

Closure of investigation on alleged anti-competitive conduct involving price fixing agreements among driving schools in the Province of Cebu

Industry	:	Provision of Theoretical Driving Course (“TDC”) and Practical Driving Course (“PDC”) in the Province of Cebu
Case Reference	:	CEO-21-0096-FAI
Case Closed	:	09 October 2025
Issue(s)	:	Possible anti-competitive conduct involving price fixing agreements among driving schools in the Province of Cebu
Relevant Provision(s)	:	Section 14(a)(1) of the Philippine Competition Act

I. Background

1. On 15 September 2021, the Philippine Competition Commission (PCC) received a report alleging that driving schools in the province of Cebu agreed to implement a uniform rate of Php 3,000.00 each for Theoretical Driving Course (“TDC”) and Practical Driving Course (“PDC”) Code 1.
2. During Initial Assessment (“IA”), the Case Team conducted activities to verify the allegations. It was found that several driving schools implemented an agreed uniform price of Php3,000.00 as early as 10 September 2021. Moreover, it was found that two (2) price-fixing agreements were separately entered into in September 2021 and July 2022.
3. On 23 August 2022, the Commission resolved to open a motu proprio Preliminary Inquiry (“PI”) on the possible anti-competitive conduct involving price fixing agreements among driving schools in the province of Cebu.
4. During PI, the Enforcement Office found that:
 - 5.1. On the 2021 Agreement, the driving schools agreed sometime in September 2021 to fix the price of the price of TDC and PDC Code 1 at minimum rate of Php3,000.00 each effective 13 September 2021.
 - 5.2. On the 2022 Agreement, the driving schools agreed on 25 June 2022 to fix the price of TDC and PDC effective 01 July 2022. The 2022 Agreement set the minimum price of TDC and PDC as follows:

- 5.2.1. TDC – Php3,000.00;
- 5.2.2. PDC Code 1 – Php3,000.00;
- 5.2.3. Code 2 – Php6,000; and
- 5.2.4. Code 1 and 2 – Php7,500.

- 5. On 17 November 2022, the Enforcement Office proceeded with the conduct of Full Administrative Investigation (“FAI”) and considered, among others, pursuing non-adversarial remedies, e.g. show cause order (“SCO”), for expeditious resolution of the case, without prejudice to the filing of a statement of objection.

II. Findings

- 6. During the FAI, several driving schools were identified to have been possibly involved in the 2021 and/or 2022 Agreements.
- 7. On 13 January 2023, the Enforcement Office issued Show Cause Orders (SCO) to ten driving schools, pursuant to Section 37(b) of the Philippine Competition Act (PCA) and Sections 3.10 and 3.13 of the 2017 Rules of Procedure (“Rules”) of the PCC. The SCOs ordered the driving schools to explain writing the conduct described therein:

First Conduct: In September 2021, several driving schools operating in the Province of Cebu agreed to fix the price of TDC and PDC Code 1 at the rate of Php 3,000.00, effective 13 September 2021, in violation of Section 14(a)(1) of the PCA.

Second Conduct: On 25 June 2022, several driving schools operating in the Province of Cebu agreed to fix the price of TDC and PDC, effective 01 July 2022, at the following rates, in violation of Section 14(a)(1) of the PCA:

- 1. TDC – Php 3,000.00;
- 2. PDC Code 1 – Php 3,000.00;
- 3. PDC Code 2 – Php 6,000.00; and
- 4. PDC Codes 1 and 2 – Php 7,500.00.

- 8. Thereafter, show cause conferences were conducted.
- 9. On various dates, the ten driving schools submitted their respective written proposals to address the conduct. Further negotiations and revisions ensued, pursuant to the recommendations of the Enforcement Office as well as the directives of the Commission.
- 10. On various dates, the Enforcement Office received Commission Resolutions dated 04 April 2024, 14 March 2024, 20 June 2024, 15 May 2024, 06 June

2024, 01 August 2024, 08 August 2024, 10 December 2024, and 03 April 2025, accepting and approving the respective Written Proposals of the ten driving schools.

11. On 09 October 2025, the Enforcement Office resolved to terminate the FAI pursuant to Sections 3.14 and 3.16 of the 2017 Rules of Procedure of the PCC, following the recommendation of the FAI Team upon the Commission's approval of the written proposals of the driving schools, without prejudice to any other investigation with respect to the same or other possible violations of the PCA and other competition laws.
12. The Enforcement Office will monitor compliance with the commitments detailed in the respective Written Proposals.

III. Conclusion

13. In view of the findings above, the Enforcement Office formally closed its investigation on 09 October 2025 or within three months from the Enforcement Office's receipt of the last Commission Resolution dated 03 April 2025 on 11 July 2025, approving the relevant written proposals.
14. Nonetheless, in accordance with Section 2.13 of the 2017 Rules of Procedure of the PCC, closure of the FAI shall be without prejudice to the conduct of another inquiry or investigation if the circumstances so warrant.
15. The foregoing findings are based solely on the facts and circumstances of this investigation and relevant only to the particular issues examined herein.