

# FAS Russia's anti-cartel enforcement



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## Statistics:

In 2017 the courts canceled **5.7%** of all the decisions of the FAS Russia and its regional bodies on anticompetitive agreements

In 2018, the courts canceled **3%** of decisions.

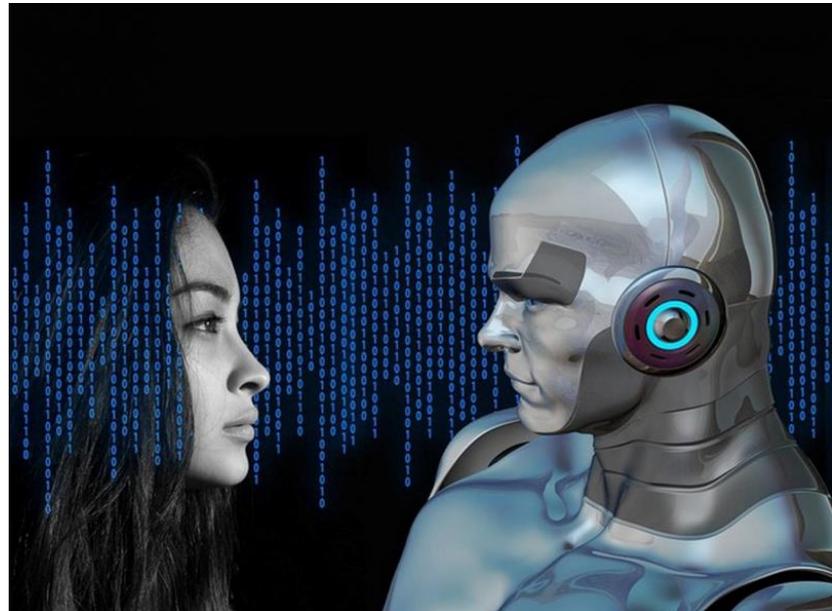
In the conditions of digitalization of the economy, the FAS Russia, as a supervisory authority, should use **the possibilities of digitalization** in order to realize better systematic anti-cartel enforcement.

One of the tools of such struggle should be a **service** that allows to automatically detect suspicious activity of the economic entities at the auction through online screening of open (at the first stage) and closed (at the second stage) data

To successfully confront modern cartels, the FAS Russia has developed a "Big digital cat" - a multi-parameter system for identifying and proving collusion. The system is designed to monitor auctions and identify transactions which break the rules of fair competition.



The digitalization of the economy has created new forms of market monopolization with the help of robots. Robots operate independently in the Internet and conclude horizontal agreements. It is very important to find out agreements and programs, but it is more important to know, who is the author?



## "Valiria" LLC and "Egamed" LLC cartel on the market of medical supplies

The relevant functionality of the software at auctions are:

- high-speed filing from 0.008 seconds;
- different trading strategies, outbidding competitors' prices, sniper mode, delayed start with a price check, trading on a configuration file with the ability to specify the exact prices for applications;
- possibility to apply for a few seconds before the end, thus exhausting competitors;
- work through proxy-server

**Price Monitoring Tool** - price algorithm developed by LLC “Studio aft” commissioned by LLC “Samsung electronics Rus Company”. The main function of this algorithm is a daily prices review for a particular product of reseller companies.

Every day this program sent e-mail from @pmt.aft.ru with the topic “New price alert” to mails of employees of LLC “Samsung electronics Rus Company”.

Focus model price monitoring (Tabs)

