

**REPORT ON COMPETITION POLICY IN RUSSIAN  
FEDERATION IN 2020 TO ORGANISATION FOR  
ECONOMIC CO-OPERATION AND  
DEVELOPMENT**

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## **Part 1. Changes to competition laws and policies, proposed or adopted**

### **1.1. Summary of new legal provisions of competition law and related legislation**

The main goals and objectives of the FAS Russia in 2020 were related to the implementation of the National Competition Development Plan in the Russian Federation for 2018-2020 (hereinafter – the National Plan), approved by the Decree of the President of the Russian Federation of December 21, 2017 No. 618<sup>1</sup>.

As part of the implementation of the National Plan, the Government of the Russian Federation has developed a comprehensive roadmap for the development of competition for 2018-2020.

At the end of 2020, a number of competition laws was implemented:

#### *1.1.1. Antimonopoly compliance*

On March 01, 2020, Federal Law No. 33-FZ "On Amendments to the Federal Law dated July 26, 2006 No. 135-FZ "On Protection of Competition" was adopted. The law defines antimonopoly compliance as a system of internal compliance with the requirements of antimonopoly legislation, defines the principle of voluntariness of implementation of compliance, basic (minimum) requirements for the content of internal acts of business entities.

In accordance with the law, a business entity may submit internal acts or draft acts forming the compliance system to a federal antimonopoly body in order to establish its compliance with the antimonopoly legislation.

The law aims to improve efficiency of competition regulation, create additional substantial mechanisms to stimulate business entities to take measures in order to prevent violations of antimonopoly legislation, as well as ensures the reduction of risks of bringing business entities to administrative liability.

#### *1.1.2. Foreign investment*

In order to reach the goals set out in the Strategy of Economic Security of the Russian Federation for the Period up to 2030, the FAS Russia continues to actively work on the further development of the legislation of the Russian Federation on foreign investment.

As part of measures aimed at improving state regulation of foreign investment in the business entities of strategic importance for national defence and state security, the FAS Russia developed the Federal Law No. 255-FZ dated July 31, 2020 "On Amendments to the Federal Law "On procedures for foreign investment in business entities of strategic importance for national defence and state security".

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<sup>1</sup> <http://en.fas.gov.ru/documents/documentdetails.html?id=15342>

The law determines special aspects of shareholders vote counting when a foreign investor temporarily transfers its voting shares of a strategic business entity to another person (under a contract of trust management, pledge agreement, repo contract, security payment or other agreement or transaction). This prevents the possibility of establishing control over strategic companies without following the mandatory pre-approval procedures provided for by the Federal Law No. 57-FZ of April 29, 2008 "On the procedure for making foreign investments in business entities of strategic importance for ensuring the country's defense and state security".

#### *1.1.3. Deregulation of public telecommunications services*

At the initiative of the FAS Russia in 2020 were prepared amendments to the Decree of the Government of the Russian Federation dated October 24, 2005 No. 637 "On state regulation of tariffs for public telecommunications and public postal services", which entered into force on January 1, 2021.

The changes:

- the service "provision of long-distance telephone connection" has been removed from the list of regulated public telecommunication and public postal services;
- the procedure for state regulation of tariffs for public telecommunications and public postal services has been clarified, namely, the legal norm for a long-term regulatory period of at least 5 years from January 1, 2021 has been introduced.

The Decree of the Government of the Russian Federation No. 1076 dated July 20, 2020 "On Amendments to the Decree of the Government of the Russian Federation No. 637 dated October 24, 2005" entered into force on January 1, 2021.

#### *1.1.4. Mechanism of re-registration of prices for medicines*

As a result of the emergence of risks of a deficit of a number of medicines in connection with their pricing in the context of the spread of a new coronavirus infection in 2020, on the initiative and with the active participation of the FAS Russia, the features of state regulation of such prices, depending on economic and (or) social criteria, were developed and approved by the Decree of the Government of the Russian Federation No. 1771 dated October 31, 2020.

The Decree established an objective mechanism for re-registering prices in case of a deficit of medicines related to an unreasonably low registered price, as well as its subsequent revision based on transparent indicative parameters, including taking into account prices in reference countries.

The adoption of the Decree made it possible to prevent the deficit of vital and essential medicines and to maintain their availability to the consumer. As of April 21, 2021, due to the risk of the deficit, according to the results of the economic analysis of the FAS Russia, the re-registration of 48 prices was agreed, which ensured the preservation of medicines classified as 17 international generic (or chemical, or grouping) names on the market.

#### *1.1.5. Transportation of oil and petroleum products through main pipelines*

On October 13, 2020, the Order of the Government of the Russian Federation No. 2648-r, developed by the FAS Russia, was adopted. The Order provides for changing tariffs in the period from 2021 to 2030 for services for the transportation of oil and petroleum products (with the exception of services for pumping petroleum products) on the basis of "inflation minus", namely, based on an annual increase of 99.9% of the expected level of the consumer price index for the next regulatory period.

The adoption of the Order made it possible to ensure the containment of the growth of "Transneft" PJSC tariffs, as well as their stability, and enabled consumers to predict the dynamics of their changes in the long term.

## **1.2. Other regulatory and legal measures, including methodological recommendations (administrative regulations, etc.)**

### *1.2.1 Review of the practice of application of antimonopoly legislation by the collegial bodies of the FAS Russia*

In order to form a unified approach to the consideration of cases on violation of the antimonopoly legislation of the FAS Russia in 2020, the third Review of the practice of application of antimonopoly legislation by the collegial bodies of the FAS Russia for 2019 was prepared.

The formation of uniform approaches to key issues of law enforcement excludes disputed between the regional offices of the FAS Russia when making decisions and makes the mechanism of antimonopoly regulation more transparent and predictable for all participants in economic relations.

### *1.2.2. Recommendations of the FAS Russia on procurement and control measures in connection with the coronavirus pandemic (COVID-19)*

In connection with the pandemic of coronavirus infection (COVID-19), the FAS Russia has identified this situation as a force majeure circumstance, in connection with which the regional bodies of the FAS Russia were given recommendations about the need to take this position into account when considering complaints, cases of administrative offences, applications for inclusion in the register of unfair suppliers, and conducting inspections.

### *1.2.3. Guidelines on professional ethics of financial market specialists*

In 2020, a joint letter "On recommendations on professional ethics of financial market specialists" of the FAS Russia and the Bank of Russia was issued.

In order to ensure the ethical and fair behavior of financial market specialists, as well as information transparency of the activities of financial market participants, the regulators recommended that financial market participants adopt a code of ethics, information policy, conflict of interest management policy or other document regulating the fair conduct of their employees, and monitor their implementation on a regular basis.

## **1.3. Government proposals for new legislation**

### *1.3.1. National Competition Development Plan for 2021-2025*

The FAS Russia has developed and submitted to the Government of the Russian Federation a draft National Plan for the Development of Competition in the Russian Federation for 2021-2025, which sets out the objectives and key indicators for the development of competition, as well as measures for the implementation of the main directions of the state policy for the development of competition.

