Another step taken in the fight against public procurement cartels

The Hungarian Competition Authority (GVH) has been focusing on the fight against <u>cartels</u> for years, since participation in a cartel is just like stealing in broad daylight. The GVH has recently published an information booklet to assist small and medium-sized enterprises (SMEs) acting as tenderers, and public procurement contracting authorities, to tackle the risks posed by cartels.

The above-mentioned information booklet, titled "Public procurement suspected of cartel activities?", and the related tutorial assist the contracting authorities to identify cartels and to support the investigations of the GVH; furthermore, they formulate the public procurement procedures in a way that is unfavourable for cartelisation. This booklet completes the series of cartel compliance publications, which was initiated with a booklet for tenderers at the end of 2016, titled "How to Stay Clean?"

According to the Public Procurement Act, the **contracting authority** is obliged to contact the GVH in the event of a suspected cartel. To meet this obligation, the "**Public procurement suspected of cartel activities?**" titled booklet provides practical assistance by providing a detailed description of the signs that are suggestive of the existence of a cartel. It is important that the contracting authority does not indicate its suspicion of the existence of a cartel with the tenderers, and this also includes those tenderers that are not suspected of being involved in the anti-competitive cooperation. Furthermore, the booklet assists the contracting authorities to formulate concrete ideas about how they can make their public procurement procedures more unfavourable for the cartelists, for example by avoiding the prescription of undue participation conditions on the number and scope of potential tenderers.

The "How to stay clean?" titled booklet assists SMEs acting as tenderers to avoid participation in public procurement cartels, while also facilitating their cooperation with the GVH. Through concrete examples the booklet helps SMEs to identify anticompetitive situations and also suggests ways of how to avoid getting involved in such situations.

The two booklets and the tutorial draw attention to the fact that while public procurement cartels and corruption are often intertwined, purely corruption related cases cannot be addressed to the GVH. Although the subject matter of the publications is public procurement, their content is largely valid for all tenders and is therefore useful for their participants.

These publications serve the development of cartel related competition culture. The GVH launched its anti-cartel communication campaign with the slogan It cannot be Kept Secret_ in 2015, and created a microsite http://kartell.gvh.hu/ to promote education. As part of this campaign, the GVH introduced a new contact opportunity, known as CartelChat.

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