

Interior Decorators restrict competition

The Hungarian Competition Authority (Gazdasági Versenyhivatal, GVH) found that the "Honorarium Rules" (or tariff rules) developed by the Lakberendezők Országos Szövetség (National Association of Interior Decorators) restricted price competition among Interior decorators. In addition to establishing an infringement, the Authority obliged the Association to implement a complex education, information and compliance programmes.

The National Association of Interior Decorators (Association of Interior Decorators) adopted the Honorarium Rules regarding the rates of the standard prices, the method of calculating the prices, methodology and structure of the prices in the interior decoration industry, and then from time to time reviewed the set prices. The members of the Association of Interior Decorators were considered to have committed an ethical offence if they disregarded the rules on prices and could lose membership as a result of such conduct.

According to the findings of the GVH, the Honorarium Rules restricted economic competition and were therefore unlawful. Consequently, the GVH obliged the Association of Interior Decorators to integrate the free determination of remuneration into its code of ethics and to inform its members immediately that its prior price regulation was unlawful. The Association of Interior Decorators must also disclose the GVH's decision at professional conferences and on its website. Additionally, the decision obliges the Association of Interior Decorators to provide information on competition law and to provide education to its members in the framework of a training programme. The Association of Interior Decorators must also elaborate a so-called compliance programme in order to ensure that its future operation complies with the applicable competition laws and standards.

The GVH has already emphasised to <u>the chambers and the social organizations</u> representing the interests of the economic actors bringing their operations, ethical rules and other self-regulatory activities into line with the competition rules. Decisions that restrict price competition (recommended or professional minimum prices, alignment of price increases), and decisions that result in the territorial or other division of the market, are contrary to both Hungarian and EU rules prohibiting anti-competitive behaviour.

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Hungarian Competition Authority

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