

competition - legal changes published in January 2017

New Competition Council recommendations on the cereal grains market

The Romanian Competition Council (RCC) issued a series of new recommendations following an investigation carried out on the cereal grains market, which was mainly aimed towards analyzing the behavior of major grain retailers amid imbalances observed by the authority in this market. The RCC recommendations mainly concern measures such as:

- establishment of a Romanian exchange of cereal grains which, according to the RCC, will provide an alternative to existing open private auctions;
- supporting the association of small Romanian cereal growers, in order to ensure funding and facilitating access to credit, and to reduce production costs and increase bargaining power.

The RCC's recommendations come amid consistent monitoring of the grain marketing sector. Earlier, in 2009, the Authority completed a sector inquiry on the grain market for bread products after which recommendations were made, subsequently included into the national agricultural policy.

The Competition Council published a summary of its activities in 2016 - investigations and fines

During the year 2016, the RCC initiated 12 new investigations on possible violations of the Competition Law, mainly aimed at fields such as woodworking; short messages; rental of land belonging to the public domain and part of port infrastructure; access services to communications infrastructure; wholesale and retail distribution of drugs; travel agencies; notary services market.

Also, 5 new sector investigations were started and, following analysis of the markets of natural mineral waters in Romania, copyrights and related rights, retail banking services, production and marketing of cement, e-commerce - section regarding marketing strategies.

Top fines remain high; in 2016 the RCC imposed fines amounting to a total of 68,438,985.74 lei (15.20 million euros). The main fines targeted agreements and abuse on markets of piloting and towing services for maritime ships (22,317,212 lei - approx. 4.9 million for seven players in these markets); fixing resale prices or mark-up rates in relations of distribution (15,063,781 lei - approx. 3.3 million euros and 13,061,813 lei - approx. 2.9 million euros); rigging tenders (8.951.540 lei - approx. 1.9 million euros for five dairy companies).

Emergency Ordinance no. 10/2017 to stimulate the creation of new SMEs was published in the Official Gazette, Part I no. 79 of January 30, 2017.

Under the new Ordinance, the Ministry for Business, Trade and Entrepreneurship launches a program to stimulate the establishment of small and medium enterprises (The "Start-up Nation - Romania" Program).

This new Program benefits (i) companies established by individuals following the entry into force of the Ordinance, based on the provisions of specific legislation and (ii) companies that, at the time of application for funding, meet the eligibility criteria imposed by the legislation on *de minimis* aid conditions for eligibility under the Government decision on approval of the implementation of the *de minimis* aid scheme (pending adoption), and the specific conditions for financing from European funds.

Also, the enterprise benefitting from the *de minimis* aid under the program has the obligation to prove, at the time of filing the return, full time employment by indefinite duration agreement of at least 2 persons and the obligation of maintaining two jobs for at least three years, starting the year following the payment of *de minimis* aid.

The maximum *de minimis* aid which can be granted under this Program amounts to 200.000 lei/beneficiary, representing 100% of the eligible expenses, for a maximum of 10.000 beneficiaries each year.

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The Ordinance mentions that within 30 days from its entry into effect, the Ministry for Business, Trade and Entrepreneurship shall draft and submit for approval to the Government a decision on approving the implementation norms of the *de minimis* aid scheme.

For additional details on this material, please do not hesitate to contact us.

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