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News Summary

CCP Press Release

“CCP ORDER IMPOSES PENALTY ON HAIER & DEL/DAWLANCE FOR ANTI-COMPETITIVE CONDUCT IN THE FORM OF RPM PRACTICES”

CCP slaps Rs1.1b fine on home appliances firms

Companies resorted to price fixing by entering into arrangements with dealers

OUR CORRESPONDENT
ISLAMABAD

The Competition Commission of Pakistan (CCP) has imposed a fine of Rs1.1 billion on two home appliances companies for violation of Section 4 of the Competition Act, 2010.

According to a statement issued on Monday, both companies entered into resale price maintenance (RPM) arrangements with their dealers. "This is a form of price fixing under Section 4(2)(a) of the Act and by object an anti-competitive practice," it said.

The CCP bench which took

the decision comprised its Chairperson Rahat Kaunain Hassan and Member Mujtaba Ahmad Lodhi.

In the judgement, the CCP held that the contravention is a hardcore restriction and serious violation of competition law.

CCP restricted the penalty amount for DEL/Dawlance to Rs100 million as the firm changed its management, which discontinued the RPM agreement/ practice.

Moreover, it voluntarily committed to refund the penalties to its dealers and had a cooperative and compliance-oriented approach throughout the proceedings, the order said.

CCP, therefore, held that the conduct, circumstances, approach and the duration

of the contravention did not justify the same treatment for both parties.

On the flip side, Haier was 'blowing hot and cold' throughout the proceedings, it said.

Nevertheless, although its conduct called for a much higher and stricter penalty, considering the violation is a case of first instance for Haier and in order to promote a compliance-oriented approach, with good faith, the CCP restricted the penalty amount to Rs1 billion.

Earlier, the commission had initiated an enquiry under Section 37(1) of the Act into the alleged contravention of Section 4 by "electronic appliance manufacturers, distributors/ dealers and their respective trade

associations".

To gather evidence, search and inspections were carried out at both Haier's and DEL/Dawlance's premises under Section 34 of the Act.

CCP found evidence of price circulars sanctioning dealers and price control policies in place through which both firms had restricted their dealers from selling below a certain price, provide any discounts or package deals and imposed penalties/ sanctions on their dealers to monitor and implement their respective pricing policies.

The parties had also not obtained any exemption from the CCP for its RPM agreements under Section 5 of the Act on account of any efficiency grounds specified under Section 9.

CCP imposes penalties on two leading makers of electronic appliances

RECORDER REPORT

ISLAMABAD: The Competition Commission of Pakistan (CCP) Monday imposed huge penalties on two leading electronic appliance manufacturers for allegedly involved in price-fixation and anti-competitive practices.

In this regard, the CCP passed an order against Haier and DEL/Dawlance for violation of Section 4 of the Competition Act, 2010 for entering into resale price maintenance (RPM) arrangements with its dealers, which is a form of price-fixing under Section 4(2)(a) of the Act and by object an anti-competitive practice. The Bench comprised of the Chairperson, Ms Rahat Kaumain Hassan and Member, Mujtaba Ahmad Lodhi.

CCP held that the contravention is a hardcore restriction and serious violation of competition law and imposed the following penalties:

(i) For DEL/Dawlance, considering its change in management, which discontinued the RPM agreement/practice, the fact that it voluntarily committed to refund the penalties to its dealers and had a cooperative and compliance-oriented approach throughout the proceedings, CCP restricted the penalty amount to Rs100 million, not exceeding one percent of its annual turnover in FY 2020-21. CCP, therefore, held that the conduct, circumstances, approach and the duration of the contravention did not justify the same treatment for both parties.

(ii) Whereas, Haier was 'blowing hot and cold' throughout the proceedings. Nevertheless, although its conduct called for a much higher and stricter penalty, considering the violation is a case of first instance for Haier and in order to pro-

mote a compliance-oriented approach, with good faith, CCP restricted the penalty amount to Rs1 billion, not exceeding three percent of its annual turnover in FY 2020-21.

Briefly, by way of background, the Commission had initiated an enquiry under Section 37(1) of the Act into the alleged contravention of Section 4 of the Act by "electronic appliance manufacturers, distributors/dealers and their respective trade associations". To gather evidence, search and inspections were also carried out at both Haier's and DEL/Dawlance's premises under Section 34 of the Act. CCP found evidence of price circulars sanctioning dealers and price control policies in place through which both Haier and DEL/Dawlance had restricted its dealers from selling below a certain price, provide any discounts or package deals and imposed penalties/sanctions on their dealers to monitor and implement their respective pricing policies.

The parties had also not obtained any exemption from CCP for its RPM agreements under Section 5 of the Act on account of any efficiency grounds specified under Section 9 of the Act, i.e., that the agreements substantially contribute to improving production or distribution, promoting technical or economic progress, while allowing consumers fair share of the resulting benefit, or the benefits of the agreements clearly outweigh the adverse effects of absence or lessening of competition.

