

# The Competition Council Comes to Agreement with SIA „Preses Serviss"

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On 4 February 2009, after receiving of written pledge from the company SIA „Preses Serviss" ("Press Service" - PS) to fulfil its legal obligations preventing from negative impact on competition, caused by its illegal activities, the Competition Council (CC) has adopted decision to dismiss case investigation on violation of prohibition of abuse of dominant position in actions of SIA „Preses Serviss".

In accordance with the tendering procedure the PS has obtained trade rights of the single-way tickets for public traffic in the city of Riga – PS provides both wholesale and retail trade of these tickets. PS has dominant position in the wholesale market of these tickets in the territory of Riga city. Such position results from conditions of contract concluded between the Riga municipal enterprise SIA „Rīgas Satiksme" ("Riga Traffic" Ltd. ) and PS.

Violation detected in activities of PS has been expressed in form of application of discriminatory and unfair rebates to retailers (volume of rebates applied for different retailers has varied from 3 % to 6 %, however these rebates were not proportional to amount of ordered amount of tickets – often the bigger rebates were applied to retailers with smaller turnover of tickets. Also different time terms of payments have been applied to different retailers – from immediate payments until 45 day period.

CC has obtained also that the rebates applied by PS are not proportional to these rebates which enterprise SIA „Rīgas Satiksme" has applied towards the PS. When SIA „Rīgas Satiksme" has increased the rebate towards PS on the basis of increased retailer expenses, the PS itself has not increased rebates which are applied towards retailers.

Thus CC has concluded that PS has adopted unequal conditions in cases of equivalent transactions and enforced unfair trade conditions to other market participants acting in the retail market of traffic tickets.

On 21 January 2009 the CC has received the written pledge from PS, where it undertakes to fulfil its legal obligations preventing from application of non proportional terms of rebating and payment terms towards retailers, thus precluding and not permitting in future hindrance, restriction or distortion of competition in traffic ticket trade market in Riga. In this document PS undertakes to change conditions of application for payment terms, conditions of prepayment application as well as percentage of rebates, by further using number of tickets ordered monthly as a basis for calculations.

After receiving of written pledge from PC and evaluation all factual and legal conditions of this case, CC has considered it useful to dismiss the case investigation.

<https://www.kp.gov.lv/en/article/competition-council-comes-agreement-sia-preses-serviss-0>