

It is worth cooperating with the GVH for construction companies as well

18 August 2021, Budapest – While the Hungarian Competition Authority (GVH) is treating market signals concerning the construction industry as a priority, it is once again advantageous for the undertakings concerned to cooperate with the Authority. This is due to the fact that any undertakings that voluntarily reveal their cartel activity will receive a reduction in the fine imposed or it may even be waived completely.

The GVH has recently established a special investigation team to reveal the causes of the drastic increase in raw material prices in the construction industry, which [prioritises the analysis of formal and informal complaints from the market on suspected cartel activities](#). Meanwhile, the Government has also decided to expand the scope of the legal toolbox available to the GVH in order to allow for faster and more effective actions to be taken against these market issues.

During this period of increased market supervision, the undertakings concerned should keep in mind once again that the law in force rewards cooperation with the GVH in this case as well. The essence of the so-called [leniency policy](#) is that an undertaking participating in a restrictive agreement may be completely released from the obligation to pay a fine if it is the first to provide evidence of the infringement or hands over important information, which concerns an agreement that has not been uncovered yet and may substantiate the basis for a dawn raid conducted by the Authority. Furthermore, all other pieces of evidence provided voluntarily that constitute substantial assistance in uncovering a cartel can be rewarded with a reduction in the fine even if such evidence is not the first of its kind received by the GVH. In addition, cooperation within the framework of the leniency policy can also help prevent the undertaking from being excluded from future public procurement procedures (as an additional negative legal consequence).

In addition to undertakings, the competition act currently in force also rewards private individuals if they provide written information qualifying as indispensable for revealing and detecting cartels. The so-called [informant reward](#) can be as high as HUF 50 million after a successfully uncovered infringement. It is important to note that if requested by the informant, their identity will remain hidden during the entirety of the proceeding, allowing them to contact the Authority without fear of retaliation. Anonymous communication is aided by the [Cartel Chat](#) as well, which allows anyone to contact the experts of the GVH without giving their name.

‘The competition regulations include specific tools to motivate the infringing undertakings to leave the cartel. Those interested can find more information on the website of the GVH or can contact us directly. The undertakings concerned should definitely consider revealing the existence of their cartel agreement and cooperating with the GVH. In many cases, this is the only way to avoid a significant fine.’ stated Csaba Balázs RIGÓ, President of the GVH.

GVH Press Office