



The "recommended" prices of the Chamber of Hungarian Auditors may hurt competition

8 July 2022, Budapest – There are a number of professional associations in Hungary, which are often legally empowered to make recommendations on the level of fees charged by their members. It is important to emphasize, however, that these must be strictly recommendations only - i.e. they must not restrict the freedom of practitioners to set their own prices. The Chamber of Hungarian Auditors has been investigated by the Hungarian Competition Authority (GVH) for imposing mandatory enforcement of its fee offers on its members, thus restricting competition.

The Hungarian Chamber of Auditors is empowered by law to issue recommendations on the principles and primary criteria for setting fees for audit services, as well as on the lower limits of the fees. The GVH initiated competition supervision proceedings because it suspected that the chamber had not only offered the published fees but had also taken steps to ensure that its members did not provide services at lower prices. The GVH is investigating whether the public body exerted any pressure on the auditors to comply with the fee recommendations.

Since membership of the Chamber is compulsory for auditors, the Chamber's allegedly unlawful conduct could affect the entire profession, i.e. it could significantly distort price competition in the domestic market for audit services. On the customer side there are typically undertakings for which audit services are a regular and necessary cost. Audit fees, like all costs, are built into the price of products and services offered by undertakings, so the Chamber's conduct could ultimately harm consumers.

The initiation of the competition supervision proceeding does not mean that the undertaking has committed the infringement. The proceeding aims to clarify the facts and thereby prove the alleged infringement. The time limit for the completion of the proceeding is three months, which may be extended twice, in duly justified cases, for a maximum of two months each time.

Case number: **VJ/27/2022.**

Press Office of the GVH