The annex to the draft National Plan for the Development of Competition in the Russian Federation for 2021-2025 establishes a list of sectors (spheres) of the economy (types of activities) in which it is planned to achieve the expected results of the development of competition, namely: agro-industrial complex, information technology, housing and utilities (including heat supply, water supply, sanitation), financial services, natural resources, electric power, transport, education, healthcare (including medicines for medical use, medical products, medical services), funeral services, energy (gas, coal, oil, petroleum products), chemical and petrochemical industry, construction, trade, social services (supplying) to the population, forestry, industry.

### *1.3.2. In the field of exclusive rights to the results of intellectual activity*

Currently, the provisions of the Federal Law No. 135-FZ dated July 26, 2006 "On Protection of Competition"<sup>2</sup> provide that the requirements of the antimonopoly legislation do not apply to actions for the exercise of exclusive rights to the results of intellectual activity and agreements on the granting or alienation of the right to use the results of intellectual activity (Part 4 of the Article 10 and Part 9 of the Article 11<sup>3</sup>).

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<sup>2</sup> <http://en.fas.gov.ru/documents/documentdetails.html?id=14737>

<sup>3</sup> Article 10 of the Law on Protection of Competition – "Prohibition on abuse of a dominant position by an economic entity"; Article 11 of the Law on Protection of Competition -

According to the FAS Russia, this creates unjustified advantages for rights holders who abuse their rights at the expense of the development of competition in the commodity markets of the Russian Federation, and does not allow the use of antimonopoly response mechanisms in cases where they are effective tools in foreign countries to ensure a balance between the protected values of competition and intellectual property.

Taking into account the above, the FAS Russia has developed a draft Federal Law "On Amendments to the Federal Law "On Protection of Competition", recognizing Part 4 of the Article 10 and Part 9 of the Article 11 of the Law on Protection of Competition as invalid. The adoption of the draft law will allow to reduce the level of dependence of the Russian Federation on foreign patent holders, which, in turn, will increase the level of economic security of the Russian Federation.

At the same time, the Law on Protection of Competition is proposed to be supplemented with an article establishing antimonopoly requirements for agreements and actions for granting or disposing of exclusive rights to the results of intellectual activity or means of individualization of a legal entity, goods, works or services.

## **Part 2. Enforcement of competition law and policy**

*Here and throughout part two of the present report, statistics are given which include the central office of the FAS Russia and 84 FAS Regional Offices in the subjects of the Russian Federation.*

In 2020, the FAS Russia received 53,018 applications on violation of the Law on Protection of Competition, of which 39 317 applications concerned monopolistic activities (36 929 – abuse of dominant position and 2 388 – agreements or concerted actions), 3 698 – unfair competition, 6 551 – competition restrictions by public authorities, 3 424 – antimonopoly requirements to tenders and peculiarities of selection of financial organizations, 27 – granting of state or municipal preferences, 1 – state control over economic concentration, 0 – responsibility for violation of the antimonopoly legislation.

The number of cases in question in 2020 continued to decline due to the course on combating the unfair practices of large Russian and transnational corporations that have a significant impact on the Russian economy, the successful implementation of the institute of warnings, antimonopoly compliance system and efficiency in courts (the FAS Russia wins about 90% of cases).

In 2020, the FAS Russia initiated 2395 cases. (In 2019 3029 cases were initiated, in 2018 – 3223 cases, in 2017 – 3534 cases.) 1823 decisions were made on the

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"Prohibition on competition-restricting agreements between economic entities": <http://en.fas.gov.ru/documents/documentdetails.html?id=14737>

existence of a violation. 914 of them were appealed to the court (38,2%). 96 of the total amount of the FAS' decisions were declared invalid by the court (10,5% of the number of appeals, 5,3% of the number accepted).

The number of cases initiated under the abuse of dominant position in 2020 was 539 (in 2019 – 640, in 2018 – 685, in 2017 – 847).

The number of cases initiated under the prohibition of restrictive agreements and concerted actions by economic entities amounted to 413 in 2020 (492 in 2019, 435 in 2018, 420 in 2017).

Under the provisions of the Law on Protection of Competition on unfair competition, the FAS Russia initiated 320 cases in 2020 (in 2019 – 427, in 2018 – 517, in 2017 – 409).

The number of cases of violation of the antimonopoly legislation by the authorities in 2020 was 443 (in 2019 – 698, in 2018 – 736, in 2017 – 770).

## **2.1. Actions against agreements and concerted actions**

### **2.1.1. Summary of activities of competition authorities and courts**

In 2020, the FAS Russia received 2 388 applications on agreements (concerted actions) of economic entities restricting competition (2 812 in 2019, 2 001 in 2018, 1 757 in 2017). 413 cases were initiated (492 in 2019, 435 in 2018, 420 in 2017), decisions were issued on the recognition of the violation in 329 cases (421 in 2019, 378 in 2018, 329 in 2017), 330 remedies were issued (518 in 2019, 480 in 2018, 472 in 2017). 100 decisions have been appealed to the court (91 in 2019, 73 in 2018, 75 in 2017), 12 of them have been found to be legal (13 in 2019, 10 in 2018, 4 in 2017), 0 decisions have been declared invalid (1 in 2019, 0 in 2018, 3 in 2017), the rest are in the stage of judicial appeal.

In 2020, the FAS Russia received 222 applications under the leniency program (147 in 2019, 97 in 2018, 118 in 2017).

### **2.1.2. Description of significant cases**

#### *A cartel organized by the largest oil traders<sup>4</sup>*

One of the precedent cases was the bid rigging of the two largest oil traders. The actions of the companies in 2018 influenced the growth of prices for oil products on the exchange and could lead to increase in prices for oil products throughout the country, since prices on the exchange are indicative for the market.

The FAS Russia analyzed the trade policy of large oil companies in order to understand how representative indicators formed on the exchange are applicable in

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<sup>4</sup> <https://en.fas.gov.ru/press-center/news/detail.html?id=54981>

practice. It turned out that large companies somehow use stock exchange indicators when selling gasoline and diesel engines on the domestic market. Thus, the implementation of the anti-competitive agreement by the respondents directly influenced the formation of indices, which were subsequently used by other participants in the commodity market.

After analyzing the registers of contracts concluded by the defendants both on the exchange and in the over-the-counter segment, we found that the implementation of the cartel allowed them to resell the same product several times both on the exchange and in the off-exchange segment in order to increase the price for the end-consumer. At the same time, the goods were moved only once – from the vertically integrated oil company to the final buyer, but the price varied significantly.

At the moment, the decision has been made and in the near future the FAS Russia will complete the calculation of fines and the preparation of all the necessary procedural documents.

#### *Cartel in the orthopedic products market<sup>5</sup>*

In August, 2020, the FAS Russia found Trives Trade LLC, MedExpert LLC, Optomed LLC, Maltri LLC, ORTO LLC and Ecoten guilty of violating the Part 1 of the Article 11 of the Law on Protection of Competition<sup>6</sup> in the wholesaling of orthopedic products.

The companies entered into an anticompetitive agreement to establish and maintain prices for wholesale products at the optimal level for each supplier by establishing and monitoring compliance with the recommended retail prices for products sold by the defendants. The above-mentioned companies also used an online automatic price monitoring service, which allows colluding companies to track prices not only from their own buyers, but also from companies purchasing similar goods from other suppliers and negotiate the application of "sanctions" to those retailers who sold products at prices lower than the recommended ones.

