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**CENTRE FOR CO-OPERATION WITH NON-MEMBERS
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CONTRIBUTION FROM BULGARIA

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COMPETITION LAW AND POLICY IN THE REPUBLIC OF BULGARIA

1 Legislation

The Constitution of Bulgaria, in force from 1991, sets up the basis for development of competition. It provides that the Bulgarian economy is based on free economic initiative. Paragraph 2 of Article 19 establishes and guarantees to all citizens and legal persons equal legal conditions as regards economic activity, preventing abuse of monopolistic position, unfair competition and consumer protection.

The current Law on Protection of Competition /LPC/ entered into force on April 29th, 1998. The reasons for its adoption might be summarised as follows:

The first Bulgarian legal model adopted in 1991 bore substantial differences when compared to the legal systems of other countries with long practice and established rules in this field;

The changes in the Bulgarian economy (privatisation, deregulation, liberalisation) and experience from the enforcement of the previous competition law;

The fulfilment of the obligation for approximation of Bulgarian legislation with the *acquis* under the Europe Agreement establishing an Association between the European Communities and their Member States, on one part, and the Republic of Bulgaria, on the other, is an important part of the preparations for membership to the EU in the context of the accession negotiations.

1.1 The objectives of the LPC

The Law on Protection of Competition declares in Article 1 that it aims at ensuring “protection and conditions for the promotion of competition and free initiative in the sphere of economy”.

The Law does not mention the protection of consumers’ interests among the legislative objectives, as was the case in the previous competition act. This is due to the fact that a special Law on consumer protection and trade rules was adopted. This law, which is in force from July 3, 1999 empowers the Commission on Trade and Consumer Protection and to the National Consumer Council, whose members are representatives of the line Ministries and Consumer Associations with the consumer protection.

Nevertheless, with its provisions concerning the control of dominant position and these related to unfair competition the Law on Protection of Competition takes into consideration consumers’ interests.

1.2 The scope of application of the LPC

The scope of application of the LPC covers each activity, the results of which are designed for exchange on the market. The Law covers all sectors of the Bulgarian economy and applies to all undertakings, including the public ones and those entrusted with special or exclusive rights, public authorities and natural persons.

LPC retains the alternative effects doctrine: it applies to all undertakings which carry on their activities on the territory of Bulgaria or outside, if they prevent, restrict or distort or might prevent, restrict or distort competition in the country.

The consequences of activities that restrict or might restrict competition in another State, do not fall within the scope of the Law.

LPC contains the following **anti trust** provisions:

Chapter III prohibits all agreements between undertakings, decisions of connected or joint undertakings, as well as concerted practices of two or more undertakings that have as their object or effect the prevention, restriction or distortion of competition on the relevant market. The prohibited agreements are automatically void, and their nullity may be invoked before the court.

The provisions of the Law do not cover, however, agreements, decisions or concerted practices with negligible effect on competition.

Restrictive agreements can be **exempted on individual basis** provided they contribute to increasing or improving the production of goods and services, to promoting technical or economic progress or to increasing the competitiveness on external markets, while allocating to consumers a fair share of the resulting benefits.

The Law provides for the **possibility of block exemptions**. It states that the Commission on Protection of Competition, by adopting a decision, may declare the prohibition inapplicable to certain categories of agreements when they meet the requirements of the Law. This is the legal base for the first CPC Decision for block exemption from the prohibition of Art.9 of certain categories of agreements meeting the conditions laid down in Art.13 of the Law. The decision follows closely the provisions of Regulation 2790/1999 on the application of Art.81 (3) of the Treaty to categories of vertical agreements and concerted practices.

Chapter IV of the LPC prohibits actions of undertakings enjoying a monopolistic or dominant position that have as their object or effect prevention, restriction or distortion of competition.

Chapter VI regulates the control of concentration of economic activity. The CPC authorises the concentration, provided that the latter does not result in creation or strengthening of a dominant position that would significantly impede effective competition on the relevant market. Authorisation may also be granted under the condition that certain requirements are met.

