



Federal Antimonopoly Service

On Updates and Developments of Competition Policy in the Russian Federation

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February 26, 2017, Nha Trang, Vietnam***

- *The Russian Competition Authority was created in 1990 in the very beginning of market reforms*
- *The FAS Russia - federal executive body under direct supervision of the Government of the Russian Federation.*
- *The FAS Russia consists of the Central Office and 84 Regional Offices in each constitutional subject of the Russian Federation (reported to Central Office, financed from Federal Budget).*
- *FAS Russia' staff (31.12.2016) – total 3504:*
 - *Central Office – 1189;*
 - *Regional Offices – 2315.*

In 1991, the first law “On Competition and Restricting Monopolistic Activity on Commodity Markets” was adopted;

Now antimonopoly regulation in Russia is exercised in accordance with the Federal Law dated July 26, 2006 No. 135-FZ “**On Protection of Competition**”

Radical modernization of the antimonopoly legislation has been done by amending more than twenty federal laws:

- ✓ *“The First Antimonopoly Package” (2006);*
- ✓ *“The Second Antimonopoly Package”(2009);*
- ✓ *“The Third Antimonopoly Package” (2012);*
- ✓ *“The Forth Antimonopoly Package” (2016).*

- *Every year the FAS Russia presents to Government a report “On State of Competition in the Russian Federation”*



- *In September 2016, the Prime-Minister of the Russian Federation empowered the FAS Russia and 10 key Ministries to prepare the National Competition Development Plan for 2017-2018*
- *The aim is to reduce the role of state sector in the economy, to support business and to improve the investment environment*

In recent years, competition authorities are faced with the problem of cross-border violations

- *Global markets*
- *Transnational companies*
- *Cross border violations*



- *National competition law*
- *National competition authorities*

*Necessity of International
Cooperation on the
bilateral and multilateral
basis*

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.

Using its dominant position, Google set a number of requirements for Android OS mobile devices manufacturers for obtaining Google Play app store.

It is possible to obtain Google Play only by:

- Package with other Google apps



- setting/pre-installation of Google search as a default search engine

- prioritized placement of Google apps on the screen of a mobile device

- prohibition of pre-installation of apps and services of competitors, that was secured by financial reward from Google

- On **18 September 2015** FAS found that “Google Inc”, “Google Ireland Ltd.” violated the antimonopoly law by abusing dominance and issued a determination to eliminate the violation. The company, however, disagreed with FAS decision and filed a lawsuit. The Court of First Instance and the Appeal Court confirmed the rightness of FAS conclusions.
On 11 August 2016 the FAS Russia imposed an administrative fine upon “Google Inc.” more than 6,7 mln \$.
- In **November 2016** FAS held “Google Inc.” administratively liable and fined the company 500,000 RUB for force to execute.
- On **20 December 2016**, Moscow Arbitration Court confirmed legitimacy of the fine upon “Google Inc.” Earlier FAS issued determinations against “Google Inc.” and “Google Ireland Limited” to hold administratively liable for failure to execute the determination within the designated period. Each company was fined 500,000 RUB.
- On **20 December 2016** the Court heard the case against “Google Inc.”
- At the moment the Court heard **five parallel judicial proceedings** against company Google

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.



It was established by the authority that in 2012-2013 information on General Rate Increase was published on the website of one of the liner shipping companies, after which the other companies fixed the same surcharges. Such concerted actions are prohibited for competing economic entities if their joint market share on the relevant market exceeds 20%, and each involved company's market share is not less than 8%.

As a result of investigation A.P.Moller-Maersk A/S (Denmark), CMA CGM SA (France), Hyundai Merchant Marine Co., LTD (Korea), Orient Overseas Container Line Limited (Hong Kong), Evergreen Marine Corp. (Taiwan) Ltd (Taiwan) were found violated Clause 1 Part 1 Article 11 of the Law on Protection of Competition (concerned actions)

- Companies went to courts to appeal decision of the FAS Russia;
- On September 7, 2016 Moscow Arbitration Court confirmed the decision of the FAS Russia in relation to international liner shipping companies.
- On February 13, 2017 a settlement agreement was signed between the FAS Russia and a number of violated companies





Cooperation of Competition Authorities all over the world –

**a way to effective
investigations of
transborder violations
of rules of competition!**

THANK YOU FOR YOUR ATTENTION!



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