



FEDERAL ANTIMONOPOLY SERVICE

Informal Cooperation among Competition Agencies in Specific Cases: Experience of the Russian Federation

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The main directions of cooperation



The main tools of cooperation

Exchange of non-confidential and confidential information

Agreements and Memorandums on cooperation

Consultations

Conferences, bilateral meetings

International Working Groups



1. Cooperation within Commonwealth of Independent States (CIS)

Interstate Council for Antimonopoly Policy (ICAP)

- ❖ Established in 1993.
- ❖ Aim: to coordinate formation of the legal and organizational basis for the purposes of prevention, restriction and suppression of anticompetitive practices and unfair competition within the CIS Economic Area.
- ❖ The legal framework:
 - The Treaty on Implementation of the Coordinated Antimonopoly Policy;
 - Regulation on Cooperation of the States in Suppression of the Monopolistic Activity and the Unfair Competition.
- ❖ ICAP Members: Competition Agencies (CAs) of Azerbaijan, Armenia, Belarus, Kazakhstan, Kyrgyz Republic, Moldova, Russia, Tajikistan, Uzbekistan and Ukraine.

Interstate Council for Antimonopoly Policy (ICAP)

- ❖ CIS Countries' antimonopoly legislation were analyzed with the aim to develop the common approaches to the harmonization. The Model law was adopted.
- ❖ The ICAP has achieved the following results:
 - decrease of antimonopoly law infringements in the international markets of the CIS Countries;
 - development of competition both in the domestic markets and in external economic activities;
 - elimination of barriers in the movement of goods and services within the CIS Economic Area.

1.3. Cooperation within Commonwealth of Independent States (CIS)

In 2006 the ***Headquarters for Joint Investigations of Violations of the Antimonopoly Legislation in the CIS Countries*** was established in the framework of the ICAP.

Market analysis and investigations of anticompetitive practices of companies performing on the territories of different CIS countries are conducted by CAs on the voluntary basis.

Nowadays, the pharmaceutical market, the market of oil and oil products and the market of grain are in the purview of the Headquarters.

1.4. Cooperation within Commonwealth of Independent States (CIS)

Results of previous monitoring (investigations) by the Headquarters

Air transportation market

- Report on Recommendations for Competition Development was adopted by the Council of Heads of CIS Governments in 2008



- During the period 2008-2010 air transportation in the CIS countries increases 2.3 times due to competition measures

Market of telecommunications

- The Report on Recommendations for Competition Development was adopted by the Council of Heads of CIS Governments in 2010
- In 2010 a case was investigated jointly with CA of Republic of Kazakhstan

1.5. Cooperation within Commonwealth of Independent States (CIS)

Joint investigation of the FAS Russia and Agency of the Republic of Kazakhstan for Competition Protection: market of telecommunications

- ❖ In 2010, the FAS Russia and the Agency of the Republic of Kazakhstan for Competition Protection jointly investigated a case in relation to Russian and Kazakh telecom companies in the markets of roaming services. Later other CIS countries joined the investigation.
- ❖ Results:
 - The volume of traffic increased 2-4 times;
 - Tariffs on voice calls, Internet and SMS decreased 1.5 – 4 times.
- ❖ After the investigation the companies continued to decrease tariffs by themselves without any authoritative measures. As a result:
 - Traffic increased 2-10 times;
 - Tariffs on SMS decreased 3 times, voice calls – 9 times, Internet – 44 times.
- ❖ The loyalty of consumers increased: in 2010 every 4th person used roaming services; at present 2 of 3 persons are using roaming.



2. Cooperation within Eurasian Economic Integration (Belarus, Kazakhstan and Russia)

2.1. Cooperation within Eurasian Economic Integration

Since 2006 the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation started integration in all economic spheres including competition policy.

During the period of 2006-2013 the legal framework for cooperation between CAs of Member-States of Eurasian Economic Area (EEA) and Eurasian Economic commission (EEC) was created.

The main legislative act in this regard is the Treaty of Eurasian Economic Union (EEU), in which provisions are established on competition policy, control of subsidizing, regulation of natural monopolies' tariffs, non-discriminatory access to natural monopolies' services, creation of united markets in the period of 2015-2022.

2.2. Cooperation within Eurasian Economic Integration

- ✓ Development of the Agreement on Protection of Confidential Information and Liability for its Disclosure in the process of Exercise of EEC its Powers of Monitoring the Compliance of the Common Rules of Competition
- ✓ Meetings of the Heads of CAs of the Member-States of EEA and the Member of Collegium (Minister) for competition and antimonopoly regulation of EEC.
- ✓ Creation of Advisory Board on Competition and joint working groups on the basis of EEC.



