

Competition Authority warns 15 Undertakings

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In the first half of 2015, the Competition Council (CC) of Latvia has issued warnings to 15 undertakings under suspicion of breach of the Competition Law. Most warnings have been issued to tenderers of public procurements, thus once again proving that procurements in Latvia still is an area most exposed to competition distortions.

The CC can issue a warning instead of initiating a formal investigation in cases where the alleged breach is insignificant, undertakings pledge not to repeat such actions and when resources for investigation purposes might exceed public benefits. Thus, according to the Case Prioritisation Strategy of the CC, the authority is able to focus its resources on infringements that affect interests of the society and market participants the most.

Following active advocacy programme educating procurement organizers on clues that indicate bid-rigging, the CC receives an increasing number of applications on the alleged infringements. Investigation of the competition law infringements usually is complicated and can take up to two years. Moreover, most infringement decisions are appealed and the court and legal proceedings can be even lengthier than the investigation, therefore it is important that in cases of minor significance the CC can choose not to initiate an official investigation. At the same time, all alleged infringements are addressed and involved undertakings are invited to a meeting with the CC, where the authority issues a warning and explains how to operate in accordance with the law.

Criteria for the CC to decide whether the investigation has to be initiated are set out by the Case Prioritisation Strategy. Usually, warnings are issued in cases of low significance, concerning small undertakings and small procurements, and there is no reason to believe that unlawful actions are carried on a regular basis. The CC keeps track of the issued warnings, and if the CC comes across information, indicating a repeated alleged infringement, such infringement is likely to be formally investigated.

The CC for the first time issued a warning in 2013. In 2014, the CC warned seven undertakings.

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