

# COMPLIANCE WITH COMPETITION LAW: WHY IS IT IMPORTANT?

Competition encourages companies to work effectively and ensure that consumers get a wider choice of high-quality products or services at a lower price. Competition helps business gain new customers, while consumers can enjoy the benefits of competition. Anti-competitive agreements between undertakings result in serious harm for consumers. Such agreements allow companies to increase prices or impair the quality of products and services.

## EXAMPLES OF ANTI-COMPETITIVE AGREEMENTS:



### Example of anti-competitive agreement between suppliers and wholesalers or retailers:

- resale price maintenance, i.e. agreeing on the minimum or fixed price (“shelf price”) that the wholesaler or retailer has to apply when reselling products.



## IMPORTANT!

- all decisions related to activities in the market must be made independently;
- avoid any direct or indirect contact with your competitors if the purpose of such contact is to affect their behavior in the market;
- be careful when collaborating with your competitors, avoid any discussions about the planned prices, market share, restriction of production, sales or investment, discrimination against other undertakings (boycott), etc.;
- avoid any exchange of strategic or confidential information;
- if you are planning to participate in public tendering, do not reveal any information related to the bid and its price to your competitors.

Infringement of the Law on Competition by an undertaking may result in a fine of up to 10 per cent of the total annual worldwide turnover in the preceding business year, personal liability for the manager of the enterprise – restricted right to occupy the managing position for a 3 to 5 year-term and a fine.

# LENIENCY PROGRAMME

If your company has been involved in an anti-competitive agreement, you can submit a leniency application and avoid a fine.

## When is the exemption from fines applicable?

In cases when competitors agree to fix prices, share markets or consumers, limit production, and if non-competitors agree to fix prices directly or indirectly.

## Exemption from fines – how?



## Immunity from fines can be granted to a company if it satisfies the following conditions when applying to Konkurencijos taryba:




- the company has not been a coercer in an anti-competitive agreement (i.e. it has not taken any actions to coerce other undertaking (s) to participate in an anti-competitive agreement);
- freely submits all relevant information on an anti-competitive agreement to Konkurencijos taryba;
- is first to submit information and evidence to Konkurencijos taryba which enables the finding of an infringement or conducting the inspections in connection with an alleged anti-competitive agreement and which was not previously known to the competition authority in order to conduct an inspection or prove an infringement;
- did not reveal the intention to apply for leniency;
- did not destroy or conceal evidence before applying for leniency;
- terminated participation in an anti-competitive agreement (except cases when such participation is considered necessary by Konkurencijos taryba in order to ensure a successful process of an investigation).

## From the time of leniency application until the conclusion of the case collaborates with Konkurencijos taryba and satisfies the following requirements:




- provides all relevant information and evidence to Konkurencijos taryba that it becomes aware of;
- remains at the disposal of Konkurencijos taryba to reply promptly to any requests relating to an investigation;
- makes current and, to the extent possible, former employees available for interviews with Konkurencijos taryba;
- did not destroy or conceal relevant information or evidence;
- did not disclose the intention to apply for leniency before Konkurencijos taryba has notified its statement of objections to the parties.

▼ **An undertaking that initiated, coordinated or helped others to conclude an anti-competitive agreement may be exempted from fine for participating in such anti-competitive agreement or for helping others to conclude it.**

### The main principles applied by the authority while implementing the leniency policy:

-  transparency and predictability of the procedure; a detailed explanation of the rights, obligations and procedure;
-  accessibility and approachability of the authority's officials;
-  marginal cases are assessed in favor of the leniency applicant.

### How to submit a leniency application or get a consultation on the application of the programme?

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