#### *Bid rigging for the construction of a regional cancer center in the Kaliningrad region and a general-education school in the Udmurt Republic*

According to the Paragraph 2 of the Part 1 of the Article 11 of the Law on Protection of Competition<sup>7</sup>, in April 2020, the FAS Russia found Artel LLC and

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<sup>5</sup> <https://en.fas.gov.ru/press-center/news/detail.html?id=54977>

<sup>6</sup> Article 11: "Prohibition on competition-restricting agreements between economic entities": <http://en.fas.gov.ru/documents/documentdetails.html?id=14737>

<sup>7</sup> Article 11: "Prohibition on competition-restricting agreements between economic entities": <http://en.fas.gov.ru/documents/documentdetails.html?id=14737>

"YANTARSERVISBALTIC" LLC guilty by concluding and participating in an agreement (cartel), which led to the maintenance of prices at the bid<sup>8</sup>.

The cartel was realized at two electronic auctions, the subject of which was the construction of a regional cancer center in the village of Rodniki in the Kaliningrad region, as well as a general-education school in the village of Kez in the Udmurt Republic.

The legality and validity of the decision of the competition authority on the case were confirmed by the courts of first and appeal instances. In total, participants in anti-competitive agreements will be fined in excess of 120 million rubles.

## **2.2. Actions against abuses of dominant positions**

### **2.2.1. Summary of activities of competition authorities and courts**

In 2020, the FAS Russia received 36 929 applications related to the abuse of market power: 539 cases were initiated (630 in 2019, 685 in 2018, 847 in 2017), of which 191 were terminated due to non-confirmation of the fact of violation. In consideration of the remaining cases, 348 decisions recognized the violation (399 in 2019, 453 in 2018, 516 in 2017), 230 remedies were issued (249 in 2019, 310 in 2018, 330 in 2017). 173 decisions were appealed in court (110 in 2019, 229 in 2018, 234 in 2017). The court adjudicated that 25 decisions were lawful (15 in 2019, 36 in 2018, 42 in 2017) and nullified 3 decision (1 in 2019, 4 in 2018, 8 in 2017); the rest are in the stage of judicial review.

### **2.2.2. Description of significant cases**

#### *Case of the FAS Russia against Apple Inc.*

In August 2020, the FAS Russia completed the consideration of the antitrust case against Apple.

Based on the results of the consideration of the case, Apple Inc. was recognized as having a dominant position in the market in the distribution of mobile applications on the iOS operating system with a share of 100%.

The FAS Russia found that Apple abused its dominant position in relation to developers of mobile parental control applications and restricted competition in the market of distribution of applications for mobile devices running the iOS operating system.

The violation also resulted in the establishment by Apple of the right to exclude any third-party application from the App Store, even if it meets all the requirements of Apple Inc.

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<sup>8</sup> <https://br.fas.gov.ru/ca/upravlenie-po-borbe-s-kartelyami/7a90c73e-1c7e-4c11-89a5-8f58f34baa67/> (Russian version only)

At the end of the case, Apple issued a remedy to eliminate the violation, which require the company to remove from its terms provisions that give it the right to reject (not allow) third-party applications in the App Store for any reason, even if they meet all the requirements.

In addition, on April 26, 2021, the FAS Russia imposed on Apple Inc. a turnover fine of 906,299,392.16 rubles (over \$12 million) for violating antimonopoly legislation<sup>9</sup>.

#### *Case of the FAS Russia against Booking.com*

In December 2020, the FAS Russia completed consideration of the antimonopoly case against Booking.com. Based on the results of the consideration of the case, Booking.com was found as occupying a dominant position in the Russian market for the provision of services by aggregators of information about accommodation facilities (hotels, hostels) with a share of 80%.

The violation was expressed in the establishment by Booking.com for Russian hotels of price parity and parity of conditions when hotel prices on the Booking.com website should be the same or more favorable as in other channels for selling hotel services (online and offline). The same applies to hotel services, on Booking.com they should have been no worse (in terms of quantity and quality) than in other sales channels.

The FAS Russia issued two warnings on termination of actions containing signs of violation of the antimonopoly legislation, but these warnings were not implemented by the company.

At the end of the case, Booking.com was issued a remedy to exclude the conditions of parity from contracts with hotels.

## **2.3. Mergers and acquisitions**

### **2.3.1. Summary of activities**

In 2020, the FAS Russia considered 1,019 pre-merger notifications and 133 post-merger notifications of economic entities (1052/144 in 2019, 1086/189 in 2018, and 1103/128 in 2017) of which 1,129 pre-merger and post-merger notifications were satisfied (1156 in 2019, 1245 in 2018, 1209 in 2017), including 48 with the issuance of remedies (99 in 2019, 67 in 2018, 30 in 2017). 289 applications filed during the period under consideration were transferred to Phase II of the review (254 in 2019, 171 in 2018, 144 in 2017). At the same time, the competition authority refused to approve 23 transactions (40 in 2019, 30 in 2018, 22 in 2017).

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<sup>9</sup> Article 14.31 of the Code of Administrative Offences of the Russian Federation: "Abuse of a dominant position in the commodity market"

### **2.3.2. Description of significant cases**

*Transaction between telecom operators on the conclusion of an agreement on joint activities to obtain the technical feasibility of deploying 5G communication networks*

On December 21, 2020, the FAS Russia considered a pre-merger notification for prior consent for the conclusion by mobile radiotelephone (cellular) operators of an agreement on joint activities on the territory of the Russian Federation to build 5G networks.

The agreement on joint, if implemented, contains conditions for equal access to radio frequencies for all participants in the mobile radiotelephone market.

In particular, the telecom operators participating in the transaction will develop and agree with the competition authority the conditions for the use of infrastructure and (or) the sharing of radio frequencies and the conditions for the provision of infrastructure for MVNOs<sup>10</sup> of telecom operators.

Taking into account the guarantees of access of telecom operators to the released radio frequency spectrum, the FAS Russia approved the transaction.

According to the competition authority, access to the released radio frequency spectrum for the construction of 5G networks and the subsequent provision of mobile radiotelephone communication services on 5G networks is an opportunity to provide new generation communication services on the territory of the Russian Federation.

*Alstom/Bombardier merger*

The purpose of the transaction is the sale of the Bombardier transport division. The deal will allow Alstom to become one of the leading companies in the field of transport engineering in the world.

On the Russia territory, the Alstom Group participates in "Transmashholding" JSC – 20% and a cooperation agreement. The Bombardier Group participates in Bombardier Transportation (Rus) LLC and "First Locomotive Company" LLC. The application was filed in relation to these companies, and the transaction itself affected the rolling stock and signaling systems markets.

As part of the consideration of the transaction, the competition authority analyzed the activities of the companies, requested the position of the largest consumer of products, Russian Railways JSC, and made conclusions about the impact of the

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<sup>10</sup> A telecom operator that implements the business model of virtual mobile radiotelephone networks using the node elements of the communication network of other telecom operators

transaction on the state of competition in the relevant affected markets in the Russian Federation.

