

A sweeping arrangement is in place between the current and the call accounts held with Standard Chartered Bank.

| | | |
|-------------------------------------|------------------|------------------|
| 11. TRADE AND OTHER PAYABLES | | |
| Trade Payables and Accruals | 715 164 | 293 232 |
| Provision External Audit Fees | 254 314 | 330 600 |
| Merger Fees Advance and Refunds | 206 688 | 2 801 253 |
| | 1 176 166 | 3 425 085 |

Accruals are non-interest bearing and have an average term of three months. Accruals were booked in for the services rendered that was paid after year end. Audit fee provision is based on the terms of the engagement letter. It is payable in stages with the last payment due on delivery of the signed audit report. Merger fees advance refers to merger fees received on notification which remains payable until completion of the assessment of a merger. When a merger has gone through assessment stage, the fees are recognised as revenue.

COMPETITION AND CONSUMER AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

| | 2024 BWP | 2023 BWP |
|---------------------------------------|------------------|------------------|
| 12. EMPLOYEE BENEFITS ACCRUALS | | |
| 12.1 Gratuity | | |
| Opening balance | 763 428 | 522 434 |
| Raised during the period | 1 229 455 | 1 006 165 |
| Paid during the period | (396 917) | (765 171) |
| Closing Balance | 1 595 966 | 763 428 |
| 12.2 Leave - Annual | | |
| Opening balance | 921 644 | 694 000 |
| Raised during the period | 1 185 284 | 1 029 343 |
| Paid during the period | (913 665) | (801 699) |
| Closing Balance | 1 193 264 | 921 644 |
| 12.3 Leave - Travel | | |
| Opening balance | 157 957 | 113 875 |
| Raised during the period | 67 625 | 68 082 |
| Adjustment | (86 040) | - |
| Paid during the period | (96 000) | (24 000) |
| Closing Balance | 43 542 | 157 957 |
| | 2 832 772 | 1 843 029 |

Total accruals relate to gratuity, leave and leave travel as at the reporting date. The gratuity accrual is calculated in accordance with the respective contracts of employment. Under contract employment, there is an option to pay the gratuity on an annual basis. Leave accrual is calculated based on accrued leave days not taken during the period, while leave travel is a contractual benefit payable to employees including their beneficiaries. Leave travel is paid after every two years of service. The adjustment under leave travel relates to correction of overstated accrual accumulated in previous years and change in the number of dependents.

COMPETITION AND CONSUMER AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

13. FINANCIAL INSTRUMENTS

The accounting classification of each category of financial instruments and their carrying amounts are as follows:

| | Note | Financial Assets at amortised cost BWP | Financial liabilities at amortised BWP | Total carrying amount BWP |
|---------------------------|------|--|---|---------------------------------|
| 2024 | | | | |
| Receivables | 9 | 719 814 | - | 719 814 |
| Cash and cash equivalents | 10 | 1 670 814 | - | 1 670 814 |
| Trade and other payables | 11 | - | 1 176 166 | 1 176 166 |
| | | 2 390 629 | 1 176 166 | 3 566 794 |

| | | Financial Assets at amortised cost | Financial liabilities at amortised cost | Total carrying amount |
|---------------------------|----|---------------------------------------|--|--------------------------|
| 2023 | | | | |
| Receivables | 9 | 464 498 | - | 464 498 |
| Cash and cash equivalents | 10 | 4 070 834 | - | 4 070 834 |
| Trade and other payables | 11 | - | 3 425 085 | 3 425 085 |
| | | 4 535 332 | 3 425 085 | 7 960 417 |

Financial risk management objectives and policies

The main risks arising from the Competition and Consumer Authority's financial instruments are interest rate risk, credit risk and liquidity risk. The Competition and Consumer Authority does not hold any derivative financial instruments.

Credit Risk

The Competition and Consumer Authority has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk is the risk that the regulated and supervised institutions and other counterparties will not be able or willing to pay or fulfil their obligations in accordance with the Competition Act. The Authority is exposed to credit risk through its cash balances and staff advances. All cash and cash equivalents are placed with financial institutions registered in Botswana.

The maximum exposure to credit risk is represented by the carrying amount of cash and cash equivalents, as shown in the Statement of Financial Position. Credit risk on staff debtors is managed through recoveries from terminal benefits in accordance with the contractual terms and conditions of employment.

COMPETITION AND CONSUMER AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

13. FINANCIAL INSTRUMENTS *(Continued)*

Significant Concentration of Credit Risk

Financial assets that potentially subject the Competition and Consumer Authority to concentrations of credit risk consist primarily of cash and cash equivalents, as well as accounts receivable. Cash and cash equivalents are placed with reputable financial institutions in the normal course of trading. The Competition and Consumer Authority does not engage in any other investment portfolios. Expertise and controls have been put in place to manage credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Financial instruments that are sensitive to interest rate risk are bank balances and cash (refer note 9). The Competition and Consumer Authority does not have long-term significant interest bearing assets. Since the Competition and Consumer Authority receives funds from Government on a quarterly basis, which are linked to expenditure, it does not engage in long-term investments which attract significant interest rates. The Authority also monitors instructions from the Central Bank on issues relating to interest rate trends.

