## FAS actively tackles government bodies participating in cartels – FAS deputy head

## PaRR Confirmed

Russia's Federal Antimonopoly Service (FAS), the country's competition regulator, has sent information about the involvement of Rosselkhoznadzor (Traders and Veterinarian Service) in Norwegian fish supply to Russia's Investigation Committee, Alexander Kinev, FAS deputy head, has told *PaRR*.

FAS will continue acting as an expert in this investigation and will provide information for the Investigation Committee, Kinev added.

As <u>PaRR</u> previously reported, FAS completed proceedings into competition law violations in the Norwegian fish supply sector this week.

It is a normal practice for FAS to investigate the activities of other government bodies, Kinev said. FAS considers thousands of cases involving government and local authorities each year, he added.

According to the FAS Report on the State of Competition, in 2012 the FAS initiated 549 cases under article 16, regulating anticompetitive agreements and concerted practices involving state and local authorities, Vassily Rudomino, a senior partner at ALRUD, told *PaRR*.

*PaRR* <u>recently reported</u> on such an investigation: a FAS cartel investigation into Siemens and the Yakutia authorities.

Institutionally it might be more sensible if the control functions in relation to the state authorities and local self-government will be performed by a supervisory body, not by an executive one, said Vassily Rudomino

In the scientific community, there is a perception that such functions can be delegated to the Russian Prosecutor's Office, which is the central authority for the supervision of legal compliance, including the Law on Protection of Competition.

FAS has a unique function to conduct investigations into other government authorities and many of its colleagues worldwide cannot do that, Kinev said. The agency is proud to have such a competence and is not going to renounce it, he added.

This practice is understandable, as the authorities have broad capabilities and administrative

resources to influence the market and the state of competition in the market, Vasily Rudomino said.

For example, a large proportion of violations of Article 16 are related to the fact that certain market participants receive subsidies without competitive procedures. This creates a situation when some participants get competitive advantages whilst others are disadvantaged, he explained.

From this point of view, the work of the FAS to control anti-competitive agreements and concerted actions of market participants is certainly important, Rudomino concluded.

The agency intends to levy administrative fines and fines on turnover on the companies involved in the Norwegian fish supply cartel within two to three months, Kinev told *PaRR*. The FAS will also pass information to the Ministry of Internal Affairs for possible criminal proceedings.

by Natalia Lapotko in London