CCP observed that RPM agreements in any form including restricting discounts and imposing minimum/maximum pricing levels are by object anti-competitive and void under Section 4 of the Act. In this

connection, it was observed that the choice to offer forms of discount or package deals is an important part of the negotiating process. Restricting the same along with fixing prices lessens consumer bargaining power. RPM may also lead to price hikes for consumers. Also, the argued pro-competitive effects could by no means be upheld and justified where the parties imposed penalties/sanctions on its dealers.

Alarmed by the potential likelihood of RPM agreements being rampant in any market in Pakistan as well as the possibility of dealers requesting to implement the same, CCP has cautioned all retailers, suppliers, manufacturers, dealers and any other party in all sectors as follows:

RPM Agreements are 'by object' anti-competitive in nature and a violation of Section 4(2)(a) of the Act. The Commission considers the same to be a serious violation of competition law. Any party wishing to implement the same must notify such agreements/arrangements and first seek clearance from the Commission through exemption under Section 5 of the Act addressing the efficiencies specified under Section 9 of the Act. In the absence of such exemption, such agreements/arrangements are void.

Forms of RPM include imposing minimum and maximum pricing restrictions and discount restrictions.

iii. If a party has been involved in an RPM arrangement, it may benefit from lenient treatment by coming forward and filing a leniency application.

Parties cannot, directly or indirectly, impose any sanction, monitor compliance and/or coerce other parties.

Haier and Dawlance fined for price-fixing

By Kalbe Ali

ISLAMABAD: The Competition Commission of Pakistan (CCP) has imposed Rs1 billion and Rs100 million penalties, respectively, on Haier and DEL/Dawlance for entering into resale price maintenance (RPM) arrangements with their dealers as price-fixing is a violation of competition laws of the country.

The fines were imposed after the hearings by a CCP bench headed by chairperson Rahat Kaunain Hassan and Member Mujtaba Ahmad Lodhi.

The CCP decision pointed out that a much higher and stricter penalty needed to be imposed on Haier, considering the violations by the company and promoting a compliance-oriented approach by them. It imposed a penalty of Rs1bn on Haier, not exceeding 3 per cent of its annual turnover in 2020-21.

The CCP had initiated an inquiry into the alleged contravention of Section 4 of the Competition Act by "electronic appliance manufacturers, distributors/dealers and their respective trade associations".

For DEL/Dawlance, CCP restricted the penalty amount to Rs100m, not exceeding 1pc of its turnover in 2020-21.

The evidence showed that both Haier and DEL/Dawlance had restricted their dealers from selling products below a certain price, not to provide any discounts or package deals and imposed penalties including sanctions on their dealers to monitor and implement their respective pricing policies.

CCP imposes penalty on Haier, Del/Dawlance for anti-competitive conduct

IMRAN ALI KUNDI
ISLAMABAD

The Competition Commission of Pakistan (CCP) has imposed penalties on Del/Dawlance and Haier for anti-competitive conduct in form of retail price maintenance (RPM) practices.

The CCP has passed an order against Haier and DEL/Dawlance for violation of Section 4 of the Competition Act, 2010 for entering into RPM arrangements with its dealers, which is a form of price-fixing under Section 4(2)(a) of the Act and by object an anti-competitive practice. The bench comprised of the Chairperson, Ms Rahat Kaunain Hassan and Member, Mr Mujtaba Ahmad Lodhi.

CCP held that the contravention is a hardcore restriction and serious violation of competition law and imposed penalties. For DEL/Dawlance, consider-

ing its change in management, which discontinued the RPM agreement/practice, the fact that it voluntarily committed to refund the penalties to its dealers and had a cooperative and compliance-oriented approach throughout the proceedings, CCP restricted the penalty amount to Rs100 million, not exceeding 1 percent of its annual turnover in FY 2020-21. CCP, therefore, held that the conduct, circumstances, approach and the duration of the contravention did not justify the same treatment for both parties; whereas, Haier was 'blowing hot and cold' throughout the proceedings. Nevertheless, although its conduct called for a much higher and stricter penalty, considering the violation is a case of first instance for Haier and in order to promote a compliance-oriented approach, with good faith, CCP restricted the penalty amount to Rs1 billion, not exceeding 3 percent of its annual turnover in FY 2020-21.

Briefly, by way of background, the commission had initiated an enquiry under Section 37(1) of the Act into the alleged contravention of Section 4 of the Act by "electronic appliance manufacturers, distributors/dealers and their respective trade associations". To gather evidence, search and inspections were also carried out at both Haier's and DEL/Dawlance's premises under Section 34 of the Act. CCP found evidence of price circulars sanctioning dealers and price control policies in place through which both Haier and DEL/Dawlance had restricted their dealers from selling below a certain price, provide any discounts or package deals and imposed penalties/sanctions on their dealers to monitor and implement their respective pricing policies.

