

The CNMC closes the sanctioning proceedings against ISDIN S.A. through conventional termination

- This exceptional formula enforces voluntary commitments offered by the alleged infringer without the imposition of a fine
- Among other things, ISDIN commits to implementing an objective, transparent and non-discriminatory discount system and to improving its recommended price communication policy.
- The commitments will be effective for a period of three years.

Madrid, December 30, 2022.- The Spanish National Markets and Competition Commission (CNMC) has approved the conventional termination of the sanctioning proceedings initiated against ISDIN, S.A. (ISDIN) for possible anticompetitive conduct ([S/0049/19](#)).

Conventional termination is a formula established by the [Law on the Defence of Competition \(LDC\)](#), whereby the CNMC makes binding the commitments voluntarily offered by the infringer and terminates the sanctioning procedure without imposing a fine.

The CNMC initiated the [sanctioning proceedings against ISDIN](#) after receiving a complaint from an operator engaged in the distribution and marketing of over-the-counter drugs and personal hygiene products as well as body and healthcare products. In particular, it was investigating a possible infringement of the (LDC), consisting of the fixing of resale prices, through the company's online channel, of certain skin care products.

Commitments assumed by ISDIN

ISDIN requested the conventional termination of the procedure and to this end submitted a series of commitments intended to resolve the competition problems detected, notably through the implementation of a series of measures aimed at avoiding the possible fixing of resale prices, in addition to making good the particular damage caused by its conduct.

These commitments involve implementing an objective, transparent and non-discriminatory discount system, which will avoid the possible linking of discounts to the adherence to a specific pricing policy by its retail distributors.

In addition, ISDIN commits to improving its policy for communicating recommended prices to its distributors and to fostering an internal culture of compliance with competition regulations. To this end, ISDIN will establish an early warning system for potential infringements and will train its staff on competition issues.

Finally, ISDIN will ensure that the staff in its commercial department do not have access to certain information related to pharmacy sales prices. Specifically, it will implement actions to prevent *business intelligence* tools from being used to monitor resale prices.

These commitments will be in effect for a period of three years. The CNMC considers that these commitments adequately address the competition problems detected and will monitor compliance with them throughout the aforementioned period. Failure to comply with them will be considered a very serious infringement.

Atypical solution

Conventional termination is provided for in Article 52 of the LDC. It is an atypical approach to resolving an administrative procedure by enforcing voluntary commitments offered by the alleged infringer, circumventing the need to produce a declaration of infraction and, accordingly, the imposition of a fine.

The objective of conventional termination is twofold. On the one hand, it seeks to restore the conditions of competition quickly with commitments that address the issues and safeguard consumer well-being as well as that of public interest. On the other, it upholds the principle of administrative effectiveness by limiting the red tape involved in proceedings and expediting the rulings on administrative proceedings.

The principles guiding the CNMC's actions in this area are detailed in guidelines included in the [Communication on the conventional termination of sanctioning proceedings](#), which give greater transparency to the procedure.

Related content:

- Press release (2/11/2020): [The CNMC initiates disciplinary proceedings against ISDIN, SA for possible anti-competitive practices](#).

- CNMC Blog (03/10/2021): [This is how conventional termination works: commitments that avoid fines.](#)
- Documentation: [Communication on conventional termination of disciplinary proceedings.](#)
- File number: [S/0049/19.](#)