Model Name	BOM	RRP, rub	Svyaznoy	MTS	Eldorado	DNS	Ozon	Ulmart	Citilink	Beeline	NOSIMO	TechnoPoint	MasterPC	OnlineTrade	Holodilnik
Samsung Galaxy Tab A 7.0 WiFi T280N	T280N	8990	-	-	-	-	-	-	-	-	-	-	9990	-	-
Samsung GALAXY Tab 3 lite 3G 8GB (T116N)	T116N	8990	-	8990	64990	-	-	-	-	6990	-	-	-	-	-
GALAXY TAB A 2016 7.0 SM-T285N 4G 8GB	T285N	9990	9990	9790	9990	9699	9990	-	8920	-	9990	8860	9990	8990	-
GALAXY TAB E 9.6 SM-T561N 3G 8GB	T561N	11990	-	11990	11790	10999	-	10990	10030	11990	11990	10030	-	10990	10990
GALAXY TAB A 8.0 2017 SM-T385 4G 16GB	T385N	15990	15990	14490	-	-	-	-	14380	-	-	-	-	14690	-
GALAXY TAB A 2016 10.1 SM-T580N 16GB	T580N	16990	16990	-	-	-	-	-	15870	-	-	-	16990	15990	-
GALAXY TAB A 2016 10.1 SM-T585 4G 16GB	T585N	19990	19990	19990	19790	-	19990	-	-	19990	-	17490	19990	16990	17990
Samsung GALAXY Tab S2 8.0 WiFi (T713N)	T713N	21990	-	-	-	-	-	-	-	-	-	-	21990	-	-
GALAXY TAB S2 8.0 SM-T719 4G 32GB	T719N	25990	-	23599	-	31999	25990	-	-	-	-	22340	-	23590	-
Samsung GALAXY Tab S2 9.7 WiFi (T813N)	T813N	26990	-	-	-	-	-	-	-	-	-	-	26990	-	-
GALAXY TAB S2 9.7 SM-T819 4G 32GB	T819N	31990	31990	-	31990	30499	-	29990	28810	-	31990	26989	-	29490	-
GALAXY TAB S3 9.7 SM-T820 WIFI 32GB	T820N	34990	-	34990	-	-	-	-	32790	-	-	-	34990	34990	-
GALAXY TAB S3 9.7 SM-T825 LTE 32GB	T825N	44990	42990	39990	44990	39999	-	-	39560	-	44990	33990	44990	42990	-

The FAS Russia Commission established that “Samsung electronics Rus Company” coordinated economic activities of PJSC “VimpelCom”, JSC “RTC”, JSC “Svyaznoy logistics”, LLC “Eldorado”, LLC “MVM”, NAO “Yulmart”, LLC “Mobile logistics”, JSC “Technopoint”, LLC “Svyaznoy Network”, LLC “Citylink”, LLC “DNS Retail”, LLC “TLF” and LLC “Open technologies”.

LLC “Samsung Electronics Rus Company” provided assistance to the authority during the investigation of the circumstances of the case. Besides, **the antimonopoly compliance** is introduced in the company.

The FAS Russia exercises powers directly and through its territorial bodies.

The Saratov region:

- population is about 2.5 million people
- total area is 100 200 km<sup>2</sup>
- the name Saratov may be derived from Sary Tau (Сары Тай), meaning "Yellow Mountain" in the Tatar language
- is one of the twenty largest cities in the Russian Federation.



## Violation of antimonopoly legislation in the market of development, modernization and implementation of complex automated systems

In 2014, the Ministry of Education of the region signed an agreement with Rostelecom on the implementation of the complex automated information system “Contingent-region” (AIS). The contract was concluded without competitive procedures, because its price was 100 thousand rubles. This agreement did not provide for the transfer of exclusive rights.

To fulfill the above-mentioned agreement on the AIS introduction in the Ministry of Education, PJSC Rostelecom signed a contract with LLC “Diary.ru.”

Actions of the Ministry of Education, PJSC “Rostelecom” and LLC “Diary.ru” were aimed at obtaining millions of contracts to update this software in future, because only the copyright holder has the right to make changes in the program characteristics and its modernization.

In 2015 and 2016, the Ministry of Education hold auctions to determine the contractor for the AIS modernization. The Ministry formed the price of contracts by requesting prices from PJSC “Rostelecom” and LLC “Dnevnik.ru”, which overvalued services in proposals.

Based on the results of the auctions, the Ministry signed contracts with PJSC “Rostelecom”, which is not a manufacturer of the software product. PJSC “Rostelecom” entered into subcontracting agreements with LLC “Diary.ru.” The difference in the amount of contracts was more than a one million rubles.



Draft legislation aimed at **strengthening the responsibility for the conclusion and implementation of anti-competitive agreements** were introduced into the Government of the Russian Federation.



Thanks for your attention!