Interest rates on call deposits ranged from 0.25% and 0.50%.

The following sensitivity analysis is measured on cash balance against possible changes in interest rates with all other variables held constant:

| 2024 | Increase / decrease in basis points | Effect on Surplus or deficit and equity |
|------|---|--|
| Pula | +100 | 120 |
| Pula | -100 | -120 |

| 2023 | Increase / decrease in basis points | Effect on Surplus or deficit and equity |
|------|---|--|
| Pula | +100 | 106 |
| Pula | -100 | -106 |

Liquidity Risk

The Competition and Consumer Authority's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, without incurring losses or risking damage to the its reputation.

The ultimate responsibility for liquidity risk management rests with the Competition and Consumer Board, which has established appropriate liquidity risk management procedures for the management of the Competition and Consumer Authority's funding and liquidity management requirements. The

COMPETITION AND CONSUMER AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

14. RELATED PARTY TRANSACTIONS

The Competition and Consumer Authority was set up by the Competition Act, 2018 and is a parastatal of the Republic of Botswana. All related party transactions and balances are non-interest bearing and un-secured. There are no guarantees for transactions with related parties. Transactions with related parties are on agreed terms and conditions. The following transactions were carried out with related

Relationships

Owner with control of entity
Members of Competition and Consumer Board

Government of Botswana
Refer to General Information Page

| | Note | 2024 BWP | 2023 BWP |
|---|------|------------------|------------------|
| Subvention Received | | | |
| Government of Botswana | 1 | 33 979 501 | 37 193 898 |
| Competition and Consumer Board Expenses | | | |
| Competition and Consumer Board Expenses for the year amounted to BWP662 216 (2023: BW738 751). | | | |
| Compensation Paid to Key Management Personnel of the Authority | | | |
| Key Management personnel of the Authority comprises the Chief Executive Officer and Directors who are responsible for the strategic direction of the Authority. | | | |
| Short term benefits | | | |
| Basic salaries and allowances | | 6 801 577 | 5 527 838 |
| Rental for CEO's official residence | | 403 423 | 443 142 |
| | | 7 205 000 | 5 970 980 |
| Post Employment Benefits | | | |
| Gratuity | | 1 229 455 | 1 006 165 |
| Total employee benefits | | 8 434 454 | 6 977 145 |
| The salaries, allowances and other benefits for financial year 2022/23 did not include leave encashment and gratuity payments. | | | |
| Key management personnel are also provided with staff advances under the terms applicable to all staff. | | | |
| | | 2024 BWP | 2023 BWP |
| Staff Advances | | | |
| Salary advance | | 79 768 | 53 520 |
| Total Staff Advances | | 79 768 | 53 520 |

There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2024, the Competition and Consumer Authority has not recorded any impairment of receivables relating to amounts owed by related parties (2023: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

COMPETITION AND CONSUMER AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

15 TAXATION

No provision for taxation is required as the Competition and Consumer Authority is exempt from taxation in terms of the Second Schedule of the Income Tax Act (CAP 52:01).

16 LEASES

(Authority as Lessee)

| | 2024 BWP | 2023 BWP |
|--|-------------------|-------------------|
| 16.1 Right-of-use assets | | |
| Opening balance 1 April 2023 | 14 640 553 | 16 203 551 |
| Depreciation | (2 756 520) | (2 861 205) |
| Lease Modification | (3 300 210) | - |
| Additions | 1 785 548 | 1 298 207 |
| Closing balance 31 March 2024 | 10 369 458 | 14 640 553 |
| 16.2 Lease liability | | |
| Opening balance 1 April 2023 | 20 537 348 | 21 587 196 |
| Add: Interest | 1 192 073 | 1 336 191 |
| Less: Payments | (3 862 355) | (3 684 246) |
| Lease Modification | (3 300 210) | - |
| Additions | 1 785 548 | 1 298 207 |
| Closing balance 31 March 2024 | 16 352 404 | 20 537 348 |
| Maturity analysis - contractual undiscounted cash flows | | |
| Within 1 year | 3 988 062 | 4 206 272 |
| Two to five years | 14 900 004 | 20 390 530 |
| Total undiscounted lease liabilities at 31 March 2024 | 18 888 066 | 24 596 803 |
| Less: Total finance cost allocated to future periods | (2 535 662) | (4 059 455) |
| Lease liability at 31 March 2024 | 16 352 404 | 20 537 348 |
| Current portion | 3 040 869 | 2 348 055 |
| Non-current portion | 13 311 535 | 18 189 293 |
| | 16 352 404 | 20 537 348 |
| Amounts recognised in Profit or loss | | |
| Finance cost on lease liability | 1 192 072 | 1 336 190 |
| Depreciation relating to right-of-use assets | 2 756 520 | 2 861 205 |
| Amounts recognised against lease liability | | |
| Total cash outflow for leases | 3 862 355 | 3 684 245 |
| Principal amount paid | 2 670 283 | 2 348 055 |

