

Principle "Consult at first"

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The Competition Council implements the "Consult at first" principle

In 2017, the Competition Council of Latvia in collaboration with representatives of more than 20 state supervisory authorities and entrepreneurship organizations signed a cooperation memorandum on implementation of the "Consult at first" principle. The purpose of this principle is to improve cooperation among authorities and entrepreneurs in order to promote fulfillment of the existing requirements in the state and give clear operational conditions, instead of punishing as the primary approach.

Warnings and negotiation procedures

The Competition Council commenced application of the "consult at first" principle for entrepreneurs or prevention measures prior to infringement decision-making and imposing of fine already in 2013. If the authority notices any alleged features of infringement of the competition law, but these infringements are not repeated and have not affected a large share of the market and the public, the Competition Council employs alternative infringement elimination measures without formal initiation of case. Formal investigation of infringement can take up to two years; therefore, alternative methods allow to eliminate the alleged infringement faster, also saving resources of all parties involved.

In case of alleged abuse of dominant position the Competition Council carries out a negotiation procedure, whereas in cases of conclusion of prohibited agreements – issues warnings.

Since 2013, the Competition Council has adopted 29 infringement decisions on prohibited agreements of companies, and has additionally issued 39 warnings to more than 120 persons

Whereas in cases of abuse of dominant position the authority has adopted 10 infringement decisions and has additionally carried out 19 negotiation procedures in the period from 2013 to 2019.

Pre-merger consultations

Another prevention or consultation aspect in the daily activities of the authority is surveillance of mergers of large companies. Since the regulatory framework in such cases requires submission of merger notifications and receiving of the authority's permission for merger implementation, the Competition Council offers pre-merger consultations to companies in order to facilitate preparation of merger notifications or to detect that submission of merger notification is not required at all.

Since 2015, the authority has provided more than 150 such consultations.

Self-assessment tools

The Competition Council has developed self-assessment tools for entrepreneurs and public administrative bodies

For entrepreneurs

The purpose of the entrepreneurs self-assessment tool is to verify, whether they have not engaged into bid-rigging – most severe infringement of the competition law – as a result of their own inadvertence or lack of knowledge.

In a situation, where an entrepreneurs has concerns about own conduct or the conduct of company's employees after using of the self-assessment tool, this tool provides the entrepreneur an option to contact the Competition Council anonymously or apply for the Leniency Programme, which ensures full release from a fine for the bid-rigging participant that is the first to report the

infringement.

The self-assessment tool for mitigation of bid-rigging risks is available both in printed format for distribution to entrepreneurs at seminars, and electronically: <https://ej.uz/parbaudiuznemumu> .

For public administrative bodies

According to Section 88 of the State Administration Structure Law public administrative bodies are obliged to carry out assessment at least once every 5 years on whether their involvement in commercial activity through their owned capital companies is legally and economically justified.

The aim of this self-assessment tool is to promote easy and convenient legal and economic assessment of the economic activity for public administrative bodies. This assessment covers all most essential aspects and risks that a public administrative body shall definitely pay attention to, thus doing its homework and obtaining all the necessary information before the decision-making on establishment of capital company or retaining of participation in a capital company.

Apply for consultations

On-site The Competition Council of Latvia, Brīvības street 55, 2. korp., Rīga, LV-1010

E-mail pasts@kp.gov.lv

By phone [+371 67282865](tel:+37167282865)

Apply for consultations electronically

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