A concentration which creates or strengthens a dominant position, could also be cleared, provided that it aims at modernising the production or the economy as a whole, at improving the market structures, attracting investments, increasing the competitiveness on external markets, creating new jobs and better satisfying the interests of consumers. When assessing a concentration the CPC considers whether the advantages outweigh the negative impact on competition on the relevant market.

The LPC includes also provisions prohibiting **unfair competition**. **Chapter VII** of the Law covers the infliction of damages on the reputation of competitors, misleading advertising, imitation, unfair attraction of customers and disclosure of industrial or trade secrets.

2 Enforcement

The Commission on Protection of Competition /CPC/ is the authority charged with the implementation of the LPC.

From the beginning of 2000 until July 2001 the Commission adopted 45 decisions having for their object prohibited agreements, restrictive practices and abuse of dominant position, as well as 34 decisions concerning merger control.

An indicator for focusing the attention of the CPC in the area of antitrust is the number of ex-officio cases, which is 16 out of 24 cases (anti-trust and unfair competition). For a period of the same length - mid 1998 – end 1999, the number of these cases was two times lower.

The CPC examined 14 cases about prohibited agreements, decisions and concerted practices. During the period 33 decisions were adopted on abuse of dominance. A substantive part of them concerned state owned enterprises. There were 15 cases authorising mergers, including one case of conditional approval. With Decision №91/18.07.2000 the CPC imposes a fine to "Cable Bulgaria" Ltd BGN 5 000 (equal to EUR 2556,45) for not compliance with the obligation to notify to the Commission forthcoming concentration.

In motivating its decisions the Commission complies with the *acquis* and follows closely the practice on the European Commission and the European Court of Justice. For example, in Decision N°144/30.11.2000 the Commission is referring to Decision №6/72 in 1973 *Continental Can* and Decision N°32/65 on 13.07.1966, both of the European Court of Justice, in connection with the restriction of potential competition. In view of the above mentioned, Decision №28/14.03.2000 which rules against "Gips" Ltd, refers to the practice of the European Commission and the European Court of Justice in the field of "fidelity rebates" and particularly cases 27/76 *United Brands*; *Irish Sugar* (97/624 EU); *Suilker* and others.

The Commission on Protection of Competition strictly monitors the activities of enterprises with special and exclusive rights and has intervened several times in order to ensure effective competition on the markets where these undertakings operate.

In one of the most high profile cases the Commission imposed a significant fine to the Bulgarian Telecommunication Company for abuse of dominant position through unilateral imposition of unfair trading conditions, affecting the interests of the consumers of telephone services (Decision 21/22.02.2000).

The National Electricity Company has also been subject to investigations for abuse of dominance (Decision 64/22.06.1999).

Several times the Commission has examined the behaviour of "Water supply and Sewage" SOJSC because of imposition of unfair trading conditions, limitation of the technical development to the detriment of the consumers, as well as direct or indirect imposition of unfair purchase or selling prices (Decisions 58/25.05.2000 and 96/05.09.2000).

During the proceedings the CPC does not take into consideration specific regulatory issues and sticks to antitrust reasoning only. While in the past this position was not always sound from an economic point of view, now, after the creation of special regulatory bodies it seems the only logical way of behaviour on behalf of the CPC. The delimitation of jurisdiction between the Commission and the regulatory bodies has not, for the time being, given rise to any significant problems.

2.1 Examples from the practice of the Commission on Protection of Competition

Decision Nr. 81/11.07.2000

The CPC has initiated ex officio investigation for abuse of dominance and concerted practice on collusive price setting of phone cards on sale by BULPHONE Bulgarian Corporation for Telecommunications and Informatics (BCTI) J.-St. Co. and Radio and Telecommunications Ltd.

The CPC found that there was no abuse in the sense of Art. 18 LPC since the aggregate share of the two companies was below 35 % of the relevant market, and no other elements provided indications that the enterprises could behave independently from their competitors.

Upon absence of direct evidences for unfair co-ordination of activities, the basic criterion to establish collusive price co-ordination is the availability of perfect price parallelism.