On July 29, 2020, the FAS Russia approved the specified transaction without any additional conditions.

## **2.4. Actions against unfair competition**

### **2.4.1. Summary of activities of competition authorities and courts**

The total number of applications considered in order to prevent and combat unfair competition (Article 14 "Prohibition of unfair competition" of the Law on Protection of Competition) in 2020 was 3,698 (5112 in 2019, 3687 in 2018, 3466 in 2017). 320 cases were initiated (427 in 2019, 517 in 2018, 409 in 2017). In 209 cases, a decision was made to recognize the violation (253 in 2019, 381 in 2018, 269 in 2017) and 113 remedies were issued (141 in 2019, 246 in 2018, 169 in 2017).

There were 41 appeals against the decisions taken by the FAS Russia in 2020 (78 in 2019, 77 in 2018, 67 in 2017). The court found 9 decisions to be lawful (21 in 2019, 23 in 2018, 10 in 2017), 0 decision partially invalid (1 in 2019, 0 in 2018, 1 in 2017) and the remaining decisions are in the stage of judicial review.

### **2.4.2 Description of significant cases**

#### *Deterioration of cashback accrual conditions without notifying customers*

In 2020, based on the results of monitoring information posted on the Internet, the FAS Russia revealed that in April 2020, "Asian-Pacific Bank" PJSC made changes to the conditions of the loyalty program "Status", canceling the accrual of cashback points for a number of categories of purchases, keeping only the accruals for special categories, and also increased the minimum purchase amount required for the accrual of points.

These changes were made by the bank without observing the procedure for making amendments and informing customers provided for in the agreement – information about the changes was disclosed only a month later in connection with the publication at the end of April on the bank's website of the tariff revision actually applied by the bank from April 1, 2020.

Consumers, focusing on the previous conditions, did not receive the expected "cashback" due to the increase in the minimum requirements for the amount of purchases by the bank by 2 times, as well as the cancellation of the "cashback" for purchases made outside the categories chosen by consumers.

In connection with the presence in these actions of signs of violation of the Article 14.8 of the Law on Protection of Competition<sup>11</sup>, "Asian-Pacific Bank" PJSC was issued a warning, which was executed in full.

## **2.5. Actions against public authorities' anticompetitive conduct**

### **2.5.1. Summary of activities of competition authorities and courts**

In accordance with Articles 15 and 16 of the Law on Protection of Competition<sup>12</sup>, the FAS Russia is empowered to monitor the actions of public authorities, including anticompetitive acts and actions (inactions) taken by them, as well as agreements restraining competition or concerted actions. For violation of the prohibitions established by these articles, the FAS Russia has the right to make decisions abolishing anticompetitive acts and actions of authorities and imposing sanctions against the authorities.

In 2020, the FAS Russia considered 5 540 applications (Article 15, acts and actions that restrain competition) (6 040 in 2019, 6 394 in 2018, 6 078 in 2017) and 220 cases were initiated (331 in 2019, 461 in 2018, 531 in 2017). In 190 cases, a decision was made to recognize the violation (258 in 2019, 383 in 2018, 436 in 2017) and 126 remedies were issued (168 in 2019, 272 in 2018, 316 in 2017).

45 decisions were appealed in court (44 in 2019, 113 in 2018, 109 in 2017). Of these, 5 decisions were found lawful (8 in 2019, 14 in 2018, 20 in 2017), 1 – invalid (2 in 2019, 3 in 2018, 10 in 2017) and the remaining decisions are in the stage of judicial review.

In 2020, 1011 applications regarding anticompetitive agreements with the participation of authorities were received (Article 16, restricting competition agreements and concerted actions) (812 in 2019, 524 in 2018, 435 in 2017). 223 cases were initiated (367 in 2019, 275 in 2018, 239 in 2017). In 165 cases, a decision was made to recognize the violation (276 in 2019, 233 in 2018, 181 in 2017) and 37 remedies were issued (133 in 2019, 133 in 2018, 106 in 2017).

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<sup>11</sup> Article 14.8: "Prohibition of other forms of unfair competition": <http://en.fas.gov.ru/documents/documentdetails.html?id=14737>

<sup>12</sup> Article 15: "Prohibition of acts and actions (inaction) of federal executive authorities, state authorities of the subjects of the Russian Federation, local self-government bodies, other bodies or organizations involved in the provision of state or municipal services that restrict competition, as well as state extra-budgetary funds, the Central Bank of the Russian Federation" [www.kremlin.ru/acts/bank/24149](http://www.kremlin.ru/acts/bank/24149)

Article 16: "Prohibition on agreements restricting competition or coordinated actions of federal executive authorities, state authorities of the subjects of the Russian Federation, local self-government bodies, other bodies or organizations performing the functions of these bodies, as well as state extra-budgetary funds, the Central Bank of the Russian Federation" [www.kremlin.ru/acts/bank/24149](http://www.kremlin.ru/acts/bank/24149)

53 of the decision were appealed in court (83 in 2019, 47 in 2018, 61 in 2017). Of these, 8 decisions were found lawful (9 in 2019, 8 in 2018, 5 in 2017), 1 – invalid (1 in 2019, 0 in 2018, 2 in 2017) and the remaining decisions are in the stage of judicial review.

### **2.5.2. Description of significant cases**

#### *Case of the FAS Russia against Rosstandard*

On December 30, 2019, the FAS Russia initiated a case on violation of the antimonopoly legislation against Rosstandard at the request of the Associations of Manufacturers and Consumers of pre-insulated pipelines of the Republic of Belarus.

The case was initiated on signs of violation of the Part 1 of the Article 15 of the Law on Protection of Competition (the establishment in GOST<sup>13</sup> of excessive requirements for specific types of flexible polymer reinforced pipes and fittings of one specific manufacturer, which led to restriction of competition in the procurement of these pipes and fittings for them).

By the decision of the FAS Russia, Rosstandard was found guilty of violating the antimonopoly legislation with the issuance of a remedy to make appropriate changes to GOST. The remedy was executed in full.

#### *Anti-competitive agreement between the Administration of the Zlatoust City District and a number of real estate developers*

Chelyabinsk Regional Office of the FAS Russia has found the Administration of the Zlatoust city district, the Municipal budgetary institution "Capital Construction"<sup>14</sup>, "Specialized Developer Trust Uralavtostroy" JSC<sup>15</sup> and "Specialized Developer B.I.D. Group"<sup>16</sup> LLC guilty of violating the antimonopoly legislation. The organizations entered into an anti-competitive agreement when participating in a bid to relocate citizens from a housing stock deemed unfit for habitation.

The Administration of the Zlatoust city district was the organizer of the bid and the responsible executor of the municipal program "Providing high-quality housing for

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<sup>13</sup> National standard – a list of regulations regarding the quality of goods in any industry

<sup>14</sup> Article 16: "Prohibition on agreements restricting competition or coordinated actions of federal executive authorities, state authorities of the subjects of the Russian Federation, local self-government bodies, other bodies or organizations performing the functions of these bodies, as well as state extra-budgetary funds, the Central Bank of the Russian Federation" [www.kremlin.ru/acts/bank/24149](http://www.kremlin.ru/acts/bank/24149)

<sup>15</sup> Article 11: "Prohibition on competition-restricting agreements between economic entities": <http://en.fas.gov.ru/documents/documentdetails.html?id=14737>

<sup>16</sup> Article 11: "Prohibition on competition-restricting agreements between economic entities": <http://en.fas.gov.ru/documents/documentdetails.html?id=14737>

the population of the Zlatoust City District". Changes to this program led to the exclusion of other market participants from bidding. These changes provided exclusively for equity participation in construction and excluded the possibility of purchasing housing on the secondary market, including from developers who received permission to put the facilities into operation.