The parties had also not obtained any exemption from CCP for its RPM agreements under Section 5 of the Act on ac-

count of any efficiency grounds specified under Section 9 of the Act, i.e. that the agreements substantially contribute to improving production or distribution, promoting technical or economic progress, while allowing consumers fair share of the resulting benefit, or the benefits of the agreements clearly outweigh the adverse effects of absence or lessening of competition.

CCP observed that RPM agreements in any form including restricting discounts and imposing minimum/maximum pricing levels are by object anti-competitive and void under Section 4 of the Act. In this connection, it was observed that the choice to offer forms of discount or package deals is an important part of the negotiating process. Restricting the same along with fixing prices lessens consumer bargaining power. RPM may also lead to price hikes for consumers. Also, the argued pro-competitive effects

could by no means be upheld and justified where the parties imposed penalties/sanctions on its dealers.

Alarmed by the potential likelihood of RPM agreements being rampant in any market in Pakistan as well as the possibility of dealers requesting to implement the same, CCP has cautioned all retailers, suppliers, manufacturers, dealers and any other party in all sectors as follows: RPM agreements are 'by object' anti-competitive in nature and a violation of Section 4(2)(a) of the Act. The commission considers the same to be a serious violation of competition law. Any party wishing to implement the same must notify such agreements/arrangements and first seek clearance from the commission through exemption under Section 5 of the Act addressing the efficiencies specified under Section 9 of the Act. In the absence of such exemption, such agreements/arrangements are void.

Haier, DEL penalised for anti-competitive conduct

ISLAMABAD

TLTP

The Competition Commission of Pakistan (CCP) has imposed a penalty of Rs1 billion on Haier and Rs100 million on DEL/Dawlance for anti-competitive conduct in the form of resale price maintenance (RPM) practices.

The CCP passed an order against Haier and DEL/Dawlance for violation of the Section 4 of the Competition Act, 2010 for entering into RPM arrangements with its dealers, which is a form of price-fixing under Section 4(2)(a) of the Act and by object an anti-competitive practice. The bench consisted of CCP Chairperson Rahat Kaunain Hassan and Member Mujtaba Ahmad Lodhi. The Commission imposed the penalties for DEL/Dawlance, considering its change in management, which discontinued the RPM agreement and practice, the fact that it voluntarily committed to refund the penalties to its dealers and had a cooperative and compliance-oriented approach throughout the proceedings, CCP restricted the penalty amount to Rs100 million, not exceeding 1 per cent of its annual turnover in FY 2020-21.

The CCP, therefore, held that the conduct, circumstances, approach and the duration of the contravention did not justify the same treatment for both parties.

Whereas, Haier was 'blowing hot and cold' throughout the proceedings. Nevertheless, although its conduct called for a much higher and stricter penalty, considering the violation is a case of first instance for Haier and in order to promote a compliance-oriented approach, with good faith, CCP restricted the penalty amount to Rs1 billion, not exceeding 3 percent of its annual turnover in FY 2020-21.

The Commission had initiated an enquiry under Section 37(1) of the Act into the alleged contravention of Section 4 of the Act by "electronic appliance manufacturers, distributors and dealers and their respective trade associations". To gather evidence, search and inspections were also carried out at both Haier's and DEL/Dawlance's premises under Section 34 of the Act.

The CCP found evidence of price circulars sanctioning dealers and price control policies in place through which both Haier and DEL/Dawlance had restricted its dealers from selling below a certain price, provided any discounts or package deals and

imposed penalties and sanctions on their dealers to monitor and implement their respective pricing policies. The parties had also not obtained any exemption from the CCP for its RPM agreements under Section 5 of the Act on account of any efficiency grounds specified under Section 9 of the Act, i.e., that the agreements substantially contribute to improving production or distribution, promoting technical or economic progress, while allowing consumers fair share of the resulting benefit, or the benefits of the agreements clearly outweigh the adverse effects of absence or lessening of competition.

The CCP observed that RPM agreements in any form including restricting discounts and imposing minimum and maximum pricing levels are by object anti-competitive and void under Section 4 of the Act. In this connection, it was observed that the choice to offer forms of discount or package deals is an important part of the negotiating process. Restricting the same along with fixing prices lessens consumer bargaining power. RPM may also lead to price hikes for consumers. Also, the argued pro-competitive effects could by no means be upheld and justified where the parties imposed penalties and sanctions on its dealers.

CCP imposes penalty on Haier, Del/Dawlance for anti-competitive conduct

The Competition Commission of Pakistan (CCP) passed an order against Haier and DEL/Dawlance for violation of Section 4 of the Competition Act, 2010 for entering into resale price maintenance (RPM) arrangements with its dealers. The CCP observed that it is a form of price-fixing under Section 4(2)(a) of the Act and by object an anti-competitive practice. The Bench comprised of the Chairperson, Rahat Kaunain Hassan and Member, Mujtaba Ahmad Lodhi, said a press release issued here on Monday.