In the course of the proceedings CPC has found out that after a period of fierce price competition, the prices of the two companies became equal. The process could not be time-bound with a change in the specific market conditions, that is the increase in costs for connecting and hiring phone lines from the Bulgarian Telecommunications Company PLC (BTC). At the same time, similar price dynamics could not be justified with the market structure as it has not changed substantially for the period under consideration.

BULPHONE BCTI J.-St.Co. and Radio and Telecommunications Ltd. have one holder of their majoritary share package– BTC. Taking into consideration the share participation, CPC assumes that BTC can not exercise a direct influence on the market conduct of the two companies. But, the participation of BTC representatives in the executive boards of the two companies allows to assume that BTC has played as an intermediary in price policy co-ordination.

With view to the above stated CPC assumes in its decision that there is a violation of Art. 9(1) (1)/LPC.

Decision Nr. 144/30.11.2000

The CPC has initiated upon its own initiative an investigation of agreement between Overgas Holding J.-St. Co. and Bulgaria 2002 J.-St. Co. Holding. (in liquidation). The motive for it is a contract for non-competing with territorial limitation, the territory of the country. Under the contract Bulgaria 2002 J.-St. Co. Holding (in liquidation) is obliged not to perform competing activities in the area of gasification for a period of 5 years. Overgas Holding J.-St. Co. has taken upon itself the obligation to pay a compensation for this restraint.

The CPC assumes that effective protection of competition on a particular market should take into account not only existing but also potential competition.

It reaches the conclusion that by the sole fact of signing the contract, Bulgaria 2002 J.-St. Co. Holding. seizes to play the role of a powerful potential competitor for a certain period of time. Led by these considerations, CPC prohibits the agreement and imposes fines on both companies.

Decision Nr. 139/16.11.2000

The CPC has initiated proceedings upon its own initiative on a distribution practice of Danon-Serdika J.-St. Co. which is a violation of Art. 9/LPC

The investigation is motivated by the fact that yoghurt packages produced by Danon-Serdika J.-St. Co. are launched on the market with a fixed retail price. The survey on the territory of Sofia shows that the price is strictly observed by retailers.

Upon reviewing the distribution agreements, CPC assumes that the imposed price on distributors deprives them from the possibility to widen their part of the market by decreasing the price. As a consequence safe harbours within the market are created. Thus secured, distributors do not have any stimulus to raise their competitiveness in their zones, which is entirely to the detriment of the customers. On the basis of the above, CPC concluded that this obligation in the distribution agreement of Danon-Serdika J.-St. Co contravened with the prohibition of Art. 9(1)/LPC.

On the grounds of the established facts, CPC decided to impose pecuniary sanction on the company, the amount depending on the gravity and duration of the violation.

Decision Nr. 108/28.09.2000

Unicredito Italiano S.p.A. and Allianz AG –Germany notified the CPC in connection with the privatisation of Bulbank J.-St. Co. In cases of concentration of banks, non-banking financial institutions and insurance companies, an obligation arises for notifying CPC.

Allianz AG is present on the Bulgarian banking market with its control share in Allianz Bulgaria Holding J.-St. Co., controlling Bulgaria Invest Commercial Bank J.-St. Co. In this case CPC assumes no concentration is established by acquiring 5 % of the shares of Bulbank J.-St. Co., Allianz AG, the acquiring company, would not be in a position to exercise control over the acquired one.

CPC established that Unicredito Italiano S.p.A. does not participate on the Bulgarian banking market. In this particular case the company did not have shares in undertakings under the control of Allianz AG in Bulgaria. Thus, the possibility for exercising indirect control over them is excluded.

On the grounds of the above CPC decided that the acquisition of shares by Unicredito Italiano S.p.A. representing 93% of the capital of Bulbank J.-St. Co. and the acquisition of shares by Allianz AG representing 5% of the capital of Bulbank J.-St. Co., did not fall within the scope of Art.24/LPC.

