

Amendments to the norms of the Entrepreneurial Code relating to natural monopolies and protection of competition

edition №35



Certain very significant amendments to the Entrepreneurial Code relating to *natural monopolies* and *protection of competition* came into force from 1 January 2017. The amendments are pursuant to the 100 Steps Plan (step 53) on reforming the work of the antimonopoly authority to focus on the promotion of competition between businesses and aligning the committee's work with OECD standards. Changes include:

- 1) Cancellation of the state register of entities with a dominant and monopolistic position.

Consequently, an entity will not be aware whether it is dominant until notified about a violation of the law based on abuse of a dominant or monopoly position, or the unfair competition or the antimonopoly authority starts an investigation.

- 2) Cancellation of monitoring of activities of entities with a dominant or monopolistic position on regulated markets. Related to this, cancellation of the obligation to provide regular reports to the antimonopoly authority.
- 3) Establishment of the concept of '*socially significant markets*'. This involves state regulation of pricing in areas such as rail transport, electricity, gas supply and airport services. The state will regulate pricing in socially significant markets until 1 January 2020. Specific responsibilities are imposed on entities active in these markets. The institution of *regulated markets* is cancelled.
- 4) Implementation of antitrust compliance.

Antitrust compliance is a system of internal control that entities may develop to mitigate offences.

- 5) An increase in the number of cases when the antimonopoly authority sends a warning about a possible violation before starting an investigation, expecting the recipient to change practice as a result.
- 6) Extension of the period for investigation by the antimonopoly authority from 2 months to 3 months, with a possibility to extend for 2 months.

We are able to support clients with any matters related to the above

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