CCP held that the contravention is a hardcore restriction and serious violation of competition law and imposed the following penalties: For DEL/Dawlance, considering its change in management, which discontinued the RPM agreement/practice, the fact that it voluntarily committed to refund the penalties to its dealers and had a cooperative and compliance-oriented approach throughout the proceedings, CCP restricted the penalty amount to PKR 100 million, not exceeding 1% of its annual turnover in FY 2020-21.

CCP, therefore, held that the conduct, circumstances, approach and the duration of the contravention did not justify the same treatment for both parties. Whereas, Haier was 'blowing hot and cold' throughout the proceedings. Nevertheless, although its conduct called for a much higher and stricter penalty, considering the violation is a case of first instance for Haier and in order to promote a compliance-oriented approach, with good faith, CCP restricted the penalty amount to PKR 1 billion, not exceeding 3% of its annual turnover in FY 2020-21.

Briefly, by way of background, the Commission had initiated an enquiry under Section 37(1) of the Act into the alleged contravention of Section 4 of the Act by "electronic appliance manufacturers, distributors/dealers and their respective trade associations".

To gather evidence, search and inspections were also carried out at both Haier's and DEL/Dawlance's premises under Section 34 of the Act. CCP found evidence of price circulars sanctioning dealers and price control policies in place through which both Haier and DEL/Dawlance had restricted its dealers from selling below a certain price, provide any discounts or package deals and imposed penalties/sanctions on their dealers to monitor and implement their respective pricing policies. The parties had also not obtained any exemption from CCP for its RPM agreements under Section 5 of the Act on account of any efficiency grounds specified under Section 9 of the Act, i.e., that the agreements substantially contribute to improving production or distribution, promoting technical or economic progress, while allowing consumers fair share of the resulting benefit, or the benefits of the agreements clearly outweigh the adverse effects of absence or lessening of competition.

CCP observed that RPM agreements in any form including restricting discounts and imposing minimum/maximum pricing levels are by object anti-competitive and void under Section 4 of the Act. In this connection, it was observed that the choice to offer forms of discount or package deals is an important part of the negotiating process. Restricting the same along with fixing prices lessens consumer bargaining power. RPM may also lead to price hikes for consumers. Also, the argued pro-competitive effects could by no means be upheld and justified where the parties imposed penalties/sanctions on its dealers. Alarmed by the potential likelihood of RPM agreements being rampant in any market in Pakistan as well as the possibility of dealers requesting to implement the same, CCP has cautioned all retailers, suppliers. **APP**

CCP order imposes penalty on Haier & Del/Dawlance for anti-competitive conduct in the form of RPM practices

ISLAMABAD, March 14: The Competition Commission of Pakistan (CCP) passed an order against Haier and DEL/Dawlance for violation of Section 4 of the Competition Act, 2010 for entering into resale price maintenance (RPM) arrangements with its dealers, which is a form of price-fixing under Section 4(2)(a) of the Act and by object an anti-competitive practice. The Bench comprised of the Chairperson, Ms. RahatKurnain Hassan and Member, Mr. Mujtaba Ahmad Lodhi.

CCP held that the contravention is a hardcore restriction and serious violation of competition law and imposed the following penalties:

(i) For DEL/Dawlance, considering its change in management, which discontinued the RPM agreement/practice, the fact that it voluntarily committed to refund the penalties to its dealers and had a cooperative and compliance-oriented approach throughout the proceedings, CCP restricted the

penalty amount to PKR 100 million, not exceeding 1% of its annual turnover in FY 2020-21. CCP, therefore, held that the conduct, circumstances, approach and the duration of the contravention did not justify the same treatment for both parties.

(ii) Whereas, Haier was 'blowing hot and cold' throughout the proceedings. Nevertheless, although its conduct called for a much higher and stricter penalty, considering the violation is a case of first instance for Haier and in order to promote a compliance-oriented approach, with good faith, CCP restricted the penalty amount to PKR 1 billion, not exceeding 3% of its annual turnover in FY 2020-21.

Briefly, by way of background, the Commission had initiated an enquiry under Section 37(1) of the Act into the alleged contravention of Section 4 of the Act by "electronic appliance manufacturers, distributors/dealers and their respective trade associations". To gather evidence,

search and inspections were also carried out at both Haier's and DEL/Dawlance's premises under Section 34 of the Act. CCP found evidence of price circulars sanctioning dealers and price control policies in place through which both Haier and DEL/Dawlance had restricted its dealers from selling below a certain price, provide any discounts or package deals and imposed penalties/sanctions on their dealers to monitor and implement their respective pricing policies.

The parties had also not obtained any exemption from CCP for its RPM agreements under Section 5 of the Act on account of any efficiency grounds specified under Section 9 of the Act, i.e., that the agreements substantially contribute to improving production or distribution, promoting technical or economic progress, while allowing consumers fair share of the resulting benefit, or the benefits of the agreements clearly outweigh the adverse effects of absence or lessening of

competition.