Decision Nr. 60/10.05.2001

The CPC has been notified for a planned concentration by two operators in the insurance sector: “T.B.I. Holding H.B.” Ltd, Holland and “DZI 2000” Ltd. The concentration consisted in acquisition by a consortium “T.B.I. Holding Company H.B. – DZI-2000” Ltd of 67% of the share capital of “DZI” Ltd.

“T.B.I. Holding H.B.” Ltd, Holland and “DZI 2000” Ltd have respectively 99% and 1% control share in the consortium. “DZI” Ltd is 100% state-owned enterprise.

The company ZPAD “Bulstrad” which is a part of the economic group “T.B.I.” According to Type Convention, signed in London in 1953 is designated as Bulgarian representative for “Green Card” system. It is the only company providing this service in the country.

The CPC found that the aggregate market share of the undertakings concerned is 50.64% (in 2000). Taking into consideration this fact the Commission considered as indispensable to make a detailed study of the market in order to establish the presence or the lack of dominant position. The CPC concluded that there is strong competition on the relevant market.

Based on the examination of the investment program presented by “T.B.I. Holding Company H.B. – DZI-2000” Ltd, the CPC concluded that the planned concentration could have positive economic effects. It would contribute to the modernisation of the acquired company, the improvement of the quality of the services and the enhancement of the competitiveness of “DZI” Ltd. The Commission considers also as important the obligation assumed by T.B.I. Holding to keep, with minimal discharges, the employees of the acquired society.

2.2 *The main difficulties CPC faces in the enforcement of anti trust provisions*

The main difficulties the CPC faces in anti-trust enforcement concern:

- gathering of evidence during the investigation of prohibited agreements and concerted practices;
- insufficient awareness by the economic operators of the competition legislation, particularly in the field of prohibited agreements and concerted practices, which might result in the prevention, restriction or distortion of competition on the relevant market;
- insufficient experience in the implementation of the provision of Art. 13 (3) LPC, particularly concerning the formulation of conditions, imposed to the parties of an agreement, when the Commission adopts a decision for individual exemption.

2.3 *Competition advocacy*

The CPC has statutory rights in the field other than LPC enforcement. Thus it is regularly consulted by the Privatisation Agency on the conditions of transactions and on the opportunity of selling public enterprises.

The CPC plays an important role in the process of deregulation and liberalisation. The Commission is consulted on draft acts and regulations related to the competitive environment or regulating the behaviour of undertakings with special and exclusive rights on the relevant market. In this respect the opinions of the Commission on the draft amendments of the Energy Efficiency Act and the Telecommunications Act are of particular importance.

During the last year CPC’s representatives participated in a commission appointed by the Prime-Minister which made an analysis of the legislative and regulatory acts establishing licensing and registration regimes. The commission examined about 520 regimes. 330 were considered likely to affect the development of business. Some of these regimes were simplified, while other were abolished.

ANSWERS TO THE QUESTIONNAIRE

2. Example

Decision Nr. 93/5.09.2000

With CPC Decision N 4/ 17.01.2000 on the grounds of Art.36, par. 1, p.3 of the Law on Protection of Competition /LPC/ the Commission on Protection of Competition /CPC/ initiated ex-officio investigation with the following objective: the existence of illegal agreement between undertakings performing public transport services for passengers "on additional destinations." [Sophia has three forms of public transportation: fixed route buses and trams that are owned and operated by the city; regular taxi services, which are private; and an intermediate service "on additional destinations" in which the beginning and end points are fixed but the private companies providing the service may choose the routes they travel. This case involves 12 providers of this intermediate service.]

In the course of the investigation written evidences were incorporated as follows:

- publication in the newspaper “*Sega*” that 12 transport-companies in Sofia, had on 05.01.2000 augmented by 0.20 lw., the prices of the services.
- oral statements of the representatives of the companies;
- written explanations of the representatives of the companies.

As a general rule, in their statements, the companies explained that the increase of the prices was due to economic reasons:

- a) the rise of petrol products prices in 2000 as compared to 1999;
- b) the additional costs raise /salary, insurance, spare parts, maintenance and the amortisation expenditures;
- c) incomes decrease.

