Citizens' summary

EU proposal on ground rules for competition damages claims

What's the issue?

When companies don't play fair – fixing prices in cartels, for example, or abusing their dominant position on the market – it affects consumers and harms firms that play by the rules.

Anti-competitive practices make the economy less efficient and less competitive. They affect a wide range of markets (telecoms, energy, IT and transport) and cost Europe's economy several billion euros a year.

Under EU law, these practices are banned and victims are entitled to compensation. For instance, if companies conspire to increase their prices, customers can claim compensation for the higher price they paid. But in most EU countries, bringing a successful compensation case to court is difficult.

Competition authorities (EU and national) investigate and prosecute anti-competitive practices, but that is separate from civil compensation cases – and it's not always clear whether victims can rely on the authorities' findings to support their claims.

Why is EU action needed?

At present the rules on obtaining compensation differ significantly from one EU country to another, which means your chances of winning compensation depends on where you live. By the same token, a company that breaks EU competition rules is more likely to be sued in some countries than in others.

Action by the EU can help ensure that you have a fair chance of obtaining compensation for losses caused by anti-competitive behaviour wherever you are in the EU.

What exactly would change?

The Commission's proposal:

- clarifies what types of damages can be claimed and who can claim them
- makes it harder for infringers to keep crucial evidence from the court
- makes it clear that, once national competition authorities conclude that EU competition rules have been breached, this finding constitutes sufficient proof of the infringement in subsequent compensation cases
- clarifies the deadline for bringing compensation claims
- simplifies the way the amount of damages is calculated
• makes it easier for **indirect victims** to claim compensation – in those situations where a company illegally charges higher prices to a business customer (direct victim), which then passes on the increased prices to its own customers (indirect victims)

• encourages **compensation through out-of-court settlements**

• lays down rules concerning the **interaction between actions for damages and public enforcement** of the competition rules by competition authorities.

Most of these rules already exist in one or more EU countries. The aim now is to make sure that the procedures work throughout the EU, without jeopardising the effectiveness of the enforcement by competition authorities. This will make EU competition rules more effective in the whole internal market.

**WHEN WOULD THE EU PROPOSAL COME INTO EFFECT?**

The European Parliament and the Council will now have to discuss the proposal. When it is adopted, national authorities will have 2 years to comply with it.