

## The CNMC investigates possible anti-competitive practices in the food supply market to communities dependent on public bodies

- · Such practices involve agreements for the tempering and allocation of tenders called in Spain.
- On 22 and 23 March, the CNMC carried out on-site inspections at the premises of a number of companies operating in this market.
- These inspections are a preliminary step leading to the possible formal initiation of sanctioning proceedings.

Madrid, 28 March 2022.- The CNMC investigates possible anti-competitive practices that involve the coordination between several companies for the presentation of economic offers in certain tenders called for the supply of food to communities dependent on public bodies.

On 22 and 23 March 2022, on-site inspections were carried out at the premises of a number of companies operating in this market. The CNMC has received the cooperation of the regional competition authority of one of the territories concerned for the inspection carried out in that region.

Inspections are a preliminary step in the investigation process of alleged anticompetitive behaviour and do not prejudge the outcome of the investigation or the culpability of the inspected companies.

If the CNMC finds any evidence of practices prohibited by the Competition Law or the Treaty on the Functioning of the European Union as a result of the inspection, it will initiate formal proceedings to impose sanctions.

The CNMC stresses that agreements between competitors constitute a very serious infringement of competition law and can lead to fines of up to 10% of the total turnover of the offending companies.

The investigation of cartels is one of the CNMC's priorities for action, given the particularly serious consequences for consumers and the proper functioning of the markets.

To this end, it offers, among other things, the <u>clemency programme</u>. This allows companies that provide evidence to the CNMC that makes it possible to detect the cartel in which they participate, or have participated, to be exempted from paying the fine. This programme also allows clemency applicants who, once the



CNMC investigation has been initiated, provide information with significant added value to benefit from a reduced fine.

In addition to being exempted from paying a fine or receiving a reduced fine, companies applying for clemency are also exempted from the prohibition on contracting established in Article 71 of the Law on Public Sector Contracts for those fined due to a serious infringement in terms of distortion of competition, in accordance with Article 72.5 of the aforementioned law and Articles 65.4 and 66.5 of the Competition Law, which regulate the clemency programme.

The CNMC also has an online platform for citizen collaboration aimed at detecting cartels through anonymous information on possible secret agreements between competing companies to fix prices or other commercial conditions, the sharing of markets or customers, or the fraudulent allocation of public or private tenders. This whistleblower platform is known as the System of Anonymous Competition Informants (Sistema de Informantes de Competencia Anónimos; SICA).