

The CC sends a Statement of Objections to participants of alleged bid-rigging in the price quotation on supply of nanotechnology chemicals

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The Competition Council of Latvia (the CC) has informed the municipal company SIA "Rīgas satiksme" (passenger carrier in the capital city) and several market participants of its preliminary view, that they have allegedly concluded a prohibited agreement within two price quotations on supply of nanotechnology chemicals. The Statement of Objections with the evidence detected by the authority serves as the closing stage of case investigation before adoption of decision.

Price quotations were organised in 2012 and 2014 with the total contract sum exceeding 800 000 euros. The information available to the CC indicates, that the candidates mutually coordinated participation conditions, agreed on the planned winner and carried out other agreed activities during preparation and submission of tenders, which correspond to features of bid-rigging.

The acquired information shows, that also the organizer – SIA "Rīgas satiksme" – participated in the implementation of the prohibited agreement, engaging in coordination of tenders to be submitted by candidates, and the organizer was informed about submission of cover tenders and a previously agreed winner.

Māris Spička, the Head of the Executive Body of the CC: "Particularly negative cases are those, where the organizer itself is responsible for implementation of a cartel, although it should take care of fair procurement process and rational spending of public funds. The facts detected during the investigation process indicate, that the alleged infringement may be committed exactly as a result of active conduct by the organizer's responsible officer."

In the Statement of Objections the CC acquaints the participants with the evidence obtained by the authority. It is a standard procedure shortly before adoption of decision by the CC. In this stage of investigation, the case participants are entitled to become acquainted with the case materials, express their opinion and submit additional information to the authority.

If the facts detected by the CC will prove true, an infringement of the agreement prohibition, which is specified in section 11(1) of the Competition Law, may be detected. For such competition distortion a fine of up to 10% of the net turnover in the previous financial year may be imposed on the companies.

The CC reminds, that sending of the Statement of Objections to the case participants does not confirm the existence of infringement and does not prejudge the final outcome of investigation.

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