As a result, the actions of the government body and business entities led to the restriction of competition at the bidding and the maintenance of the price for them. Illegally obtained income amounted to 69 million rubles.

A criminal case has been opened against the officials of the specified organizations<sup>17</sup>.

## **2.6. Summary of courts' action**

### **2.6.1. Summary of activities of competition authorities and courts**

In 2020, attempts were made to appeal 519 decisions of the FAS Russia in the area of competition protection (571 in 2019, 632 in 2018, 688 in 2017), of which 450 at the end of 2020 were in the stage of judicial review. The court supported the decisions of the competition authority in 63 cases (91 in 2019, 112 in 2018, 114 in 2017); 0 decisions were held partially invalid (7 in 2019, 1 in 2018, 7 in 2017). Revocation of the FAS's decisions was recognized to be necessary in 6 cases (8 in 2019, 11 in 2018, 31 in 2017).

51 553 proceedings for administrative offences in the field of antimonopoly regulation were instituted in 2020 (53 929 in 2019, 53 968 in 2018, 47 539 in 2017). 41 454 decisions on the imposition of fines in a total amount of 8 904 328 240 rubles (98 173 409 euro) were issued (42 757 decisions in a total amount of 8 242 258 300 rubles (118 866 267 euro) in 2019, 42 490 decisions in a total amount of 6 480 102 448 rubles (89 258 500 euro) in 2018, 36 803 decisions in a total amount of 4 168 447 170 rubles (54 785 200 euro) in 2017)<sup>18</sup>.

## **Part 3. Conducted market research**

From 2012 the FAS Russia Commission for the analysis of commodity markets, which includes representatives of the structural departments of the central office and territorial bodies of the FAS Russia, the Public Advisory Council<sup>19</sup> and expert

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<sup>17</sup> The criminal case was initiated under the Paragraph "a" of the Part 2 of the Article 178 of the Criminal Code of the Russian Federation (Restriction of competition by entering into a cartel agreement using official position)

<sup>18</sup> EUR rate on December 31, 2020 = 90, 6824 rubles

<sup>19</sup> [http://fas.gov.ru/councils/soviet-po-konkurenczii-pri-fas-rossii-\(obshhestvenno-konsultativnyj-soviet\)](http://fas.gov.ru/councils/soviet-po-konkurenczii-pri-fas-rossii-(obshhestvenno-konsultativnyj-soviet)) (Russian version only)

councils<sup>20</sup> of the FAS Russia, as well as business entities, public associations and scientific organizations, has been in charge of analyzing commodity markets. The Commission's functions include consideration of proposals by representatives of the FAS Russia and the development of draft plans of the authority for analyzing commodity markets, guidelines for relevant analyzes and their approval, as well as reviewing the materials of conducted commodity markets analyzes.

The FAS Russia Commission approves the FAS Russia's Work Plan for analyzing the state of competition in commodity markets, which specifies the list of commodity markets for the annual review.

According to the amendments to the Russian competition legislation, which entered into force in 2016 with the adoption of the "Fourth antimonopoly package", market research (or "market analysis" in accordance with the Russian conceptual apparatus) is conducted in the volume necessary for decision-making when all cases of violation of antimonopoly legislation and economic concentration cases are examined.

The FAS Russia also conducts market studies in order to assess the state of competition in socially significant markets.

Thus, according to the List of commodity markets for the annual review, the FAS Russia annually analyzes the state of competition in the following markets: wholesale automobile gasoline market, wholesale diesel market, wholesale raw oil market, wholesale aviation kerosene market, fuel oil wholesale market, wholesale oil bitumen market, the wholesale market of fuel additives, which increase the actane number of automobile gasoline, the wholesale market of liquefied petroleum gases, the wholesale market of energy coal, the wholesale market of natural gas, mobile telephone communications market, wholesale and retail electricity power markets, heat supply market.

In addition, the FAS Russia conducts market analysis in accordance with the Work Plan for analyzing the state of competition in the commodity markets. Thus, in accordance with the Plan for 2019-2020<sup>21</sup>, the FAS Russia in 2020 analyzed 26 commodity markets.

### **3.1. Analysis of the market of communication services for the purposes of broadcasting**

Taking into account the trends in the global television market in terms of reducing the share of subscribers of cable television, satellite television, IPTV and

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<sup>20</sup>[https://fas.gov.ru/pages/vazhnaya-informacziya/otkryitoe-vedomstvo/ekspertnye\\_sovety](https://fas.gov.ru/pages/vazhnaya-informacziya/otkryitoe-vedomstvo/ekspertnye_sovety) (Russian version only)

<sup>21</sup> [http://www.consultant.ru/document/cons\\_doc\\_LAW\\_337699/](http://www.consultant.ru/document/cons_doc_LAW_337699/) (Russian version only)

increasing the share in the TV market on interactive platforms, in connection with the transition of the Russian Federation to digital terrestrial television broadcasting and the disconnection of analog broadcasting of mandatory public TV and radio channels, amendments to regulatory legal acts regulating the relevant legal relations, the FAS Russia conducted a study of the market of communication services for the purposes of television broadcasting.

The experts divided the market of communication services for TV broadcasting purposes into "paid" and "free". The choice of paid or free access is assigned to the consumer, while he is not limited in the right to access both free and paid TV and radio broadcasting simultaneously (on various subscriber devices).

According to the results of the market analysis, based on the indicators of the level of concentration of the commodity market, as well as on the barriers to entry to the commodity market, the conclusion is made:

- the "paid" market of communication services for broadcasting purposes is a moderately concentrated market with developed competition;
- the "free" market of communication services for broadcasting purposes is a highly concentrated market with undeveloped competition.

On the territory of the Russian Federation, there is an increase in consumption in the market of communication services for the purposes of television broadcasting (cable TV, satellite TV, IPTV).

In the Russian Federation, the development of competition in the market of communication services for the purposes of television broadcasting, as well as increased competition from and due to the growth of online video services, is currently noted. At the same time, depending on their needs, users have alternatives in the form of digital terrestrial television, cable television, satellite television, IPTV and Internet broadcasting of TV channels.

### **3.2. Analysis of the medicine market**

In accordance with the instructions of the President of the Russian Federation, as part of the mandatory re-registration in 2019-2020 of all registered prices for medicines, in 2020 the FAS Russia carried out extensive work on revising the registered maximum selling prices.

The economic analysis was carried out and more than 14,000 prices were revised (which increased the annual workload on the FAS Russia in this area by 7 times).

By results of the FAS Russia review, more than 7 000 prices for medicines have been reduced, which increases the price availability of these medicines.

