

PRESS RELEASE

The CNMC investigates possible anti-competitive practices in relation to sectors involving the development, preservation and maintenance of roads

Madrid, 26 December 2018.- The CNMC (Spain's National Authority for Markets and Competition) is investigating possible anti-competitive practices in the market for the development, preservation and maintenance of Spanish roads. These consist of agreements and/or practices designed to allocate the market, such as exchanging commercial information between companies in the sector.

From 17 to 20 December, inspections were carried out at the headquarters of several companies operating in this market. These inspections form part of the investigation opened by the CNMC after having been made aware of the possible existence of anticompetitive collusive behaviour by certain companies in the sector, relating to manipulating tenders carried out by public authorities.

The inspections are a preliminary step in the investigation of alleged anti-competitive practices and do not prejudge the investigation's outcome or the culpability of the inspected companies. If, as a result, evidence of practices prohibited by the Defence of Competition Act is found, formal disciplinary proceedings will commence.

<u>Agreements between competitors</u> constitute a very serious infringement of competition legislation, and may result in fines of up to 10% of a company's total turnover.

The investigation of cartels is a priority for the CNMC, given the particular seriousness of their consequences for consumers and the proper functioning of markets.

For this purpose, it has in place, among others, the <u>leniency programme</u>, which allows cartel-member companies to benefit from an exemption from penalty payment if they provide evidence enabling the CNMC to detect these cartels, or a reduction in any penalty imposed if they provide information with significant added value on an existing CNMC investigation.

Furthermore, it must be remembered that companies requesting leniency shall be exempted from the prohibition on contracts established in Article 71 of Law 9/2007 on Public Sector Contracts, on sanctions for serious breaches with regard to misrepresentation of competition, pursuant to Article 72.5 of the above-mentioned Law, indicating that prohibition of contracting shall not be declared for companies who request leniency.

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