

## **Minimum prices set out in ethic codes and in general terms and conditions have to be cancelled**

**The Hungarian Competition Authority (GVH) accepted the commitments of Szakoktatók Országos Érdekképviseleti Egyesülete (SZAKOE) and E-Educatio Információtechnológia Zrt. (E-Edu). In accordance with the commitments, the undertakings must bring certain provisions of their ethic codes and general terms and conditions into line with competition law.**

### **On the basis of the commitments, the GVH obligates SZAKOE**

- to definitively cancel the provisions – suspended on 17 December 2013 – relating to the minimum entrepreneurial fees that must be paid for driving lessons which were set by driving instructors from the ethic codes of driving schools, driving instructors, heads of driving schools and commissioned examiners;
- not to carry out activities aimed at influencing prices on the market of driver training during its operation;
- to publish the operative part of the decision of the GVH and the reference to the decision on the main page of its webpage ([www.szakoe.hu](http://www.szakoe.hu)) for one year; moreover, to inform the driving instructors, heads and students of driving schools with whom the undertaking has contact with about the decision via e-mail.

### **On the basis of the commitments, the GVH obligates E-Edu**

- to definitively cancel the provisions on setting prices from the general terms and conditions set out in certain ethic codes of SZAKOE;
- to inform the contracting partners whom the undertaking made contract with before 17 December 2013 on the amendment of the general terms and conditions via post;
- not to carry out activities aimed at influencing prices on the market of driver training during its operation – except from setting its own prices;
- to publish the operative part of the decision of the GVH and the reference to the decision on the main page of its webpage ([www.e-educatio.hu](http://www.e-educatio.hu)) for one year; moreover, to inform the driving instructors, heads and students of driving schools with whom the undertaking has contact with on the decision via e-mail.

In 2013 the GVH initiated a proceeding to investigate the minimum price level set by SZAKOE because the Authority presumed that the setting of a minimum price by SZAKOE and E-Edu's following of this rule were likely to restrict competition by object and effect on the market of driver training.

Pursuant to the settled practice of the GVH, **recommended prices or obligatory minimum prices may unify prices regardless the respective costs of the undertakings and the quality of their performance.** This may result in that even undertakings with a lower unit cost are not forced to reduce their prices.

**When assessing the commitments offered by the party the primary purpose of the GVH** is to ensure the proper protection of the public interest. A commitment is an efficient tool for ensuring that an undertaking brings its conduct into line with the applicable legal provisions and the decision also provides guidance to other market participants. When making a decision the GVH assesses the circumstances both for and against the acceptance of the commitment and decides on an individual basis which of the following, the acceptance of the commitment, or the finding of an infringement and the imposition of a fine, will best ensure the protection of the public interest.

**After making the above assessment in relation to the commitments offered by the parties, the GVH came to the conclusion** that the protection of the public interest could be ensured in an efficient way by accepting the commitments of SZAKOE and E-Edu.

The GVH considered the following circumstances **in favour of the acceptance of the commitments:**

- the commitments promptly end the competition concerns and provide proper orientation to the parties to comply their future conduct with the law;
- the relevant market participants promptly receive information on the largest scale and in the present case the proper information of the market participants serves the protection of the public interest better than the imposition of a fine on the parties, which could only be very small and therefore would likely to exert a deterrent effect only to a limited extent ;
- SZAKOE can induce a preferable social effect by the commitments and the communication relating to it; moreover, the behaviour of the undertaking can direct other market participants.

Case number: **Vj/97/2013**

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Hungarian Competition Authority

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