

The CC Fines Dealers of Volkswagen for 7.6 Million Euros

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On 15 December, the Competition Council (CC) of Latvia imposed fines to official dealers and importer of Volkswagen cars in Latvia for taking part in a cartel. For at least five years undertakings systematically coordinated their participation in procurements, therefore distorting offers and denying opportunities to clients of Volkswagen to purchase such cars for more favourable conditions.

For restricted actions six undertakings – SIA SD AUTOCENTRS, SIA RIPO AUTOCENTRS, SIA MOLLER AUTO KRASTA, SIA MOLLER AUTO VENTSPILS, SIA MOLLER AUTO LATVIA un SE MOLLER AUTO IMPORT – received a fine in the total amount of EUR 7'635'183.31. One undertaking received immunity in scope of leniency policy by submitting important evidence that allowed the CC to uncover the cartel.

The CC stated that the undertakings had agreed not to compete within procurements, e.g. undertakings allowed to win a preselected tenderer, while other participants submitted offers that are coordinated and less favourable to clients or abstained from participation within the procurements. Furthermore, dealers had regularly informed each other about their plans regarding different procurements and asked others not to compete by taking part in a procurement or offering lower prices.

Importer of Volkswagen cars in Latvia – wholesaler SE MOLLER AUTO IMPORT – not only knew and did not object to the market sharing among dealers, but also to some extent contributed and supported the infringement by acting as an intermediary during exchange of information.

Although it is rather impossible to identify the exact range of victims, who have had overpaid due to the cartel, it is clear about its scope – the infringement has been long-term, as well as new Volkswagen brand cars are one of the most popular in Latvia. During the case investigation, the CC obtained information about cartel participants' mutual correspondence on procurements organized by private undertakings, public institutions and agencies, as well as local municipalities, schools, nursing homes, institutions of interior systems etc.

SE MOLLER BALTIC IMPORT was imposed with a fine in the amount of EUR 5'050'542.23, SIA MOLLER AUTO LATVIA – EUR 1'216'738.56, SIA MOLLER AUTO KRASTA– EUR 965'197.45, SIA MOLLER AUTO VENTSPILS – EUR 205'104.12, SIA SD AUTOCENTRS – EUR 124'916.54 and SIA RIPO AUTOCENTRS – EUR 72'684.41.

The final amount of the fine to SIA SD AUTOCENTRS was reduced by 10% since it pleaded guilty, agreed on arguments by the CC and agreed not to apply to the court.

The decision by the CC is the second infringement through the use of leniency policy in Latvia.

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