Relevant market analysis - Pursuant to § 1, p.5 of the Additional Provision of LPC, the “relevant market” is defined as:

- a) product market
- b) geographical market

a/ Product market

The CPC assumed that the market should be defined as **the market of public transport for passenger on additional destinations.**

b/ The geographical market shall be defined as the market covering the territory of Sofia.

The participants on the relevant market are the 18 companies, which provide transport services in Sofia.

According to the written statements of the companies, the increase of the petrol product prices is the most important reason for raising the prices of the services. The economic analysis pointed out, that the prices of the petrol, gas and diesel were slightly increased in 1999, but this could not explain the price increase. [In response to a question by the Secretariat, the Bulgarian authority explained that the cost increases could not explain the price increase because: during the period under investigation the prices have varied but not significantly and not at the moment of the price rise. Besides, the companies involved in the agreement have different market power, they secure the service through different types of vehicles and thus their dispenses with regard to the provision of the service are different.

The CPC found that 12 companies have met in Cafe "Valcite". The representatives of the companies explained, that they had discussed the prices of the transport services. The cartel members did not realise that they had done something illegal. They stated: "Yes, we decided to increase the prices. We agreed for 0.20 lw. increase. We published this announcement in the newspaper, because we wanted to prepare customers for the increase of the prices." and "This meeting was not official. We just talked about our problems and about prices too, but what is wrong?"

The effect of the cartel - increase of prices of the services with 0.20 lw. simultaneously.

The CPC decided, that the conduct of independent enterprises, aimed **at simultaneous and identical** raise of the price of the transport service for a relatively long period of time could be defined as "**concerted practice**".

The CPC assumed that the existence of a "parallel" conduct /parallelism/, through which the conditions for competition are distorted is a **non-typical market conduct** that could not be explained with the economic conditions.

Direct and indirect price-fixing is **extremely serious violation** of the competition rules. The exchange of information between competitors regarding prices falls within the definition of the term "concerted practices" even in case they have not intended to form a cartel. These activities limit and violate always the rights of the consumers.

The CPC imposed fines, which were proportional to the market share of each of the companies on the relevant market:

6 companies - 2569 EUR

6 companies - 3596 EUR

2 companies - 5137 EUR

3. Standard of proof for competition enforcement

The Law on Protection of Competition states that written, as well as oral evidences are admitted during the procedure before the competition authority.

On the investigation stage the rapporteur should examine the circumstances concerning the file, by:

1. requesting written or oral explanations from the applicant; from the person against which the complaint for violation of the law is brought, from undertakings, and from State and local authorities. The written explanations should be recorded and signed by the person who has given the explanations;
2. requesting copies of private and official documents;
3. requesting written opinions from State and local authorities.

At the sittings of the Commission written evidence are admitted and the explanations of the parties should be heard.

The chairman may order that a party appear in person in order to give explanations.

➤ **Available sanction for competition enforcement**

Pecuniary sanctions

For infringement of the Law on the Protection of Competition (offences under Art. 9, Art. 18, Art. 30 to Art. 35, as well as for carrying on operations under Art. 11, paragraph 1, Art. 15, paragraph 2, Art. 20, paragraph 2 and Art. 24, paragraph 1 without authorisation), the CPC imposes a **pecuniary sanction** on the **undertaking**, in favour of the State, to the amount of BGN 5 000 000 (EUR 2 500 000) to BGN 300 000 000 (EUR 150 000 000).

In case of a repeated offence the Commission may impose a pecuniary sanction on the undertaking to the amount of BGN 100 000 000 (EUR 50 000 000) to BGN 500 000 000 (EUR 250 000 000).

In case of failure to perform a decision of the Commission the latter may impose a pecuniary sanction on the undertaking, to the amount of BGN 100 000 000 (EUR 50 000 000) to BGN 500 000 000 (EUR 250 000 000).

