



According to the GVH's new Notices on Fines significant advantages can be gained from cooperating with the authority

The Gazdasági Versenyhivatal (GVH - Hungarian Competition Authority) incentivises undertakings to remedy the harm caused to consumers as a result of competition law infringements and to operate compliance programmes by reducing the fines imposed upon them.

Undertakings infringing competition and consumer protection rules falling within the competence of the GVH may face significant fines, which may even amount to 10% of their net turnover in the previous year. The principles and methods of setting fines are laid down in the GVH's Notices on Fines. In the new Notices on Fines issued in December 2017 the GVH has further broadened the range of circumstances that may result in fines being significantly reduced and even eliminated entirely for undertakings cooperating in competition supervision procedures.

In the framework of the above-mentioned - in addition to the benefits that can be derived from the leniency programme and settlement procedure, which were introduced a number of years ago in cartel and dominant position cases - those undertakings which take action to remedy (either partially or entirely) the negative effects stemming from their infringements, in particular as regards to the compensation of consumers, can expect substantial reductions in the amounts of the fines imposed on them. In such situations, the amount spent to entirely compensate consumers can be deducted from the amount of the fine that would have otherwise been imposed. The amount spent to partially compensate consumers can result in the reduction of the fine, as was the case recently with [Vodafone](#) when the undertaking was able to have its fine reduced by almost half, to 200 million HUF, - among other things- by offering to compensate consumers.

The GVH also incentivises undertakings to introduce compliance programmes by offering fine reductions for them. In the course of consumer protection cases it is possible for a fine to be completely eliminated if an undertaking has sought a legal opinion before launching its advertising campaign. In the course of cases concerning cartels and abuses of dominant position the GVH may grant a 7-10% fine reduction to any undertaking that terminates its participation in an infringement as a result of a compliance programme, or to any undertaking that has agreed to provide evidence to the GVH in any possible subsequent proceeding. Depending on the particular case in question, the GVH also encourages undertakings to take compliance programmes in its proceedings by granting a fine reduction of between 5-20%. The GVH remunerates the

admission of infringements and the provision of evidence by reducing fines, to a degree of even 20-30% in consumer protection cases.

When preparing the new notices the GVH relied extensively on the opinion of the domestic and international professional audience.

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