According to the calculations of the FAS Russia, the savings for the Russian Federation as a result of lower prices will amount to at least 30 billion rubles

annually. Moreover, these savings take place both in the public procurement segment and in the retail sector.

## **Part 4. International cooperation**

### **4.1 Interaction with relevant international organisations**

In 2020, the FAS Russia participated in all meetings of the OECD Competition Committee and its working groups, meetings of the OECD Network of Economic Regulators and OECD Investment Committee, as well as participated in the OECD Workshop on Vertical Mergers and Vertical Restraints and OECD Competition Open Day. The FAS Russia prepared 8 reports on the legislative and law enforcement experience of the authority that were published in the OECD documents database<sup>22</sup>.

The FAS Russia's cooperation with the OECD-GVH Regional Center for Competition in Hungary (RCC) continued to develop<sup>23</sup>. In 2020, employees of the FAS Russia took an active part in training seminars of the OECD RCC, target audience of which is young specialists of the competition authorities. Seminars were devoted to both the discussion of general theoretical issues of competition policy and special issues such as advocacy of competition and antimonopoly regulation in various markets.

In October 2020, the FAS Russia held a joint virtual seminar with the OECD RCC on the topic "Law enforcement cooperation in cross-border investigations". During the seminar, the participants discussed current issues of competition authorities when conducting parallel investigations, as well as considered the best practices of enforcement cooperation.

In 2020, the FAS Russia continued its work, aimed at improving legal mechanisms for interaction between competition authorities in order to identify and suppress unfair business practices by transnational corporations. The main platform for the implementation of this initiative was the United Nations Conference on Trade and Development (UNCTAD).

One of the most important activities of FAS Russia at the UNCTAD platform in recent years has been the promotion of the initiative to create a mechanism for international interaction in the implementation of antimonopoly law enforcement, in particular, in the investigation of cases of violation of antimonopoly legislation,

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<sup>22</sup> On the website <https://one.oecd.org/> DAF/COMP/WD(2020)10; DAF/COMP/WD(2020)44; DAF/COMP/WD(2020)27; DAF/COMP/WP3/WD(2020)16; DAF/COMP/GF/WD(2020)49; DAF/COMP/GF/WD(2020)51; DAF/COMP/GF/WD(2020)50; DAF/COMP/WD(2020) 86

<sup>23</sup> <http://www.oecdgvh.org/rus/menu/about>

which have a cross-border effect, and global transactions of economic concentration.

In 2020 within the framework of the 8<sup>th</sup> UN Competition Conference, the Guiding Policies and Procedures under Section F of the UN Set on Competition were adopted ("International Measures"), which established a set of tools for international interaction in the implementation of antimonopoly enforcement, initiated by the FAS Russia, and have been developed at the UNCTAD platform for the past three years.

During the 8<sup>th</sup> UN Competition Conference, the special round table on combating cross-border cartels was held, which was organised by the UNCTAD Secretariat and the FAS Russia. Within the discussion of round table UN Member States concluded that the topic of cross-border cartels requires a comprehensive analysis to understand how competition authorities globally deal with this dangerous type of anticompetitive practice.

Following the results of the 8<sup>th</sup> Conference, on the initiative of the FAS Russia the issue of combating cross-border cartels became a priority for UNCTAD's work for the next five years. A working group on cross-border cartels has been created, which will summarize best practices and propose more effective mechanisms to combat cross-border cartels.

Regarding cooperation with the APEC, the FAS Russia took part in preparing analysis of results of the implementation of the "Renewed APEC Agenda for Structural Reform", updating the information on the section "New Tariff Policy" about the most significant systemic measures taken in the Russian Federation in 2018-2019, and the implementation of measures aimed at improving the system of instruments of public tariff regulation, contributing to the creation mechanisms to stimulate cost reduction, increasing the efficiency of natural monopolies and justified investment policy.

Representatives of the FAS Russia took an active part in the events and projects of the ICN and its working groups on cartels, mergers, unilateral conduct, advocacy and efficiency improvements.

In addition, representatives of the FAS Russia took part in preparing information content, organising and moderating the annual conference of ICN, which was held online in September 2020. In particular, Andrey Tsyganov, Deputy Head of the FAS Russia, was a speaker at the ICN plenary meeting on cartels.

In 2020, one of the key points in the agenda of the organization were the issues of antimonopoly regulation and response measures to the challenges associated with the COVID-19 pandemic. During this year, the FAS Russia took part in

discussions and development of recommendations on the application of competition law in the context of pandemic on specified international platforms.

#### **4.2. Development of competition legislation and its application at the regional level**

##### *Commonwealth of Independent States (CIS)*

The issues of combating the negative consequences of the spread of the new coronavirus infection COVID-19 were also in the spotlight of the antimonopoly authorities of the CIS member states.

During the 51<sup>st</sup> meeting of the Interstate Council for Antimonopoly Policy (ICAP), which is the main platform for interaction between the competition authorities of the CIS, held in June 2020, it was noted that the economies of the CIS member states have felt the consequences of the pandemic, and measures have been taken in all states to stabilize the economic situation, moreover, competition authorities in this work being given a special place.

The competition authorities of the CIS member states have implemented a set of measures aimed at preventing an explosive increase in prices for essential products and socially significant non-food products, as well as at preventing the occurrence of a deficit of such goods. These measures include:

- conducting verification activities on a regular basis;
- commodity market research;
- if necessary, the use of antimonopoly measures; a mechanism for regulating the prices of certain goods was applied in a number of countries in agreement with business;
- conducting competition advocacy activities for manufacturers and sellers of these products;
- conducting work with the media in order to provide objective coverage of market situations and the activities of antitrust authorities.

##### *The Eurasian Economic Union (EAEU)<sup>24</sup>*

In 2020, the procedure for the ratification of the draft Protocol on amendments to the Treaty on the Eurasian Economic Union of May 29, 2014, signed by the Heads of the five EAEU Member States on October 1, 2019, was carried out. The Protocol provides for the introduction of mechanisms for "prevention" and "warning" of violations of the general rules of competition, which will allow to quickly restore the conditions of competition in the cross-border markets of the

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<sup>24</sup> [www.eaeunion.org](http://www.eaeunion.org)

EAEU, as well as provisions defining the need to develop a number of regulatory legal acts of the Eurasian Economic Union (EEU) related to the exercise of the powers to issue prevention and warnings, the preparation of an annual report on the state of competition in the cross-border markets of the EAEU, the application of the mechanism of exemption from liability in the case of a fair application for the conclusion of anti-competitive agreements by a business entity (market entity).

In 2020, the Strategic Directions for the development of the Eurasian Economic integration until 2025 were developed and agreed upon (approved by the Decision of the Supreme Eurasian Economic Council No. 12 of December 11, 2020), as well as the Action Plan ("road map") for its implementation. Both documents provide for a number of strategic directions and measures in the field of competition policy, as well as the creation and regulation of the common energy markets of the EAEU.

It should be noted that in 2020, the EAEU paid special attention to the formation of common energy markets, in particular, the unified gas market.

In 2020, the FAS Russia carried out work on the development and coordination with interested federal executive authorities and organizations of draft Procedures for gas exchange trading and Unified Rules for access to gas transmission systems located on the territories of the EAEU Member States. The FAS Russia participated in the development and approval of the draft International agreement on the formation of a common gas market of the Union.

