



FEDERAL ANTIMONOPOLY SERVICE

On Developments of Competition Law and Policy in the Russian Federation

**Igor Artemiev,
Head of the FAS Russia**

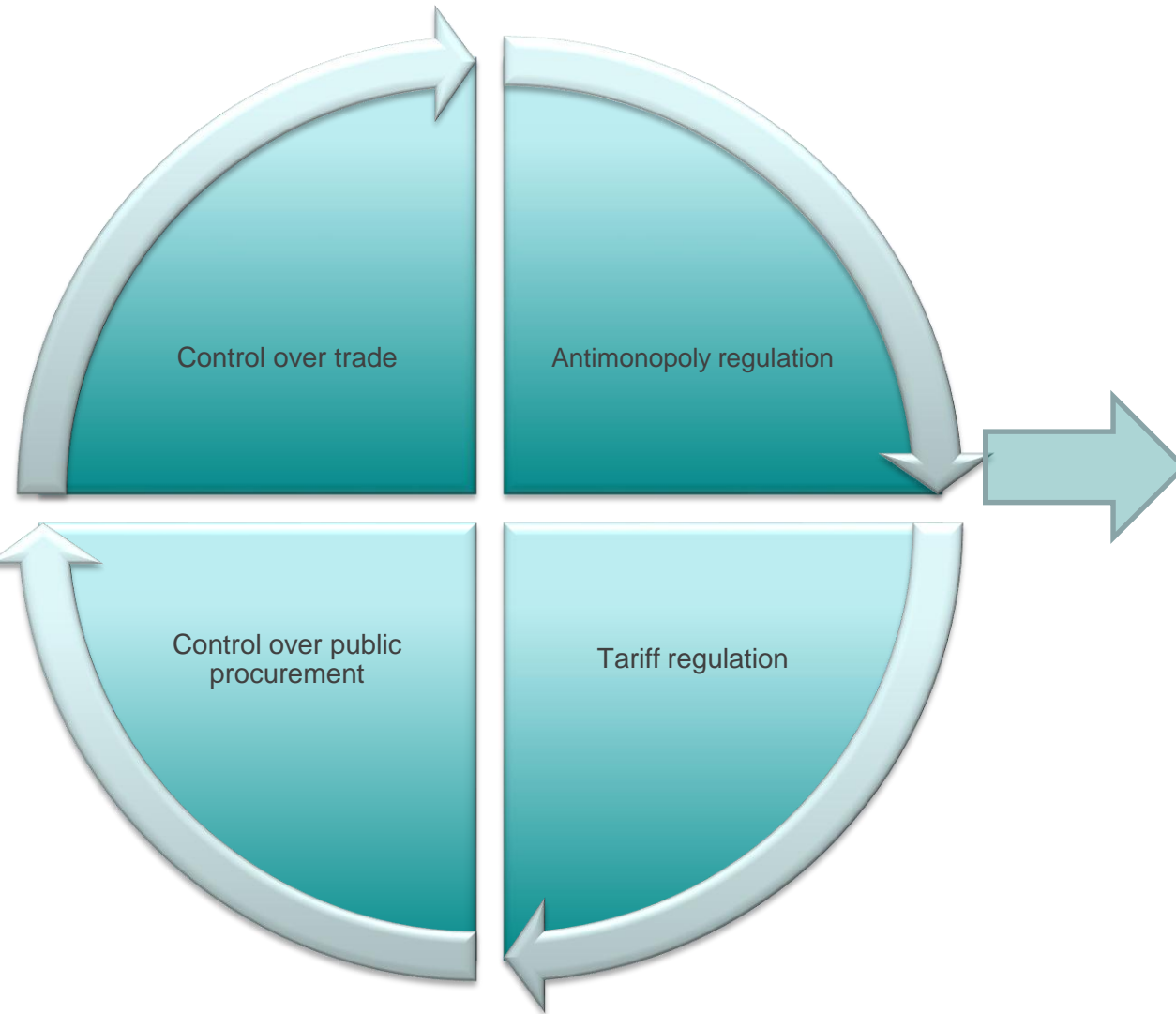
Paris, June 15, 2016



Synergy and Macroregulation

In 2015 the functions of the FAS Russia were expanded:

- Transferring of functions on control in the sphere of tariff regulation in connection with abandoning Federal Tariff Service according to the Decree of the President of the Russian Federation from July 21, 2015 No. 373.



- Procompetitive character of regulation
- Optimization of expenses in regulated sectors
- Focus on consumers' interests
- Unification of approaches to regulation
- Provision of access to infrastructure on non-discriminatory basis

- **Antimonopoly regulation**
- **Policy related to natural monopolies**
- **Policy in the sphere of public procurement and procurement of state-owned enterprises**



- Tariff regulation on the basis of pro-competitive approaches;
- Indexation in exchange to costs savings;
- Focus on consumers but not on natural monopolies;
- Transition of markets to competitive conditions;
- Creation of rules on non-discriminatory access to natural monopolies' services

State-owned companies and natural monopolies are required to develop costs-savings program in the sphere of:

- Operating costs;
- Investment costs;
- Economic and financial activity;
- Divestment of incidental assets.



