

- **Czech Republic: New Competence of the Czech Competition Authority**

On 3 November 2009, the Czech Parliament approved the Act on Significant Market Power, which grants new competences to the Czech Competition Authority ("the Czech NCA"). The Act will come into force on 1 February 2010.

The aim of the Act is to define the concept of significant market power and its abuse for the purpose of the protection of competition in cases concerning the sale of agricultural products and to set up tools for the assessment and avoidance of such behaviour. Significant market power is defined by the Act as the position of the buyer towards the supplier, enabling the buyer to impose unilaterally beneficial trade conditions on the supplier, because he is not able to deliver its goods to the consumers by other means than via the buyer. There is a rebuttable presumption of significant market power if the net turnover of the buyer in the Czech Republic for the last financial year exceeds CZK 5 000 000 000 (€ 200 000 000). It is prohibited to abuse such significant market power to the detriment of suppliers; the abuse is to be understood as a systematic conduct which has as its object or effect the significant distortion of competition on the relevant market. There is a list of conduct considered to be abusive in six annexes to the Act. Fines for breaching the law can be imposed up to CZK 10 000 000 (€ 400 000) with a maximum of 10% of the net turnover of the undertaking. The issue of significant market power will be dealt with by a newly established department of the Czech NCA within the section headed by the new first vice-chairman Mr. Hynek Brom.