### *BRICS*

Cooperation between the BRICS countries in the field of antimonopoly policy was promoted, including through the signing by the heads of the BRICS competition authorities of a Declaration on the Indefinite Extension of the Memorandum of Understanding between the BRICS Competition Authorities in the field of competition Law and Policy cooperation<sup>25</sup>.

In order to confirm the intentions to strengthen cooperation to protect the interests of consumers and support business, a Joint Statement on consolidating efforts to combat the negative economic consequences of COVID-19 was adopted was adopted by the heads of BRICS Competition Authorities<sup>26</sup>.

At the initiative of the FAS Russia, the BRICS International Center for Competition Law and Policy was established in order to develop antimonopoly law that meets the challenges of the time and contributes to economic growth in the countries of the interstate association in a sustainable manner. Now the Center

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<sup>25</sup> <http://en.fas.gov.ru/documents/documentdetails.html?id=15359>

<sup>26</sup> <http://en.fas.gov.ru/documents/documentdetails.html?id=15358>

functions as an expert and analytical structural unit of the Higher School of Economics, becoming the successor of the BRICS Antimonopoly Center.

During the reporting period, the FAS Russia, jointly with its BRICS partners, ensured the regular activities of the BRICS Working Groups on the study of competition problems in socially important markets (pharmaceutical, food, automotive, digital), as well as the BRICS Working Group on Cartels.

The FAS Russia has developed Model Recommendations on the Application of the waiver mechanism when considering Transactions of Economic Concentration in the BRICS countries, which were generally supported by the BRICS colleagues. It was decided to adopt these model recommendations in 2021.

The FAS Russia proposed to study the application of programs to mitigate liability for violations of antimonopoly legislation in the BRICS countries and to prepare a joint document containing recommendations on the harmonization of such programs in the BRICS countries. It was decided to develop a joint document proposed by the FAS Russia within the framework of the BRICS Working Group on Cartels.

## **Part 5. Competition advocacy**

The FAS Russia continues to strengthen its position as one of the most open Russian authorities.

The FAS Russia has collegial bodies (FAS Presidium)<sup>27</sup> that analyze and review materials on the study of the practice of applying antimonopoly legislation, provide Guidelines on its application, review the decisions and instructions of the territorial bodies of the FAS Russia on cases of violation of antimonopoly legislation.

Experts of the FAS Russia, representatives of federal executive bodies, and executive bodies of subjects of the Russian Federation, business unions, non-profit organizations, public associations and scientific organizations take part in meetings of FAS collegial bodies.

Thus, the FAS Russia has the following collegial bodies: the Methodological Council<sup>28</sup>, the Methodological Council on Tariff Regulation<sup>29</sup>, the Competition Council (Public Advisory Council)<sup>30</sup>, the Commodity Markets Commission<sup>31</sup>,

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<sup>27</sup> [https://fas.gov.ru/pages/new.fas.gov.ru/pages/kollegialnie\\_organii](https://fas.gov.ru/pages/new.fas.gov.ru/pages/kollegialnie_organii) (Russian version only)

<sup>28</sup> <https://fas.gov.ru/councils/metodichesky-sovet> (Russian version only)

<sup>29</sup> <https://fas.gov.ru/tags/175> (Russian version only)

<sup>30</sup> [http://fas.gov.ru/pages/councils-list/soviet-po-konkurenczii-pri-fas-rossii-\(obshhestvenno-konsultativnyj-sovet\)/](http://fas.gov.ru/pages/councils-list/soviet-po-konkurenczii-pri-fas-rossii-(obshhestvenno-konsultativnyj-sovet)) (Russian version only)

<sup>31</sup> [https://fas.gov.ru/councils/komissiya\\_po\\_tovarnym\\_rynkam](https://fas.gov.ru/councils/komissiya_po_tovarnym_rynkam) (Russian version only)

Research-and-Methodological Council<sup>32</sup>, the Non-Profit Partnership "Market Council"<sup>33</sup>, etc.

The FAS Russia has 26 expert councils on key markets. The Expert Councils include market participants, representatives of non-profit associations and regulatory authorities. It allows the FAS Russia to fairly assess the situation in the relevant markets and increases the transparency of its decisions.

In addition, the FAS Russia in accordance with the Law on Protection of Competition annually submits a Report on the state of competition to the Government of the Russian Federation. The 2020 Report summarizes the results of the implementation of the National Competition Development Plan for 2018-2020, as well as highlights the main achievements in the development of competition policy in Russia in accordance with the Decree of the President of the Russian Federation of December 21, 2017 No. 618 "On the main directions of state policy for the development of competition."

The report on the state of competition is annually reviewed in person at meetings of the Government of the Russian Federation. Based on the results of the consideration, the Chairman of the Government of the Russian Federation gives appropriate instructions.

In the report format, the state of competition in the Russian Federation is assessed not only by the antimonopoly body, but also by civil society institutions, federal executive authorities, the Central Bank, public associations of entrepreneurs, and expert organizations.

### **5.1. FAS measures aimed at promoting competition advocacy in a pandemic**

During the crisis, FAS Russia observed a soft regulatory regime for fair market participants, while tightly controlling violators.

Work was carried out to liberalize the procurement system, a special hotline was opened for citizens and enterprises, and an Operational Headquarters was created, which monitors prices on the markets of socially significant goods on a daily basis. The service monitored the pricing of medical masks, disinfectants, medicines, basic foodstuffs, telecommunications services, gasoline, and food delivery services in large settlements in which the lockdown was introduced. FAS Russia also held meetings with representatives of manufacturers and retail chains, urging them not to raise prices, to ensure the optimal volume of supplies and not to panic.

In exercising such control, FAS Russia cooperated with federal executive authorities: at the federal level, the collection of primary information on prices and

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<sup>32</sup> <http://nms.fas.gov.ru/> (Russian version only)

<sup>33</sup> <http://www.en.np-sr.ru/en/srnen/index.htm>

availability of goods in stores was carried out jointly with the Ministry of Industry and Trade, the Ministry of Health and the Ministry of Agriculture, and at the regional level - with the authorities of the constituent entities of the Russian Federation. If violations were found, FAS Russia took appropriate measures in cooperation with the prosecutor's office, the Investigative Committee, and the Ministry of Internal Affairs.

In order to support business, the authority has formed a set of institutional measures in addition to those announced by the President and the Government of the Russian Federation, for example, deferrals and installments in the payment of imposed fines to temporarily ease the financial burden of entrepreneurs, recognizing the COVID-19 pandemic as a force majeure circumstance, and also the suspension of some inspections.

Comprehensive information on the activities of the authority in the context of a pandemic was published on the official website of the FAS Russia (a special section “Measures in connection with the COVID-19 pandemic” was created), as well as on social networks (Instagram, Facebook, Twitter and others).

## **5.2. Cancellation of roaming in the Union State of the Republic of Belarus - Russian Federation**

The work on abolishing roaming on the territory of the Union State was carried out with the participation of the Ministry of Digital Industry of Russia, the Ministry of Communications of the Republic of Belarus, FAS Russia, the Ministry of Antimonopoly Regulation and Trade of the Republic of Belarus, telecom operators of the Russian Federation and telecom operators of the Republic of Belarus for several years.