Implementation of OECD Recommendations and Development of Antimonopoly Legislation in the Russian Federation

Adoption of the “Forth Antimonopoly Package”

The main goals of amendments to the Federal Law “On Protection of Competition” are:

✓ **Implementation of provisions of the Road map**

“Promotion of Competition and Improvement of Antimonopoly Policy” created on the initiative of business-community;

✓ **Implementation of OECD Recommendations (2013)**

Aimed at maintaining of competition policy in the Russian Federation complimentary to the OECD Standards



OECD Recommendations Implementation

OECD Recommendation	Implementation
1. Improve the quality of economic analysis and its application to competition enforcement	✓
2. Improve the coherence between the competition law and the criminal code	✓
3. Improve the merger control procedure	✓
4. Apply an integrated approach to related economic, institutional and administrative obstacles to competition, as prescribed in the Russian Government's action plan (roadmap) for "Promotion of Competition and Improvement of Antimonopoly Policy" adopted on 28 December 2012	✓

OECD Recommendations Implementation

OECD Recommendation	Implementation
5. Refrain from placing assets into state corporations when this may result in dominant positions in commercial activities or distortion of competition.	✓
6. Avoid the static use of benchmarking in competition law enforcement	✓
7. Put in place adequate safeguards to ensure that the ability of Russian companies to cooperate with and to contribute to investigations of competition authorities from other jurisdictions in a timely manner is not undermined by the requirement under Russian law	✓

OECD Recommendations Implementation

OECD Recommendation	Implementation
8. Periodically review regulations under federal law for their effects on competition and transmit the resulting observations to the Government	✓
9. Ensure that adequate resources are applied to the effective enforcement of competition law and promotion of competition-related policies	✓
10. Ensure adequate safeguards for the protection and exchange of confidential information	✓



International Cooperation and Enforcement Practice

Goals and Priorities of International Cooperation

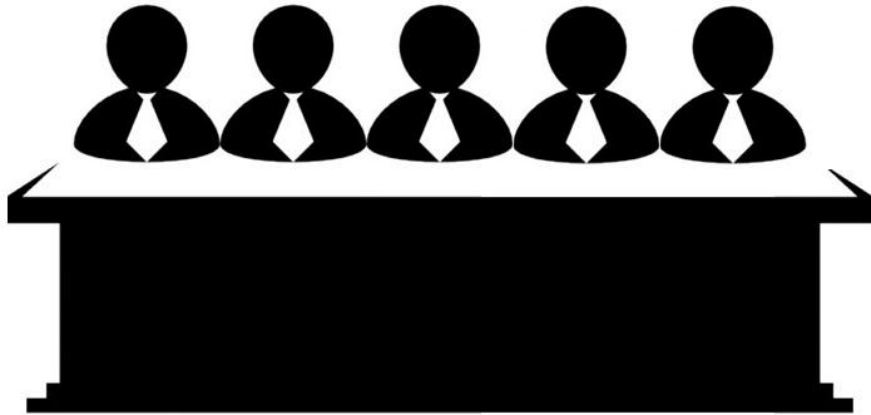
- ✓ Harmonization of antimonopoly legislation and development of enforcement practice in accordance with the best world's practices;
- ✓ Creation of Codes of best practices on global markets and their implementation in national activity;
- ✓ Expanding of cooperation with competition authorities within EAEU, BRICS, ICN, OECD, UNCTAD



- On May 19, 2016 in St. Petersburg the **Memorandum on understanding in the for cooperation in the field of competition law and policy** was signed
- Creation of a **Joint Working group on research of competition issues on markets of social importance**



BRICS



Members of BRICS Working Group that consists of BRICS Competition Authorities and representatives of BRICS countries invite Heads of the largest transnational corporations to participate in the BRICS Working Group meetings for suppressing unfair practices and elaborating best approaches to competition protection for the sake of our countries

- On February 20, 2015 the FAS Russia initiated a case in relation to Google Inc. Google Ireland Ltd., for elements of violating the antimonopoly law upon “Yandex” complain about anticompetitive actions.
- Upon finalizing the case, FAS issued a determination to “Google” to eliminate the violation of the Competition Law in the part of abusing dominance on the market of pre-installed application stores in Android OS.
- On March 14, 2016, Moscow Arbitration court pronounced legitimacy of the decision of the FAS Russia on this case



LINER CONTAINER SHIPPING

In 2015 the FAS Russia investigated a case against the largest world maritime container lines upon signs of concerted actions on the market of container shipping on the Southeast Asia – St Petersburg route.



As a result of investigation several largest world maritime container lines were recognized violated Point 1 Part 1 Article 11 of the Law on Protection of Competition (anticompetitive agreements)

Similar investigations were also carried out by the European Commission and China's antimonopoly body. It is impossible, however, to establish efficient information exchange due to absence of an international legal framework.

Cartel on a market of fish from Norway



In 2013 the FAS Russia disclosed a **cartel on the wholesale market of salmons and trout supply from Norway**

The total amount of fine imposed on participants of a cartel is more than 218 mln RUB (~ 3 mln EUR).

Successful disclosure of a cartel was possible thanks to cooperation between the FAS Russia and Competition Authority of Norway

The FAS Russia proved that several Russian fishery companies entered into an unlawful agreement (cartel), aimed at setting prices on pangasius, dividing market on volume of sale and purchases, as well as composition of sellers and purchasers.



The FAS Russia imposed administrative fines upon the violators – over 30 million RUB (~ 400 000 EUR).

Moscow Arbitration Court supported the decision of the FAS Russia

In course of investigation of this case the FAS Russia was actively involved in the cooperation with Vietnam Competition Authority

Investigation of international cases is more effective due to coordinated actions of Competition Authorities of several countries!

THANK YOU FOR YOUR ATTENTION!



www.en.fas.gov.ru



FAS-book



international@fas.gov.ru