CCP observed that RPM agreements in any form including restricting discounts and imposing minimum/maximum pricing levels are by object anti-competitive and void under Section 4 of the Act. In this connection, it was observed that the choice to offer forms of discount or package deals is an important part of the negotiating process. Restricting the same along with fixing prices lessens consumer bargaining power. RPM may also lead to price hikes for consumers. Also, the argued pro-competitive effects could by no means be upheld and justified where the parties imposed penalties/sanctions on its dealers.

Alarmed by the potential likelihood of RPM agreements being rampant in any market in Pakistan as well as the possibility of dealers requesting to implement the same, CCP has cautioned all retailers, suppliers, manufacturers, dealers and any other party in all sectors as follows:

1. RPM Agreements

are 'by object' anti-competitive in nature and a violation of Section 4(2)(a) of the Act. The Commission considers the same to be a serious violation of competition law. Any party wishing to implement the same must notify such agreements/arrangements and first seek clearance from the Commission through exemption under Section 5 of the Act addressing the efficiencies specified under Section 9 of the Act. In the absence of such exemption, such agreements/arrangements are void.

2. Forms of RPM include imposing minimum and maximum pricing restrictions and discount restrictions.

iii. If a party has been involved in an RPM arrangement, it may benefit from lenient treatment by coming forward and filing a leniency application.

1. Parties cannot, directly or indirectly, impose any sanction, monitor compliance and/or coerce other parties.-PR

CCP imposes penalty on Haier, Del/Dawlance

For anti-competitive conduct in form of RPM practices

Staff Reporter

ISLAMABAD: The Competition Commission of Pakistan (CCP) passed an order against Haier and DEL/Dawlance for violation of Section 4 of the Competition Act, 2010 for entering into resale price maintenance (RPM) arrangements with its dealers, which is a form of price-fixing under Section 4(2)(a) of the Act and by object an anti-competitive practice.

The Bench comprised of the Chairperson, Ms. Rahat Kaunain Hassan and Member, Mr. Mujtaba Ahmad Lodhi. CCP held that the contravention is a hardcore restriction and serious violation of competition law and imposed the following penalties: (i) For DEL/Dawlance, considering its change in management, which discontinued the RPM agreement/practice, the fact that it voluntarily committed to refund the penalties to its dealers and had a cooperative and compliance-oriented approach throughout the proceedings, CCP restricted the penalty amount to PKR 100 million, not exceeding 1% of its annual turnover in FY 2020-21.

CCP, therefore, held that the conduct, circumstances, approach and the duration of the contravention did not justify the same treatment for both parties. (ii) Whereas, Haier was 'blowing hot and cold' throughout the proceedings. Neverthe-

less, although its conduct called for a much higher and stricter penalty, considering the violation is a case of first instance for Haier and in order to promote a compliance-oriented approach, with good faith, CCP restricted the penalty amount to PKR 1 billion, not exceeding 3% of its annual turnover in FY 2020-21.

Briefly, by way of background, the Commission had initiated an enquiry under Section 37(1) of the Act into the alleged contravention of Section 4 of the Act by "electronic appliance manufacturers, distributors/dealers and their respective trade associations".

To gather evidence, search and inspections were also carried out at both Haier's and DEL/Dawlance's premises under Section 34 of the Act. CCP found evidence of price circulars sanctioning dealers and price control policies in place through which both Haier and DEL/Dawlance had restricted its dealers from selling below a certain price, provide any discounts or package deals and imposed penalties/sanctions on their dealers to monitor and implement their respective pricing policies.

The parties had also not obtained any exemption from CCP for its RPM agreements under Section 5 of the Act on account of any efficiency grounds specified under Section 9 of the Act, i.e., that the agreements substantially contribute

to improving production or distribution, promoting technical or economic progress, while allowing consumers fair share of the resulting benefit, or the benefits of the agreements clearly outweigh the adverse effects of absence or lessening of competition.

CCP observed that RPM agreements in any form including restricting discounts and imposing minimum/maximum pricing levels are by object anti-competitive and void under Section 4 of the Act. In this connection, it was observed that the choice to offer forms of discount or package deals is an important part of the negotiating process. Restricting the same along with fixing prices lessens consumer bargaining power. RPM may also lead to price hikes for consumers. Also, the argued pro-competitive effects could by no means be upheld and justified where the parties imposed penalties/sanctions on its dealers. Alarmed by the potential likelihood of RPM agreements being rampant in any market in Pakistan as well as the possibility of dealers requesting to implement the same, CCP has cautioned all retailers, suppliers, manufacturers, dealers and any other party in all sectors as follows: RPM Agreements are 'by object' anti-competitive in nature and a violation of Section 4(2)(a) of the Act. The Commission considers the same to be a serious violation of competition law.

