

# Abuse of Dominant Position

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A prohibition of abuse of dominant position has been laid down by [Section 13 of the Competition Law](#).

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## Dominant position:

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§§ an economic (commercial) position in a relevant market of a market participant or several market participants if such participant or such participants have the capacity to significantly hinder, restrict or distort competition in any relevant market for a sufficient period of time by acting with full or partial independence from competitors, clients, suppliers or consumers

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A dominant position in itself is not a violation it is the abuse thereof that is prohibited.

The Competition Law specifies restrictions on the operations of dominant undertakings to prevent undertakings that are dominant in the market from restricting or distorting competition to the detriment of consumers and other market participants.

Thus, for example, undertakings in a dominant position are not permitted the following:

refusal to enter into transactions with other market participants or to amend the provisions of a transaction without an objectively justifiable reason, including unfair and unjustified refusal to supply products or deliver services

restriction of the amount of the production or sale of products, the market or technical development without an objectively justifiable reason to the detriment of consumers

imposition of provisions according to which entering into, amendment or termination of a transaction with another market participant is made dependent on whether this market participant undertakes additional obligations which, by their nature and commercial use, do not pertain to the particular transaction

direct or indirect imposition or application of unfair purchase or selling prices or other unfair trading provisions

application of unequal provisions in equivalent contracts with other market participants, by way of creating for them, in terms of competition, disadvantageous conditions

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## Timeframe for adjudicating a case of violation

The Competition Council takes a decision within six months from the day of the initiation of a case. If due to objective reasons it is not possible to observe the six month time period, the authority may extend it by up to one year counting from the day of initiation of the case. However, if prolonged fact-finding is required in the case, the Competition Council may, with a justified decision, extend the time period for taking a decision *to a period not exceeding two years from the day of initiation of a case*

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## Fine

up to 5% of the net turnover of an undertaking for the previous financial year, but not less than EUR 350 each

in the case of a failure to comply with the legal obligations imposed by the authority, the latter may adopt a decision to increase the fine to 10% (in which case the fine may not be less than EUR 700 each)

The procedures for calculating fines have been stipulated by Cabinet Regulations [‘Procedures for the Determination of Fines for](#)

[the Violations Provided for in Section 11, Paragraph one, Section 13 and Section 14.<sup>1</sup> of the Competition Law and Sections 5, 6, 7 and 8 of the Unfair Retail Trade Practices Prohibition Law](#)" No. 179.

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## Appealing a Decision by the Competition Council

A decision may be appealed to the Administrative Regional Court within one month of the date the decision has taken effect.

A judgement of the Administrative Regional Court may be appealed upon the submission of a cassation complaint to the Department of Administrative Cases of the Senate of the Supreme Court.

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## Rights and obligations of parties to proceedings

Parties to proceedings have the following rights:

- to submit evidence and provide explanations
- to propose that the information submitted to the Competition Council is assigned the status of restricted access information ([more information](#))
- to review the materials in the case in accordance with the procedures established by law, to express own opinion
- to appeal decisions by the Competition Council

Parties to proceedings have the following obligations:

- to provide the information requested (including information containing trade secrets) within the period, to the extent and in the form prescribed by the Competition Council
- to submit evidence at the party's disposal and to notify the Competition Council of any facts it may be aware of and that may prove relevant in the particular case

Failure to submit information in the possession of a person to the Competition Council within the period and to the extent specified by the latter, provision of false information, and failure to comply with the decisions of the Competition Council or the lawful demands of officials are subject to administrative liability ([more information](#)).

<https://www.kp.gov.lv/en/abuse-dominant-position>