3. International Working Groups

3.1. Oil Working Group

- ❖ International Working Group on Investigating Issues on Pricing at the Oil Product Market and Methods of its Functioning was established on the initiative of the FAS Russia and Federal Competition Authority of Austria in 2012. In the meeting 20 countries participated.
- ❖ The objective: to assist formation of pricing indices reflecting fair prices to oil and oil products formed in the market conditions and to ensure competitive pricing within the framework of organized forms of trade with oil and oil products.
- ❖ The main tasks:
 - exchange of experience and approaches to enforcement of competition law at the oil product markets;
 - research of the pricing issues, including correlation of world prices at the international oil market and internal markets;
 - exchange of experience in the field of regulation within the framework of organized forms of trade with oil and oil products.

3.2. Oil Working Group

Results:

- ❖ Relevance of institutional changes in the oil products market (example: IATA on aviation fuel)
- ❖ The need to strengthen international cooperation (example: IOSCO)
- ❖ The Platform is needed which will allow the exchange of information on the oil and petroleum products markets among the CAs and with other international organizations:
 - Data on situation and changes in the market;
 - Description of (significant) cases on violating antimonopoly legislation, large mergers and acquisitions, and market analyses;
 - Issues of methodology, enforcement of antimonopoly legislation;
 - And other issues.
- ❖ The positive experience of CIS in the issue of formation of stock and off-stock indexes and prices in comparison with foreign markets
- ❖ The Brochure on the results, tasks and development strategy of Oil Working Group was published (distributed among the delegates)

3.3. Pharmaceutical Working Group

- ❖ International Working Group for Research on the Competition Issues in the Pharmaceutical Sector was established in 2012 at the initiative of the FAS Russia and the Italian Competition Authority with participation of 17 CAs.
- ❖ The key aim is to promote development of competition environment in the pharmaceutical market and to ensure the availability of medicines to the consumers.
- ❖ Objectives of the Working Group:
 - Sharing experience in and approaches to antimonopoly law enforcement in the pharmaceutical market;
 - Coordinating activity of the CAs (Members of the Group) during investigation of the antimonopoly law infringement.
- ❖ Report on the results of the Working Group's activity and recommendations for competition development is under consideration.

Interactions within the Working Group is performed in the forms of consultations; meeting with representatives of respective state authorities, business and other relevant parties; exchange of information.

3.4 Roaming Working Group

- ❖ International Working Group for Research on the Competition Issues in the Market of International Telecommunications (Roaming) was created at the initiative of the FAS Russia and the Turkish Competition Authority. Representatives of 15 countries participated in the meetings of the Roaming Working Group.
- ❖ The aim: to decrease high subscriber and interconnect tariffs in roaming.
- ❖ The tasks:
 - To assess the long-distance services market of each Member of the Working Group;
 - To elaborate the traffic transmission schemes which would comply with national legislations of the Roaming Working Group's Members at the rendering of the international telecommunication services;
 - To research the current situation in pricing of roaming services;
 - To assess whether service providers of the Working group's members violate national competition legislation.
- ❖ Two meeting of the Roaming Working Group took place in Kazan (Russia) and Istanbul (Turkey). The 3rd meeting is expected to be in September, 2014 in St. Petersburg (Russia).



4. Mechanisms for enhancing informal cooperation

4.1. Mechanisms for enhancing informal cooperation

1. Annual International Event “Russian Competition Day”

2. Training workshops and study visits for representatives of foreign CAs at the Training-and-Resource Center of the FAS Russia in Kazan

3. Requests of information, exchange of texts of legislative acts, activities reports

4. Consultations and negotiations

In 2013 the FAS Russia investigated the case on supply of pangasius from Vietnam to the Russian market with active support of Competition Authority of Vietnam due to the facts of coordination of activities of economic entities – competitors, which resulted in dividing the market between themselves the volumes of purchasing pangasius.

The investigation was conducted with active support of Vietnam's CA. During investigation the FAS Russia visited Vietnam for negotiations. At present, some companies found guilty in violation of antimonopoly legislation.

The FAS Russia conducted consultations with Competition authority of Norway regarding to initiation of proceedings in the relation of a number of the Russian import companies delivering Norway fish to Russia (a cartel by the market-sharing). Now the investigation is finished, certain companies were found guilty in violation of the Federal Law "On Protection of Competition". The total amount of fines is approximately 4.9 mln. EUR.

THANK YOU!



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