CCP Order Imposes Penalty On Haier & Del/Dawlance For Anti-Competitive Conduct In The Form Of RPM Practices

STAFF REPORTER

ISLAMABAD

The Competition Commission of Pakistan (CCP) passed an order against Haier and DEL/Dawlance for violation of Section 4 of the Competition Act, 2010 for entering into resale price maintenance (RPM) arrangements with its dealers, which is a form of price-fixing under Section 4(2)(a) of the Act and by object an anti-competitive practice. The Bench comprised of the Chairperson, Ms. Rahat Kaunain Hassan and Member, Mr. Mujtaba Ahmad Lodhi.

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Competition Commission of Pakistan

that it voluntarily committed to refund the penalties to its dealers and had a cooperative and compliance-oriented approach throughout the proceedings, CCP restricted the penalty amount to PKR 100 million, not exceeding 1% of its annual turnover in FY 2020-21. CCP, therefore, held that the conduct, circumstances, approach and the duration of the contravention did not justify the same treatment for both parties.

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CCP observed that RPM agreements in any form including restricting discounts and imposing minimum/maximum pricing levels are by object anti-competitive and void under Section 4 of the Act.

CCP imposes penalties on Haier & DEL for anti-competitive conduct

By Hamza Habib

ISLAMABAD: The Competition Commission of Pakistan (CCP) has imposed a penalty of Rs1 billion on Haier and Rs100 million on DEL/Dawlance for anti-competitive conduct in the form of resale price maintenance (RPM) practices.

The CCP passed an order against Haier and DEL/Dawlance for violation of the Section 4 of the Competition Act, 2010 for entering into RPM arrangements with its dealers, which is a form of price-fixing under Section 4(2)(a) of the Act and by object an anti-competitive practice.

The Bench consisted of the Chairperson, Rahat Kaunain Hassan and Member Mujtaba Ahmad Lodhi.

The Commission imposed the penalties for DEL/Dawlance, considering its change in management, which discontinued the RPM agreement and practice, the fact that it voluntarily committed to refund the penalties to its dealers and had a cooperative and compliance-oriented approach throughout the proceedings, CCP restricted the penalty amount to Rs100 million, not exceeding 1 per cent of its annual turnover in FY2020/21. The CCP, therefore, held that the conduct, circumstances, approach and the duration of the contravention did not justify the same treatment for both parties.

Whereas, Haier was 'blowing hot and cold' throughout the proceedings. Nevertheless, although its conduct called for a much higher and stricter penalty, considering the violation is a case of first instance for Haier and in order to promote a compliance-oriented approach, with good faith, CCP restricted the penalty amount to Rs1 billion, not exceeding 3 per cent of its annual turnover in FY2020/21.

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The CCP found evidence of price circulars sanctioning dealers and price control policies in place through which both Haier and DEL/Dawlance had restricted its dealers from selling below a certain price, provided any discounts or package deals and imposed penalties and sanctions on their dealers to monitor and implement their respective pricing policies.

The parties had also not obtained any exemption from the CCP for its RPM agreements under Section 5 of the Act on account of any efficiency grounds specified under Section 9 of the Act, i.e., that the agreements substantially contribute to improving production or distribution, promoting technical or economic progress, while allowing consumers fair share of the resulting benefit, or the benefits of the agreements clearly outweigh the adverse effects of absence or lessening of competition.

The CCP observed that RPM agreements in any form including restricting discounts and imposing minimum and maximum pricing levels are by object anti-competitive and void under Section 4 of the Act.

In this connection, it was observed that the choice to offer forms of discount or package deals is an important part of the negotiating process. Restricting the same along with fixing prices lessens consumer bargaining power.

RPM may also lead to price hikes for consumers. Also, the argued pro-competitive effects could by no means be upheld and justified where the parties imposed penalties and sanctions on its dealers.

Alarmed by the potential likelihood of RPM agreements being rampant in any market in Pakistan as well as the possibility of dealers requesting to implement the same, CCP has cautioned all retailers, suppliers, manufacturers, dealers and any other party in all sectors that RPM Agreements are 'by object' anti-competitive in nature and a violation of Section 4(2)(a) of the Act.

The Commission considers the same to be a serious violation of competition law. Any party wishing to implement the same must notify such agreements and arrangements and first seek clearance from the Commission through exemption under Section 5 of the Act addressing the efficiencies specified under Section 9 of the Act. In the absence of such exemption, such agreements and arrangements are void.

