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The Hungarian Competition Authority (HCA) has fined fishing equipment wholesaler for vertical restraints

The anti-competitive conduct

In its just released decision, the HCA found that Top-Fish 2001 Kft., a major player in the fishing wholesale market, has imposed online minimum resale prices for its products on fishing shops for years.

In the summer of 2021, the HCA initiated proceedings against the company. The investigation revealed that the company unlawfully determined the minimum online resale prices for its product range. It also monitored compliance with such “recommended” resale prices and threatened stores that sold products cheaper than indicated on their website with suspension of deliveries. Retailers could not hold promotions or price reductions without consulting the company.

According to the HCA, the company thus violated both domestic and EU competition law by limiting the fishing shops’ freedom to set prices. The HCA conducted its proceedings on a dual – domestic and EU – legal basis, which is allowed by the current legislation.

Reduction of fine due to cooperation with the HCA

During the procedure, the company cooperated with the HCA: it acknowledged the violation, voluntarily provided evidence, waived the possibility of legal remedies and undertook to introduce an internal compliance program in order to avoid similar violations of the law in the future.

By making use of the cooperation opportunities, the company was able to significantly reduce its fine, which the HCA finally set at HUF 27 million (approx. EUR 70,000).