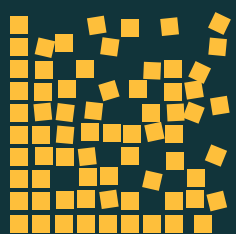


EUR 14 million

1 euro invested in the work of Konkurencijos taryba brought 6.3 euros of expected benefits.

direct average annual benefits for consumers in 2017–2019.



COMPETITION COUNCIL
OF THE REPUBLIC OF LITHUANIA

2019

SHORT ANNUAL REPORT: facts and numbers

Amendments to the Law on Competition:

- persons who provide evidence enabling Konkurencijos taryba to detect anti-competitive agreements can expect to receive a remuneration of up to **EUR 100,000**;

- in order to seek the termination of a competition law breach, Konkurencijos taryba is entitled to oblige an infringer to **change the structure** of a company, e.g. sell a part of it;

- infringers **are obliged to pay fines** or provide a financial guarantee proving that the fine will be paid, without waiting for the final court rulings regarding the appealed decisions of Konkurencijos taryba;

- lawmakers are obliged to assess **the impact that their draft legal acts may have on competition.**



We identified 4 infringements of the Law on Competition:

- companies *Pasvalio melioracija, Jadrana, Panevėžio melioracija* and *Biržų ranga* concluded a bid-rigging cartel in 25 public tenders for street and road repair and land melioration works;

- firms belonging to the group of companies *City Service SE* concluded a cartel agreement with their competitor *Naujininkų ūkis* in the public tender of cemetery maintenance services organised by Vilnius City Municipality. The companies agreed to rig bids, including bid prices;

- *Būsto aplinka* and *Mano Būsto priežiūra* were found guilty of obstructing the authority's officials in carrying out inspection and obtaining documents relevant for the investigation;

- Vilnius City Municipality was found to have granted privileges to its municipal company by entrusting it with the provision of swimming pool services, which resulted in market distortions.

We examined **394 draft legal acts and submitted comments regarding 116** of them:



in response to the authority's expressed concerns that granting **exclusive rights** to *Lietuvos paštas* to deliver social allowances to the Lithuanian residents could breach the principle of fair competition, the Seimas refused to change the existing regulation. Private companies will still be able to provide the aforementioned services if they ensure better competitive conditions than *Lietuvos paštas*;



the Seimas cancelled the draft of the Retail Tax Law, which we recommended to submit to the European Commission to evaluate whether the taxes envisaged only for a certain group of market players could be qualified as **state aid**;



the authority submitted conclusions to the Government that amendments to the timber trade procedure, which would favor certain groups of undertakings, **may restrict effective competition**;



Konkurencijos taryba, together with the Public Procurement Office and the Special Investigation Service, proposed to preserve the existing regulation of **in-house contracts**, ensuring effective competition, however, the Seimas decided that local authorities are allowed to authorise municipal companies to provide certain services without organising a public tender.



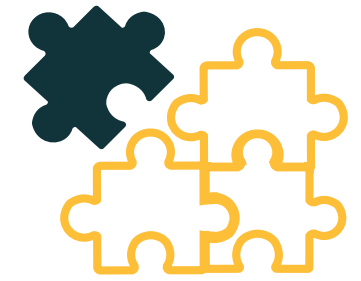
We announced that the **commitments proposed and assumed by *Lietuvos paštas***, i. e. to inform other postal service providers about any pricing changes in advance and avoid creating obstacles to its competitors operating in the same market, are appropriate and sufficient to eliminate competition concerns, therefore, the investigation into a suspected abuse of a dominant position was terminated.

Companies owning retail chains were fined for unfair commercial practices towards food and drink suppliers: *Norfos mažmena, Rivona* and *Maxima LT* were found to have obliged food and drink suppliers to pay particular fees for sales promotion, which were not agreed upon in writing. Suppliers were obliged to pay the fees irrespective of whether the promotion activities were undertaken or not.



The Law on the Prohibition of Unfair Practices of Retailers has been updated by expanding the list of unfair practices applicable to major retailers and granting more powers to Konkurencijos taryba. The Law stipulates that retail companies shall not:

- ask commercial discounts or any other type of remuneration from the suppliers if this has not been agreed upon in writing;
- impose adverse measures on the suppliers that have informed Konkurencijos taryba or court about unfair practices exercised by the retailer.



We **cleared 22 mergers**.

After the merging parties received preliminary conclusions from Konkurencijos taryba stating that the intended acquisition of 100 per cent of **SPLIUS** shares and sole control by **Cgates** would lead to a significant restriction of competition in the relevant market, *Cgates*, which provides Internet access, television retransmission and telephony services, **abandoned its plans to implement the transaction**.



From 1 May 2019, after the amendments to the Law on Advertising entered into force, the authority transferred its functions relating to the supervision of misleading and comparative advertising to the State Consumer Rights Protection Authority. By then the authority had identified **5 infringements of the Law on Advertising** and evaluated **201 advertisements**. Having received **69 warnings** from Konkurencijos taryba, companies changed allegedly misleading advertisements or stopped their dissemination.

The courts upheld **93 per cent of the authority's decisions and requests.**

Most important of them:

- companies *Ecoservice* and *Marijampolės švara* were legitimately fined for bid-rigging in the public tender for municipal waste collection and transportation services;
- *Žagarės inžinerija* and *Rovaltra* rigged their bids in the public procurement for the purchase of technical equipment and agreed in advance on the winner of the tender;
- the court restricted the right of the managers of *Media medis* and *Ministerium* to occupy managerial positions and imposed fines for their involvement in a cartel.



Fines imposed
 **EUR 2,660,480**


EUR 1,390,000 – for anti-competitive agreements,

EUR 1,074,416 – for the obstruction of an investigation,

EUR 123,600 – for unfair commercial practices by major retailers against suppliers,

EUR 40,964 – for the infringements of the Law on Advertising,

EUR 31,500 – for anti-competitive decisions by municipalities.

 **EUR 400,825.38 –**

the total amount of fines paid by the infringers in 2019.

For five consecutive years antitrust and competition law journal and news service *Global Competition Review* placed Konkurencijos taryba among the **world's leading competition authorities**.

Konkurencijos taryba received **three Equal Opportunity Wings** (the highest possible acknowledgement) from the Office of the Equal Opportunities Ombudsperson and the Human Rights Monitoring Institute for efforts in promoting equal opportunities in the authority.



We shared experience in the EU-funded projects **in Ukraine, Georgia, Kosovo, Serbia, Moldova, Bosnia and Herzegovina**.



Do you suspect a cartel or have been involved in it yourself?

Inform us by e-mail praneskmums@kt.gov.lt or phone (+370 5) 260 8879.

Food and drink suppliers suffering from possible unfair practices by major retailers are encouraged to

contact us by e-mail mazmenine.prekyba@kt.gov.lt or phone (+370 5) 262 4788.

Lietuvos Respublikos konkurencijos taryba



Lithuanian Competition Council



konkurencijos_taryba



Konkurencijos taryba



@keserauskas

