

The CNMC and the Portuguese competition authority (AdC) investigate several wood chip suppliers.

- Competing companies allegedly shared the market in Spain and Portugal and exchanged sensitive information.
- These practices are prohibited by Article 101 of the Treaty on the Functioning of the European Union (TFEU).

Madrid, 26 October 2022.- The CNMC is investigating possible anti-competitive practices affecting the supply of wood chips in Spain and Portugal. Specifically, it is looking into the possible exchange of commercially sensitive information and geographic market sharing between competing companies. Such practices could violate Article 101 of the Treaty on the Functioning of the European Union (TFEU).

The CNMC carried out an inspection between 19 and 21 October 2022 in cooperation with the Portuguese competition authority ([Autoridade da Concorrência, AdC](#)). Officials from both competition authorities participated in the inspection, in accordance with the provisions of Act 15/2007 of 3 July 2007 on the Defence of Competition and EU Regulation 1/2003.

Inspections are a preliminary step in the investigation process of alleged anti-competitive practices and do not prejudice the outcome of the investigation or the culpability of the concerned companies. If, as a result of the inspection, evidence of prohibited practices is found, disciplinary proceedings shall be formally initiated.

The CNMC points out that agreements between competitors constitute a very serious infringement of competition law, which can lead to fines of up to 10% of the total turnover of the infringing companies. As a matter of fact, the investigation of cartels is one of the CNMC's priorities, given the particularly serious consequences for consumers and the proper functioning of the markets.

To this end, the CNMC has, among other mechanisms, a [leniency programme](#), which allows companies that are part of a cartel to be granted immunity from fines, as long as they provide evidence that enables the CNMC to detect such a cartel, or to benefit from a reduction of fines if they provide information with significant added value in relation to an investigation already initiated by the CNMC.

Ban on contracting

On the other hand, companies applying for leniency are exempted from the prohibition to contract laid down in Article 71 of Act 9/2017 of 8 November on Public Sector Contracts, transposing into Spanish law the Directives of the European Parliament and of the Council 2014/23/EU and 2014/24/EU of 26 February 2014, for undertakings sanctioned for a serious infringement in relation

to distortion of competition, pursuant to Article 72. 5 of the aforementioned Act, which states that it is not appropriate to prohibit leniency applicants from entering into contracts.

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 trading conditions, the sharing of markets or customers, or the fraudulent allocation of public or private tenders.