کمپنیشن مخالف سرگرمیاں، ہائیر اور ڈاؤن س ڈیل پر بھاری جرمانہ

ڈاؤن س پردس کروڑ، غیر سنجیدہ رویہ اپنانے پر ہائیر کو ایک ارب روپے جرمانہ عائد

اسلام آباد (نامہ نگار خصوصی) کمپنیشن کمیشن آف جرمانہ عائد کر دیا۔ دونوں کمپنیاں اپنے ڈیلرز کے پاکستان) سی سی پی (نے کمپنیشن ایکٹ، 2010 ساتھ ممنوعہ ری سیل پرائس کمپنیشن کے معاہدے میں کے سیکشن 4 کی خلاف ورزی پر ہائیر پر ایک ارب ملوث تھیں جو کہ کمپنیشن ایکٹ کے سیکشن (2) 4 روپے اور ڈاؤن س ڈیل پردس کروڑ روپے کا بھاری (a) کے (باقی صفحہ 8 بقیہ نمبر 8)

8

جرمانے

بقیہ

تحت پرائس فلٹنگ کی ایک شکل ہے، چیئر پرسن راحت کونین حسن اور ممبر سنجی احمد لودھی پر مشتمل دو رکنی بینچ نے آرڈر میں کہا کہ آر پی ایم کمپنیشن ایکٹ کی سنگین خلاف ورزی ہے، آرڈر کے مطابق ڈاؤن س ڈیل کی پوری کارروائی کے دوران تعاون اور کمپلائنس پر مبنی طرز عمل پر بینچ نے نرم رویہ اپنایا اور جرمانے کو دس کروڑ روپے تک محدود کر دیا، جو کمپنی کے مالی سال 2020-21 کے سالانہ ٹرن اوور کا 1% سے زیادہ نہیں، جبکہ، ہائیر کمپنی کا پوری کارروائی کے دوران طرز عمل انتہائی غیر سنجیدہ تھا۔ اس کے غیر سنجیدہ طرز عمل کے پیش نظر بینچ نے ایک ارب روپے کا جرمانہ عائد کیا، جو کمپنی کے مالی سال 2020-21 کے سالانہ ٹرن اوور کا 3% سے زیادہ نہیں۔ کمیشن نے کمپنیشن ایکٹ کی دفعہ (1) 37 کے تحت "ایکسٹرانک آلات کے مینوفیکچررز، ڈسٹری بیوٹرز/ڈیلرز اور ان کی متعلقہ تجارتی انجمنوں" کے خلاف ایکٹ کی دفعہ 4 کی سپین خلاف ورزی کی تحقیقات کا آغاز کیا تھا۔

مسابقتی کمیشن آف پاکستان کا

بچی کمپنیوں پر بھاری جرمانہ

اسلام آباد (نئی بات نیوز) کمپیشن کمیشن آف پاکستان (سی سی پی) نے کمپیشن ایکٹ، 2010 کے سیکشن 4 کی خلاف ورزی پر ایک کمپنی پر ایک ارب روپے اور دوسری الیکٹرک کمپنی پر دس کروڑ روپے کا بھاری جرمانہ عائد کر دیا۔ دونوں کمپنیاں اپنے ڈیلرز کے ساتھ ممنوعہ ری سیل پرائس مینٹیننس کے معاہدے میں ملوث تھیں جو کہ کمپیشن ایکٹ کے سیکشن 4(2)(a) کے تحت پرائس فلنگ کی ایک شکل ہے۔

پرائس فلکنگ: الیکٹرانک سامان بنانیوالی 2 ملٹی نیشنل کمپنیوں کو جرمانہ

دونوں کمپنیاں ممنوعہ ری سیل پرائس مینٹی نینس معاہدے میں ملوث تھیں: مسابقتی کمیشن

اسلام آباد (خبرنگار خصوصی) مسابقتی کمیشن نے مسابقتی قانون کی شق 4 کی خلاف ورزی اور پرائس فلکنگ کے جرم میں ملوث ہونے پر الیکٹرانک مصنوعات تیار کرنے والی 2 ملٹی نیشنل کمپنیوں کو بھاری جرمانہ عائد کر دیا۔ ایک کمپنی کو ایک ارب روپے اور دوسری (باقی صفحہ 5 نمبر 27)

CS Scanned with CamScanner

جرمانہ

بقیہ نمبر 27

کو 10 کروڑ روپے جرمانہ کیا گیا ہے۔ دونوں کمپنیاں اپنے ڈیلرز کے ساتھ ممنوعہ ری سیل پرائس مینٹی نینس کے معاہدے میں ملوث تھیں جو کہ مسابقتی ایکٹ کے تحت پرائس فلکنگ کی ایک شکل ہے۔ چیئر پرسن مسابقتی کمیشن راحت کونین حسن اور ممبر مجتبیٰ احمد لودھی پر مشتمل 2 رکنی بینچ نے آرڈر میں کہا ہے کہ آر پی ایم مسابقتی ایکٹ کی سنگین خلاف ورزی ہے۔

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Urdu Point

15 March 2022 | Online

کمپنیشن کمیشن آف پاکستان نے کمپنیشن ایکٹ، 2010 کے سیکشن 4 کی خلاف ورزی پر ہائیر کو ایک ارب ، ڈاولنس کو دس کروڑ روپے جرمانہ

