



GAZDASÁGI
VERSENYHIVATAL

The GVH introduced a very detailed competition law compliance program

Although the two-thirds of the undertakings favour the stronger competition, but most of them are not aware how to comply with competition law rules – this emerges from the extensive research prepared by the Gazdasági Versenyhivatal (GVH – Hungarian Competition Authority). The GVH therefore started a comprehensive communication to disseminate the competition law compliance and to promote the competition culture. In order to facilitate the above mentioned aims, the GVH cooperates with several professional organizations and business interest representations.

The GVH prepared a survey for undertakings, chambers and advocacy organizations, on the perception of the enforcement of domestic competition. The research conducted by TNS Hoffmann has shown that two-third of the business leaders hold the current economic competition for much or at least less weaker than it would be ideal. The undertakings regardless of their size, feel much stronger the competition on their selling market than on their purchasing market. On the selling side the three-quarter of the CEO-s think that to some extent the competition is strong, while on the purchasing side only the half of them thinks this way.

The experiences gained from the complex research are supplemented by a non-representative survey, conducted by the Transparency International, which has been specifically designed to focus on the theoretical and practical questions of competition compliance matters. According to this, nearly the two-thirds of the undertakings surveyed do not have substantive knowledge on competition law compliance and on the prevention of possible violations. Ms Noémi Alexa, the executive director of Transparency International said that there is a widespread scientific agreement on the finding that the low level of competition culture increases the risk of corruption.

One of the most alarming research data is that two of three respondents are not aware that allocating the market between competitors is prohibited. In other words, a third of them think that it is a permissible behaviour, or believe that it is a fact of business life.

The answers of the undertakings also show that they are regularly confronted with restrictive and distorting phenomena. A general perception is that it is the most frequently occurred in public procurements; and especially the major investments and larger companies are affected whereas the violation of competition law rules is common among small undertakings alike.

In the same time the compliance with competition law rules is not only a regulatory issue. This is as much an attitude, question of cultural approach – said the Secretary General, the head of the Competition Culture Centre, dr. Annamária Südi Tevanné. According to her opinion, the competition law compliance is an attitude, which means the corporate compliance and practical implementation of the laws and standards governing the economic competition. The Secretary General believes that it does not assume an ad hoc campaign of

action, but it requires a system-wide, strategic consideration: to run a company in order to meet the written and non-written ethical rules of competition law.

However, in order to spread a type of legal culture, it is necessary and worthwhile to start a campaign, said the Secretary-General. The GVH therefore launched a more active and comprehensive information for achieving a competition law compliance culture and to take appropriate steps to comply with competition law.

In its activities, the GVH relies heavily on professional organizations of lawyers, accountants and business interest groups. The cooperation established with them is particularly important, because the small business owners receive the information on legal and taxation changes from their lawyers and accountants. Jointly with them and through them, the GVH can easily contact a large number of businesses, especially the small and medium sized enterprises.

The leaders of the Hungarian Chamber of Commerce, the Hungarian Bar Association, the British Chamber of Commerce in Hungary (BCCH) and the National Association of Hungarian Tax Advisers and Accountants expressed their intention to cooperate. The two latter organizations have already signed a cooperation agreement, but the GVH also intends to enter into an agreement with other organizations.

The Secretary-General of the GVH said the following about the information channels: the responses of the firms showed that they obtain information on the regulations and economic activities mainly from the Internet. For this purpose, the GVH created the www.megfeleles.hu webpage which is constantly being uploaded with information and professional materials. Beside the general information on the economic competition and compliance rules, the relevant regulations also can be found here. Inter alia information can be obtained on cartel offenses, on abuse of dominant cases, on the significant market power and on the protection of applicants.

The most important information is also sent by email and in printed publication to the members of the chambers.

It is planned for the upcoming year that the GVH is going to organize forums, combined with educational events, where the experts of the GVH and representatives of the chambers could provide knowledge on compliance issues to the undertakings and to the members of professional organizations. In the first half of 2013, the authority is planning to arrange an international conference on competition law compliance matters with the participation of Hungarian and foreign experts.

Budapest, 17 December 2012

Hungarian Competition Authority

Further information:

Katalin GONDOLOVICS

Hungarian Competition Authority

Mail: 1054 Budapest, V. ker. Alkotmány u.5.

Postal address: 1245 Budapest, 5. POB 1036

Tel: (+36-1) 472-8902

Email: press@gvh.hu

<http://www.gvh.hu>