

The GVH suspects the existence of a cartel around the boat operation public procurement of the Centre for Budapest Transport (BKV)

14 July 2021, Budapest – Due to the suspicion of a cartel, the Hungarian Competition Authority (GVH) has initiated an investigation in connection with the public procurement of the Budapesti Közlekedési Zrt. ('BKV' – in English: Centre for Budapest Transport Plc.) concerning the operation of boats. In order to uncover the case, the GVH conducted dawn raids at certain bidders of the public procurement procedure.

The GVH initiated a competition supervision proceeding at the beginning of July 2021 in connection with the public procurement procedure of the BKV concerning '*The operation of a scheduled boat service*' due to the suspicion of a restrictive agreement. This is due to the fact that based on a formal complaint, the Authority believes that certain undertakings participating in the public procurement procedure took part in negotiations that infringe the law in order to determine the offered prices and the winner of the tender in advance.

The GVH conducted unannounced on-site inspections ('dawn raids') on the premises of the undertakings, the possibility of which is provided by the Competition Act. During these dawn raids, the Authority made electronic copies of the data storage devices of the undertakings concerned, the analysis of which is currently underway.

The initiation of the competition supervision proceeding does not mean that the undertakings have in fact committed the infringement. The proceeding is aimed at clarifying the facts and thereby proving the alleged infringement. The time limit for the completion of the proceeding is six months which, where justified, may be extended on two occasions by a maximum of six months each.

It should be emphasised that undertakings participating in a cartel, in particular, a public procurement cartel due to the increased threat of criminal law consequences, should always keep in mind that the legislation rewards cooperation with the GVH even in such cases. The essence of the so-called leniency policy is that an undertaking participating in a restrictive agreement may be released from the obligation to pay a fine if it is the first to provide substantial evidence of the infringement or hands over important information, which concerns an agreement that has not been uncovered yet and may serve as a basis for an investigation being launched. Furthermore, all other pieces of evidence provided voluntarily that constitute substantial assistance in uncovering the cartel can be rewarded with a reduction in the fine even if such evidence is not the first of its kind received by the GVH.

The official registration number of the case is: **VJ/29/2021.**

GVH Press Office