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Global Forum on Competition

FIGHTING CORRUPTION AND PROMOTING COMPETITION

Contribution from Russia

-- Session I --

This contribution is submitted by the Russian Federation under Session I of the Global Forum on Competition to be held on 27-28 February 2014.

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FIGHTING CORRUPTION AND PROMOTING COMPETITION

-- Russian Federation --

1. The Federal Antimonopoly Service of Russia in view of the requirements of Russian legislation and within its competence takes an active part in activities aimed at countering of corruption detection and subsequent removal of the causes and conditions of its manifestation.

2. In accordance with the Federal Law of 25.12.2008 № 273-FZ «On Corruption Counteraction» anti-corruption legal framework consists of the Constitution of the Russian Federation, federal constitutional laws, the generally recognized principles and rules of international law and international treaties of the Russian Federation, federal laws, normative legal acts of the President of the Russian Federation, as well as regulatory and legal acts of the Russian Federation, other normative legal acts of federal public authorities, regulations of public authorities of the Russian Federation and municipal legal acts.

3. The FAS Russia carries out prevention of corruption through the following main measures:

- monitoring compliance with federal and departmental documents relating to anti-corruption activities within the Service;
- forming public intolerance towards corrupt behavior;
- participation in the development of institutions of public control over observance of the legislation of the Russian Federation on corruption counteraction.

4. Federal Law of 26.07.2006 № 135-FZ «On Protection of Competition» (hereinafter - the Law on Protection of Competition) contains provisions aimed at eliminating or reducing factors of corruption risks. These provisions may include the following:

- prohibition of anti-competitive acts and actions (inaction) of the federal executive authorities, public authorities of the Russian Federation, local authorities, exercising the functions of these other bodies, bodies or organizations as well as state funds, the Central Bank of the Russian Federation (Article 15 of the Law on Protection of Competition);
- ban on combining functions of the federal executive bodies, executive bodies of subjects of the Russian Federation, other authorities, local authorities and functions of economic entities, except for cases established by federal laws, decrees of the President of the Russian Federation, Resolutions of the Government of the Russian Federation, as well as granting of economic entities by functions and powers of these bodies, including the functions and rights of state control and supervision (Article 15 of the Law on Protection of Competition);
- prohibition on anti-competitive agreements or concerted actions of the federal bodies of executive power, bodies of state power of subjects of the Russian Federation, local authorities and other bodies exercising functions of the above bodies or organizations as well as state funds, the Central Bank of the Russian Federation (Article 16 of the Law on Protection of Competition);

- an interdiction on allotting federal executive bodies, executive bodies of subjects of the Russian Federation, local authorities, other bodies exercising the functions of these bodies or agencies of the state or municipal aid (defined as advantage which provides some economic entities compared to other market participants more favorable conditions for the activities of the relevant product market, by transferring assets and (or) other objects of civil rights, rights of access to information in priority order) without preliminary approval of the antimonopoly authority (Article 21 of the Law on Protection of Competition).

5. Established by laws regulating the activities of the FAS Russia prohibitions on actions (inaction) of state and local authorities, as well as execution of the FAS Russia powers to prevent and punish violations of these prohibitions reduce corruption risks.

6. In the first half of 2013 initiated 1,487 cases of violation of Article 15 of the Law on Protection of Competition, and issued 1264 decisions of a violation of antitrust laws.

7. Also, in the first half of 2013 brought 182 cases of violation of Article 16 of the Law on Protection of Competition, and issued 152 decisions on the presence of antitrust violations.

8. Examinations of cases in several judges in FAS Russia reduce the risks of corruption within the Service. When exercising the functions entrusted to the FAS Russia powers, including those related to the development of legislative and other normative legal acts of the FAS Russia cooperates with the Ministry of Internal Affairs of the Russian Federation and the General Prosecutor of the Russian Federation. Such interaction allows filling existing gaps in the law that create conditions for corruption, and promotes effective monitoring compliance with state authorities and local self-government with the antimonopoly legislation.

