

## The GVH recalculated the cartel fine imposed on newspaper publishers due to a court order

31 March 2021, Budapest – The Hungarian Competition Authority (GVH) – in accordance with court decisions adopted in appeal proceedings – has reduced the competition supervision fine imposed on regional newspaper publishers in 2014, which shared the markets of daily newspapers with county-wide circulation among themselves.

In 2014, the GVH imposed an enormous fine of approximately <u>HUF 2.2 billion in</u> total on the then-largest four Hungarian regional newspaper publishers (Axel Springer, Russmedia, Lapcom Kiadó, and Pannon Lapok) for entering into a restrictive agreement aimed at sharing the Hungarian market among themselves. The decision of the GVH imposed the highest possible fine under the applicable legislation on each of the undertakings for the cartel agreement, which was in effect for nearly ten years.

The undertakings in question appealed the decision of the GVH; therefore, the case was brought before several judicial forums in the past few years. On 31 October 2019, a final and enforceable decision of the Budapest-Capital Regional Court ordered the GVH to conduct a new proceeding in order to recalculate the fines but upheld the 2014 decision of the Authority in all other respects.

In the course of the new proceeding, the GVH applied the methodology specified by the court in the appeal decisions in order to recalculate the amounts of the fines imposed earlier; therefore, the Authority did not use the maximum fine allowed by the applicable legislation as the basis of its calculations in accordance with the guidelines of the Budapest-Capital Regional Court. As part of the calculation process, the GVH also took into account the fact that Mediaworks Hungary Zrt. (the legal successor of all members of the cartel, which existed between 2000 and 2010) cooperated with the Authority during the proceeding; it acknowledged the facts established in the decision, did not contest the fine calculation process, waived its right to legal remedies against the resolution, and agreed to cancel its pending appeal request submitted to the Curia of Hungary. Furthermore, the GVH also took into consideration the competition law compliance programme adopted by the undertaking in order to prevent similar infringements in the future as well as the effects of the global pandemic on the business of the undertaking. Thus the GVH imposed a total fine of HUF 830 million on the undertaking after the conclusion of the new proceeding.

The official registration number of the case is: VJ/36/2020.

**GVH Press Office**