

CMS: Romanian Competition Council continues scrutiny of bid rigging



Bid rigging remains a concern for the Romanian Competition Council (RCC), which recently launched an investigation into possible anti-competitive agreements among companies that participated as bidders in the procurement procedure for the project Hub Services (Electronic Service Delivery Centre) at the Ministry of Internal Affairs (MAI).

According to RCC public statements, the investigation was launched after the authority received a complaint from one of the bidders about possible anti-competitive practices in a tender organised by the Romanian Ministry of Internal Affairs. Allegations concern 12 companies accused of possible coordination for the direct or indirect fixing of sales or purchase prices with the aim of preventing, restricting or distorting competition on affected markets including construction works, installation services and communication services. High profile company names are reported to be under investigation, including both public and private companies active in the sectors mentioned above.

In this context, with the prior authorisation of the Bucharest Court of Appeal, the RCC carried out dawn raids at the premises of companies under investigation and collected relevant documents.

A finding of infringement will result in fines of up to 10% of a relevant companies' turnover. Companies that cooperate with the RCC under the leniency programme, however, can obtain immunity from fines or substantial fine reductions. The RCC is known as one of the most active competition authorities in the EU with bid rigging in public procurement remaining at the forefront of its enforcement priorities.

Foreign companies participating in public procurement projects in Romania should be particularly vigilant since recent amendments to the Romanian competition law enable the authority to levy increased fines against infringing companies and base fines against non-resident companies on global rather than Romanian turnover.

For more information on regulations governing public procurement in Romania, contact your CMS client partner or local CMS experts: **Cristina Popescu** and **Laura Capata**.