9. In addition, the FAS Russia actively participates in the development and improvement of legislation regulating sphere of its activities.

10. At the same time the FAS Russia is taking measures to increase the level of interaction with the public through information transparency, helping to reduce corruption risks.

11. In order to increase transparency of the antimonopoly body Order of the FAS Russia 21.12.2009 № 848 «On approval of the Regulation on Information Policy, the FAS Russia and its territorial bodies» approved the Regulation on Information Policy of the Federal Antimonopoly Service. Regulation establishes rules for the disclosure of information about the activities of the FAS Russia and the procedure of information publication on the official website of the FAS Russia and in the official publications of the FAS Russia.

12. The official website of the FAS Russia on the Internet (www.fas.gov.ru) regularly publishes information on the activities of the FAS Russia.

13. The FAS Russia uses and other opportunities to inform the public about the activities of Russian antimonopoly body, including: press conferences, briefings, management of the FAS Russia, comments and clarifications the FAS's specialists to media; sending out press releases about the activities of the FAS Russia's to media and organizations concerned with responses to requests from the FAS Russian citizens and legal entities; publication of a booklet on the FAS Russia; publication in St. Petersburg magazine «Competition and market», dedicated to antitrust regulation, holding the expanded board of FAS Russia inviting the media and representatives of relevant ministries and agencies, conducting «round tables» and seminars on current topics.

14. The official website of the FAS Russia established a separate section «Anti-Corruption» (<http://www.fas.gov.ru/corruption/>), which periodically placed relevant information relating to the conduct of anti-corruption measures within the Service.

15. Interaction with public organizations and trade unions enables to obtain evaluation of the antimonopoly authority from the business community and citizens, allowing the FAS Russia develop optimal problem solving, eliminate errors, faults or violations of the law.

16. Currently the FAS Russia signed agreements with organizations such as: Chamber of Commerce; Prop Russia; Business Russia; Association of Russian Banks; the Association of Regional Banks of Russia; National Association of Securities Market Participants; the Professional Association of Registrars, Transfer - Agents and Depositories; National League Governing Russian Union of Insurers; Interregional Union of health insurers, non-profit partnership «Promoting Competition».

17. Another important aspect of the FAS Russia to attract public attention to the development of competition and the involvement of citizens and organizations in addressing the challenges facing the antitrust authority is the organization of the Expert Council.

18. Currently, in order to attract professional market participants to address problems of competition in product markets, the FAS Russia established the following expert advice: advertising, on unfair competition to protect competition in the financial services market, the electricity industry; for Communication, on agriculture, on the development of competition in the field of education and science, to promote competition in the social and health; to promote competition in the retail sector, to promote competition in the field of metallurgy to promote competition in the construction and building materials industry to promote competition in the housing sector, Rail Transport, on the development of competition in the gas markets; development of competition in the field of information technology; development of competition in the defense industry, to promote competition in the tourism sector; development of competition in the field of mechanical engineering, to support small and medium enterprises; development of competition in the market for of funeral services.

19. In order to improve the efficiency of interaction with civil society and transparency of the FAS Russia, monitoring violations of the antimonopoly legislation, including on the subject of corruption risks, the Order of the FAS Russia of 16.02.2006 № 38 formed Community Advisory Council of the Federal Antimonopoly Service. In 2007-2009, these councils have been established in the all territorial bodies.

20. The FAS Russia order of 28.06.2012 № 447 Public Advisory Council renamed the Competition Council of the Federal Antimonopoly Service. The Council is a standing advisory body of the FAS Russia. Its decisions have recommendatory character.

21. The main tasks of the Council are:

- development of proposals for the improvement of antimonopoly law and practice;
- involvement of NGOs (non-governmental organizations) to monitor violations of the antimonopoly legislation;
- informing the business community, NGOs and citizens about the objectives, tasks and powers of the antimonopoly body;
- preparation of reports on compliance with antitrust and competition protection.

22. Thus, the Public Council is actually a tool of social control of the FAS Russia. Similar councils have been established in all regional offices of the FAS Russia.