Fines

The natural persons who have committed or admitted the committing of offences under the Law, where the act does not constitute a crime, are liable to a **fine** of BGN 1 000 000 (EUR 500 000) to BGN 10 000 000 (EUR 5 000 000).

Natural and legal persons who fail to submit on time the evidence requested or accurate information, or fail to appear in person to give explanations before the Commission, are liable to a fine of BGN 500 000 (EUR 250 000) to BGN 2 500 000 (EUR 1 250 000).

In case of a repeated offence the guilty person are liable to a fine of BGN 2 000 000 (EUR 1 000 000) to BGN 20 000 000 (EUR 10 000 000).

In case of minor offences the Commission may impose a fine below the established minimum threshold.

4.a/ Principles for calculating sanctions for economic law violations and crimes

According to the Administrative Violations and Sanctions Act /AVSA/ the administrative sanctions, which may be stipulated and inflicted for the commission of **economic law violations**, are a public censure, a fine and a temporary deprivation of the right to practice a certain profession or activity.

The principle is that the liability to administrative sanctions is personal. The AVSA provides, however, that a property sanction may be imposed on juridical persons and sole traders as well for any failure to discharge their legal obligations to the state stemming from and in connection with the performance of their activities in such cases as are provided for in a relevant law or decree of the Council of Ministers.

The law provides for the principles, which should be respected for calculating the amount of the sanctions. According to this act account should be taken of the gravity of the violation, the motives or inducements for the commission thereof and other extenuating and aggravating circumstances, as well as the property status of the offender.

The sanctions for **economic crimes** should be calculated in accordance with the provisions of the Penal Code /PC/ and in the limits established by the code. In meting out the punishment the court should take into consideration the degree of social danger of the act and the perpetrator, the motives for crime perpetration, and other attenuating or aggravating circumstances.

4 b/ Principles for calculating sanctions for competition law violations

Calculating the sanctions for violations of the competition legislation the Bulgarian Commission on Protection of Competition respects the principles settled by the AVSA. It takes into account the Community law and the practice of the European Court of Justice and the European Commission.

In the field of prohibited agreements, for example, the CPC takes into consideration the *Commission notice on the non-imposition or reduction of fines in cartel cases*. In compliance with this notice the CPC has granted in some cases reduction of sanctions to enterprises co-operating with the Commission during the investigation.

The Commission considers that ensuring detection and prohibition of such practices is primordial for the public interest and should outweigh the interest in fining those enterprises, which co-operate with the Commission.

4 c/ Principles for calculating sanctions for procurement fraud, tax fraud and securities fraud

➤ Sanctions for procurement fraud

The sanctions for procurement fraud are established by the Public Procurement Act. This law states that:

- Any offences under the Act, such as do not constitute a criminal offence, shall be punishable by fine in an amount not to exceed one half of one per cent of the relevant contract value, but not smaller than BGN 1 000 (EUR 500).
- Any principal within the meaning of the Act who fails to comply with the requirement to conduct the public procurement award procedure shall be punishable by fine in an amount

not exceed five per cent of the relevant contract value, but not smaller than BGN 5 000 (EUR 2 500).

- Any principal who fails to perform the actions prescribed by the review authorities shall be punishable by fine in an amount from BGN 200 (EUR 100) to BGN 1 000 (EUR 500).
- Any officer who fails to provide, within the time limit prescribed, any such evidence or information concerning the award or performance of a public procurement contract as may be requested from him shall be punishable by fine in an amount from BGN 50 to 250.

Also punishable under this provision shall be any officer who fails, without any valid reason, to refer a complaint promptly to the competent authority or court.

➤ **Sanctions for tax fraud**

The Penal Code states:

- A person who avoids payment of tax obligations of large amounts, as well as fails to submit a tax return as required by law, or who confirms untrue statement or conceals truth in submitted statement, shall be punished by deprivation of liberty for up to three years and a fine of up to five hundred Bulgarian Leva.
- If the undeclared and unpaid tax obligation together with the interest due is paid to the budget prior to completion of the judicial inquiry at the court of first instance, the punishment shall be a fine of up to two thousand Bulgarian Leva.
- A person who, for the purposes of preventing the establishment of tax obligations of large amount, keeps accounting or uses accounting papers of untrue contents, shall be punished by deprivation of liberty from one to five years and a fine of thousand to five thousand Bulgarian Leva.
- Where the acts have served to conceal tax obligations of particularly large amount, or where they have been committed with the participation of an officer of the tax administration or a certified public accountant, the punishment shall be deprivation of liberty from two to ten years and a fine from two thousand up to twenty thousand Bulgarian Leva.

