Plan of the presentation

• Origins of modern competition law in Hungary – the international (European) context
• Main provisions, sources of law
• Institutions: public and private enforcement
• Cases where global context was relevant
Competition rules

• History:
  – Act No. XX. of 1931
  – Act of 1985
  – Act of 1990, establishing the GVH as an independent authority

• Act No. LVII. of 1996

• Importance of the Europe Agreement
  – Obligation to harmonize (law and practice)
  – The effect of Article 62 EA?
  – Educating the authority and stakeholders

• Since May 1, 2004: EU competition rules

• Unfair market practices + antitrust

• Substantial and procedural rules

• Unlimited (?) effects doctrine codified
The structure of the GVH

- The importance of impartial decision making
- Case handlers starting the case and investigating
- Competition Council members, acting in panels of 3 or 5 decide
  - Can also investigate
  - Independence

www.gvh.hu

11773425-02831787
The three pillars of the GVH’s activity

• Law enforcement
• Advocacy
• Competition Culture Center
  – OECD Regional Center
GVH – national or European authority?

- High expectations in 2004
  - Commission pushing decentralization
  - 10 CEE countries joining
  - Will an authority applying EU competition rules be a watchdog for the common market?
  - Or, the same cases as usual, brought under different legal provisions...
- Intensive cooperation within the ECN
  - Policy matters
  - Legal aid during investigations
- Intensive reference of EU case law and soft law in decisions
Private enforcement of competition rules

- Public and private enforcement
  - Follow on and stand alone actions
- Amendments introduced in 2005 to promote private enforcement
  - GVH decision binding on civil courts
  - Presumption of 10% increase of prices caused by cartels
- Yet, very few cases in practice
- EU directive to be implemented later this year
Misleading advertising

• UCP Directive – maximum „harmonization”
• Effect of national decisions on global campaigns, i.e. cosmetics effectiveness, Shell FuelSave
• Acceptance of foreign tests as a proof of a marketing statement
• National authority finding an infringement involving the packaging of a product
  – Does a cease and desist order mean the restriction of free movement of goods?
    • Consumer protection as a public policy aim justifying
Pre-accession global cartels

• CRT monitors cartel case
  – Global cartel, allegedly sharing markets between European and Asian producers
• HU joined the EU on May 1, 2004.
• The facts of the case covered a period till June that year
• Parallel investigations inside the EU (!)
Abuse of dominance

• View cases
  – Open markets
  – Effect of post-Chicago School economists

• Most cases relate to local markets
  – Funeral services
  – Budapest Airport parking system

• MasterCard decision, fine of HUF 88 M
  – exclusionary practice of not decreasing its interchange fees of its consumer debit cards issued in Hungary to the level of Visa's interchange fees