COMPETITION AND CONSUMER AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

16 LEASES *(Continued)*

16.3 Lease Modifications

During the Financial Year 2023/24, the Gaborone office lease was renewed with no escalation for the first year i.e maintained at previous lease rate hence rental being maintained at P270 092.19 from October 2023. There was no other change to the lease terms. The change in the monthly payment was considered a lease modification as it was already anticipated that there will be a rent increase on renewal.

Another new lease for a residential property was signed at a lower rental than at the previous residence resulting in the write off of the lease liability and Right-of-use. The change in the rental is a lease modification.

The table below sets out the closing Lease Liability and Right-of-Use Asset before and after the change in consideration terms.

Office lease

| | 30 September 2023 | 01 October 2023 | Variance |
|--------------------|-------------------|-----------------|-----------|
| Lease liability | 18 401 490 | 15 518 234 | 2 883 256 |
| Right-of-Use Asset | 2 326 183 | 9 442 927 | 2 883 256 |

| | 31 August 2023 | 01 May 2023 | Variance |
|--------------------|----------------|-------------|----------|
| Lease liability | 948 956 | 532 002 | 416 954 |
| Right-of-Use Asset | 901 532 | 484 578 | 416 954 |

The reduced monthly rental resulted in a decrease in the Lease Liability and corresponding Right-of-Use Asset.

17. COMMITMENTS AND CONTINGENCIES

17.1 Capital Commitments

As at 31 March 2024, the Competition and Consumer Authority had no capital commitments (2023: Nil).

There were no other commitments already made at the end of the reporting period.

17.2 Guarantees

The Competition and Consumer Authority does not have guarantees on employee loans.

COMPETITION AND CONSUMER AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

18 DEFERRED CAPITAL GRANT

| | 2024 BWP | 2023 BWP |
|---|------------------|------------------|
| Opening balance | | |
| Received during the year | 1 095 570 | 1 512 418 |
| Amortisation of Capital Grants | 3 276 321 | 122 083 |
| Prior year adjustment | (578 771) | (538 931) |
| Closing balance | 134 958 | - |
| | 3 928 078 | 1 095 570 |
| Prior year adjustment relates to an unexplained difference in the capital grant account which is attributed to takeon balances in previous years. The amount has over the years been disclosed as an immaterial uncorrected misstatement. | | |
| 18.1 Classification Of Capital Grants | | |
| Current | 443 813 | 538 931 |
| Non-Current | 3 484 265 | 556 639 |
| | 3 928 078 | 1 095 570 |

The government of Botswana provides capital grants to the Authority to finance the purchase of Plant and Equipment and intangible assets. The grants are transferred to the statement of comprehensive income in a manner that represents the economic benefits derived from the usage of such assets.

19. EVENTS AFTER THE REPORTING DATE

There were no material events that occurred after the reporting date and up to the date of this report which would require adjustments to the financial statements.

20. GOING CONCERN

The Authority incurred a net loss of P1 391 639 (2023: P162 725) for the year ended 31 March 2024 and as of this date the total liabilities exceeded total assets by P6 622 552 (2023: P 5 230 913). Current liabilities exceeded current assets by P4 080 908 (2023: P2 356 062). These factors indicate the existence of doubt on the going concern status of the Authority. However, the Authority has received a letter of support from the Government of Botswana through the Ministry of Trade and Industry confirming financial support for the next financial year.

At the current funding levels, the Authority has not been able to fully implement its Strategic Plan, with almost all the subvention received from the government being eroded by committed costs. Engagements are therefore ongoing between the Board of Directors and the Ministry regarding additional funding to ensure the Authority effectively executes its mandate. In addition, the Authority put in place stringent cost saving measures to manage operations and continuously ensures that expenditure is aligned to budget.

In making an assessment of the going concern status of the entity, the Directors have considered the letter of support from the government which confirms that the Government of Botswana through the Ministry of Trade and Industry, will continue to provide financial support to the Competition and Consumer Authority for the next 12 months from the date of signing of the financial statements in order for the Authority to continue as a going concern. The cash flow forecast for the 12 month period which was prepared based on requested funding for financial year 2025/26 as guided by government, indicates consistent cash inflow for the entity. Based on the foregoing, the financial statements have been prepared on a going concern basis.

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