In cases of minor importance the punishment shall be a fine to the double amount of the concealed tax obligations, imposed by administrative procedure.

If the undeclared and unpaid tax obligation together with the interest due is paid to the budget prior to completion of the judicial inquiry at the court of first instance, the punishment shall be deprivation of liberty for up to three years and a fine of up to ten thousand Bulgarian Leva.

- A person who establishes a legal person or a foundation, which do not pursue, or seemingly pursue the activities and objectives declared upon registration, for the purpose of obtaining credits under the cover of such institutions, to be exempted from taxes, to obtain tax relieves or to obtain other material benefits, as well as to pursue prohibited activities, shall be punished by deprivation of liberty for up to three years, a fine of three to five million Bulgarian Leva and deprivation of rights to hold a certain state or public office or to exercise a certain vocation or activity.

➤ **Sanctions for securities fraud**

The violations of the Securities, Stock Exchanges and Investment Companies Act are fined to the amount of BGN 2 000 (EUR 1 000) to BGN 10 000 (EUR 5 000), unless the action committed does not constitute a crime.

A person who pursues transactions in securities as an occupation, without obtaining a license under the terms and procedures of this Act, is fined to the amount of BGN 5 000 (EUR 2 500) to BGN 20 000 (EUR 10 000), unless the action committed does not constitute a crime.

For the mentioned violations, legal person is sanctioned to the amount of BGN 10 000 (EUR 5 000) to BGN 50 000 (EUR 25 000).

QUESTIONARY

Name and type of restriction	Product or service	Geographic area	Duration of the cartel	Evidences	Amount of commerce	Sanctions
Concerted practice/price-fixing/ between 14 undertakings /horizontal/	Public transportation for passengers on additional destinations	Sofia	01-09.2000	- 12 undertakings, operating on the relevant market, announce in a newspaper, that they intend to increase the price of the service on 05.01.2000. - oral statements of cartel members	No data	92 000 lv. ; prohibition of the agreement (approximately EUR 47000)
Illegal agreement between Overgas Holding J. St.Co. and Bulgaria 2002 J. St. Co. Holding/horizontal/	Services in the area of gasification	The territory of Bulgaria	11.1998 –	- contract between the two companies, which includes non – compete clause in the area of gasification for a period of 5 years.	No data	50 000 lv. ; prohibition of the agreement (approximately EUR 25500)
Illegal agreement "Contract of exclusive distribution" between Mlechen Pat J.St.Co. and Balkan Milk Products Ltd.	Milk products	The territory of Bulgaria	07.1995-08.1997	price fixing and non-compete clause in the contract for exclusive distribution between the two companies.	No data	Prohibition of the agreement
Concerted practice/price-fixing/ between "Bulfon" J.St.Co. and "Radiotelekomunikation Company " Ltd./horizontal/	Phone cards	The territory of Bulgaria	07.1999-07.2000	perfect price parallelism, which is a non-typical market conduct regular meetings between the two companies. A shareholder in "Bulfon" J.St.Co. is a shareholder in "Radiotelekomunikation Company " Ltd. acted as a negotiations mediator.	No data	Fine of 18 000 lv. Imposed (approximately EUR 9 000)
Illegal agreement/price-fixing/-distribution agreements of "Danon-Serdika" J.St.Co./vertical/	Natural yoghurt	The territory of Bulgaria	01.-11.2000	- Distribution agreement, which include price-fixing clause for retail prices.	No data	Prohibition of the price-fixing clause and fine of 10 000 lv imposed. (approximately EUR 5000)