

PRESS RELEASE

The CNMC settles the disciplinary case against the General Council of Official Associations of Dentists and Stomatologists of Spain and the Association of the 1st Region (COEM)

- The case is closed using the conventional settlement formula, which avoids the imposition of sanctions and shortens the timelines.
- As a result, both voluntarily accept a series of binding commitments to correct their behaviour.
- The CNMC was investigating certain actions that they were engaged in against brand-name dental clinics.

Madrid, 23 February 2021. The CNMC has approved the conventional settlement of the disciplinary case initiated against the Association of Odontologists and Stomatologists of the 1st Region (COEM) and the General Council of Official Associations of Dentists and Stomatologists of Spain for conduct prohibited by Law 15/2007 of 3 July, the Anti-Trust Law (LDC), in the market for the provision of dental services (<u>S/DC/0573/16</u>).

The CNMC initiated the case in June 2019 following the complaints filed by two brand-name clinics: Dentoestetic Centro de Salud y Estética Dental, S.L. (Dentix) and Dental Global Management, s.l. (Idental). As a result of the growth of this type of alternative centre to traditional dental services, the General Council and the COEM engaged in a series of practices that potentially violated the Anti-Trust Law.

Specifically, the CNMC investigated an alleged collective recommendation, group agreements, advertising campaigns and other actions between 2013 and 2017 that could hinder the provision of services by these types of clinics and exclude them from the market. (see press release).

Conventional settlement

After investigating the case, it was decided to close it through a conventional settlement, pursuant to Article 52 of the LDC. This is an atypical way of ending the proceedings in which the commitments voluntarily offered by the alleged infringer are made binding without the need for a statement acknowledging wrong-doing and, consequently, for the imposition of a sanction.

The purpose of a conventional settlement is twofold. On the one hand, it quickly restores competitive conditions through remedies that address the problems and safeguard consumer welfare and the public interest; on the other, it provides for compliance with the principle of administrative efficiency by reducing the

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investigative work, shortening the time to close the disciplinary proceedings and thus restoring competitive conditions.

Commitments accepted by the General Council and the COEM

Both the General Council and the COEM asked the CNMC for the conventional settlement of the procedure and proposed several commitments to address the competition problems identified:

- The COEM and the GENERAL COUNCIL will eliminate any reference or link to the campaigns of social media accounts that the commercial clinics had reported to the CNMC.
- Any public expressions or promotions or coordination of advertising campaigns that could imply a preference for a specific business model will be cancelled.
- Communication activities will be reported to the CNMC.
- The content of the CNMC's decision will be provided to all the members for publication on their respective websites and social media platforms.
- The COEM will manage the job listings under the principle of neutrality.

Other communication activities

These commitments will not affect communication activities intended to (i) alert consumers and users to a true, pertinent and individual situation that affects public health, (ii) inform about true, pertinent and individual actions (civil, criminal or administrative) that the COEM exercises in cases of encroachment, illicit advertising, conduct that endangers the public health or the rights of patients, and any decisions that the competent authorities may adopt in response to said activities.

The CNMC has determined that these commitments adequately address the competition problems identified, in keeping with previous similar cases of regional competition authorities¹ that also ended with the assumption of commitments.

In addition, over the next two years the CNMC will enforce compliance by the

¹Decision of the Catalan Competition Authority, Case 54-2013, Official Association of Dentists and Stomatologists of Catalonia, of 4 October 2017, and Decision of the Basque Competition Authority, Case 1/2015, Association of Dentists of Álava, of 27 October 2015.

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General Council of Official Associations of Dentists and Stomatologists of Spain and the Association of the 1st Region (COEM) with these commitments. Failure to comply will be deemed a very serious offence.

The principles that guide the Commission's actions in this area are contained in guidelines included in the Communication on the conventional settlement of disciplinary proceedings, which provide greater transparency to the procedure.

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