2022 مارچ 14 پیر

سی سی پی نے کمپنیشن ایکٹ، 2010 (پاکستان اسلام آباد) اردو پوائنٹ اخبارتازہ ترین - این این آئی۔ 14 مارچ 2022ء) کمپنیشن کمیشن آف جرمانہ عائد کر دیا۔ دونوں کے سیکشن 4 کی خلاف ورزی پر ہائیر پر ایک ارب روپے اور ڈاولنس / ڈیل پر دس کروڑ روپے کا بھاری کے (a) کمپنیاں اپنے ڈیلرز کے ساتھ ممنوعہ ری سیل پرائس میٹیننس کے معاہدے میں ملوث تھیں جو کہ کمپنیشن ایکٹ کے سیکشن 4(2) تحت پرائس فکسنگ کی ایک شکل ہے۔

چیئرپرسن راحت کونین حسن اور ممبر مجتبیٰ احمد لودھی پر مشتمل دو رکنی بنچ نے آرڈر میں کہا کہ آر پی ایم کمپنیشن ایکٹ کی سنگین خلاف ورزی ہے۔ آرڈر کے مطابق ڈاولنس / ڈیل کی پوری کارروائی کے دوران تعاون اور کمپلائنس پر مبنی طرز عمل پر بینچ نے نرم کمپنی کے مالی سال 2020-21 کے سالانہ ٹرن اوور کا 1% سے روپہ اپنایا اور جرمانے کو دس کروڑ روپے تک محدود کر دیا ، جو زیادہ نہیں۔

کمپنی کا پوری کارروائی کے دوران طرز عمل انتہائی غیر سنجیدہ تھا۔ اس کے غیر سنجیدہ طرز عمل کے پیش نظر بینچ نے جبکہ، ہائیر کمپنی کے مالی سال 2020-21 کے سالانہ ٹرن اوور کا 3% سے زیادہ نہیں کمیشن نے کمپنیشن جرمانہ عائد کیا، جو ایک ارب روپے کا ایکٹ کی دفعہ 37(1) کے تحت "الیکٹرانک آلات کے مینوفیکچررز، ڈسٹری بیوٹرز/ڈیلرز اور ان کی متعلقہ تجارتی انجمنوں" کے خلاف ایکٹ کی دفعہ 4 کی مبینہ خلاف ورزی کی تحقیقات کا آغاز کیا تھا۔

شواہد اکٹھے کرنے کے لیے، ایکٹ کے سیکشن 34 کے تحت دونوں کمپنیوں کے دفاتر کا سرچ انسپیکشن بھی کیا گیا۔ سی سی پی نے سرچ انسپیکشن کے دوران ری سیل پرائس میٹیننس کے ممنوعہ معاہدوں کے ٹھوس شواہد حاصل کیے۔ فریقین نے ایکٹ کے سیکشن 5 کے تحت ممنوعہ آر پی ایم معاہدوں کے لیے سی سی پی سے کسی قسم کی کوئی ایگزیمپشن (چھوٹ) بھی حاصل نہیں کی تھی۔ آر پی ایم ایگزیمپٹ ایسا معاہدہ ہوتا ہے جس میں کمپنیز اپنے ڈیلرز کو صارفین کو ڈسکانٹ دینے سے روکتی ہیں اور قیمتوں کے بارے میں کم سے کم یا زیادہ سے زیادہ کے لیول کا تعین کرتی ہیں۔

جو کہ کمپنیشن ایکٹ کے سیکشن 4 کی خلاف ورزی ہے۔ ایسی کاروباری شرائط بمع پرائس فکسنگ صارفین کو سودا بازی (بارگین) کرنے کی صلاحیت سے محروم کرتی ہیں۔ اور آر پی ایم صارفین کے لئے قیمتوں میں اضافے کا باعث بھی بن سکتا ہے۔ اس تناظر میں سی سی پی نے تمام ریٹیلرز، سپلائرز، مینوفیکچررز اور ڈیلرز کو خبردار کیا ہے کہ آر پی ایم معاہدے بنیادی طور پر کمپنیشن مخالف ہیں اور کمپنیشن ایکٹ کے سیکشن 4 کی خلاف ورزی ہیں۔

اگر کوئی پارٹی آر پی ایم معاہدے کا نفاذ چاہتی ہے تو اسے پہلے سی سی پی سے ایسے معاہدے کے سلسلے میں کمپنیشن ایکٹ کے سیکشن 5 کے تحت ایگزیمپشن کلیرنس سرٹیفیکیٹ حاصل کرنا ہو گا، ورنہ ایسے کسی معاہدے کی کوئی حیثیت نہیں ہو گی۔ اگر کوئی پارٹی آر پی ایم میں ملوث رہی ہے تو وہ سی سی پی کے پاس جمع کرا کے بھی فائدہ اٹھا سکتی ہے۔