In December 2019, the ministers of communications of the two countries signed a Roadmap on the abolition of international roaming in the Union State, containing specific measures aimed at abolishing roaming, and the deadlines for their implementation. Joint work on the implementation of the Roadmap measures, as well as an action plan for joint actions to identify and suppress fraud on the telecommunication networks of the Russian Federation and the Republic of Belarus made it possible to complete all the planned stages of canceling roaming within the deadline set by the roadmap, and reduce tariffs from November 1, 2020<sup>34</sup>.

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<sup>34</sup> From November 1, 2020, tariffs for cellular services for Russian citizens staying in the territory of the Republic of Belarus have been reduced by up to 20 times. Thus, the cost of an incoming and outgoing call is now from 3.5 rubles/min., the cost of sending an SMS message is 1.95 rubles/piece, the cost of 1 Mb of Internet traffic has decreased from 3.5 rubles/Mb.

Reducing the cost of communication services to the level of home prices is an important stage for the formation of a single telecommunications space of the Union State.

### **5.3. Policy on information openness**

In order to increase the efficiency of informing about the activities of the authority, implementing the principles of openness and simplifying access to public information about the FAS Russia, all relevant information is posted on the official website of the FAS Russia<sup>35</sup>. The authority's news is also posted on Twitter, Instagram, Facebook, Vkontakte, YouTube, Telegram-channel, as well as in the form of podcasts on Yandex.Music.

A significant source of publicly available information and analytical articles on the protection of competition in the Russian Federation is the journal "Russian Competition Law and Economics"<sup>36</sup>. This journal is enlisted in the leading peer-reviewed scientific journals included by the Higher Attestation Commission of Russia (VAK) in the list of journals recommended for publishing the main scientific results of the candidate and doctoral thesis papers (Russian "Scopus").

#### **5.3.1. Work with profile printed and electronic international publications**

In 2020, active work continued with the international journal of competition policy and regulation Global Competition Review. Apart from participating in traditional GCR questionnaires, the FAS Russia prepared an article on Russian antimonopoly legislation and policy that was published in the issue dedicated to the European, Middle Eastern and African Antitrust Review<sup>37</sup>, as well as provided materials for GCR Handbook of Competition Enforcement Agencies and GCR Handbook of Competition Economics. In 2020, 14 publications were published in the GCR on the experience of the FAS Russia.

As a result of the increased activity of the FAS Russia related to foreign media, 44 articles on the activities of the FAS Russia were published (11 articles in Competition Policy International (CPI), 30 in E-concurrence, 3 in Reuters).

#### **5.3.2. Participation in research projects and educational events**

To combine the efforts of the FAS Russia, educational and scientific organizations in order to develop competition law and train professional specialists, there is a

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<sup>35</sup> <https://fas.gov.ru>

<sup>36</sup> [http://www.dex.ru/edition/zhurnal\\_rossijskoe\\_konkurentnoe\\_pravo\\_i\\_ekonomika/](http://www.dex.ru/edition/zhurnal_rossijskoe_konkurentnoe_pravo_i_ekonomika/)

<sup>37</sup> <https://globalcompetitionreview.com/review/the-european-middle-eastern-and-african-antitrust-review/2020>

Scientific and Methodological Council of educational organizations and departments of competition law and antimonopoly regulation of the FAS Russia<sup>38</sup>.

In Russia, there are already more than 50 departments and centers in the field of antimonopoly policy and competition law in leading higher educational institutions. Departments at universities are headed by leading academics and heads of the FAS Russia and its Regional Offices. In many universities, the discipline "Competition Law" is compulsory for students. This means that all students who earn a law degree already have a basic knowledge of antitrust regulation. If earlier it took more than 6 months for young specialists to adapt to work in the FAS Russia, at the moment this period has been reduced to 1 month. In 2018, the professional standard "Specialist in the field of competition law"<sup>39</sup> was approved, which states that the main goal of a specialist in competition law is to prevent violations of the requirements of antimonopoly legislation, reduce the risk of violations, terminate and eliminate violations of antimonopoly legislation, develop competition.

In 2020, a decision was made to create the FAS Academy as an integrated system for the development of personal and managerial skills of employees. The FAS Academy will not only expand the implementation of competency development programs that meet strategic goals (management abilities, innovativeness, strategic thinking, social responsibility and others), but will also allow participants to develop professional and personal qualities, gain recognition of business qualities.

On December 17-18, 2020, the VI International Scientific and Practical Conference "Antimonopoly Policy: Science, Practice, Education" was held, which was organized jointly with the HSE-Skolkovo Institute for Law and Development. The event was held online. Representatives of foreign competition authorities, academia and expert communities took part in it.

In order to ensure stability and institutional continuity in the framework of competition advocacy, an annual contest of professional skills "My useful initiative" is held annually for the FAS Russia employees. Objectives of the project: 1) development of professional competencies of the employees, retention of the skilled workers through the formation of a comprehensive career development program, which allows future winners and participants to apply for leadership positions; 2) creation of conditions for the development and formation of an existing candidates pool, consisting of professional staff, focused on

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<sup>38</sup> <http://emc.fas.gov.ru/>

<sup>39</sup> Order of the Ministry of Labor and Social Development of the Russian Federation No. 625n of October 9, 2018 "On the approval of the professional standard "Specialist in the field of competition law": <http://publication.pravo.gov.ru/Document/View/0001201811010006> (Russian version only)

achieving successful results; 3) accumulation of ideas and initiatives for their further implementation and dissemination of best practices.

For employees of FAS Russia there is an internal web portal. This is a common informational space for the employees of the competition authority. Here you can find the latest news, documents, useful information and access to services, watch broadcasts and recordings of internal events, as well as make use of mechanisms for communication and training.

## **Part 6. Resources overall**

### **6.1. Annual budget**

Maintenance cost of the Central Office of the FAS Russia and its Regional Offices is funded at the expense of funds provided for in the federal budget.

In 2020, the budget of the FAS Russia was equal to 5,8 billion rubles (64 million euros)<sup>40</sup>.

### **6.2. Human resources**

Total number of members of staff of the FAS Russia as of December 31, 2020 was 3504. 1189 employees worked in the Central Office and 2315 employees in 84 Regional Offices of the FAS Russia in the constituent entities of the Russian Federation. Out of the total number of the FAS Russia employees, 2404 are engaged in law enforcement practice related to antimonopoly and tariff regulation (no division), the rest of the employees are involved in procurement, advertising, control over investments and ensuring the activities of the FAS Russia.

1939 employees are engaged in antimonopoly enforcement.

The FAS Russia does not have a clear delineation of official duties of employees into "lawyers", "economists" and "others". Therefore, it is possible to discuss the percentage of presence in the competition authority of employees of the three indicated categories on the basis of data on the higher education: 55% of employees have a law degree, 26% - economics, 19% - other. At the same time, we note that this percentage also includes employees who have two or more degrees (law and economics, law and other, economics and other).

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<sup>40</sup> EUR rate on December 31, 2020 = 90, 6824 rubles