

Competition Law Compliance

- What are our competition law risks?
- Which measures have we adopted to mitigate these risks?
- When was our last competition audit and when is our next compliance review?
- Who is responsible for our competition law compliance program?

Vinge's EU & competition team can help to create, maintain and develop an effective competition law compliance program.

An effective competition law compliance program typically involves the following main steps:

1. Top down commitment to competition law compliance throughout the organization
2. Identification and evaluation of potential competition risks and staff exposure
3. Management of any concrete risks
4. Training and testing of employees
5. Implementation of readily understandable policies, easy to use guides and procedures

There is, of course, no "one size fits all" approach. Different companies have different risk profiles and needs. Our competition law compliance programs are, therefore, adapted to fit each client's specific needs. Thus, the scope, content and costs are always agreed on a client-by-client basis. Each client will, however, always benefit from our deep knowledge and considerable experience in this field.

The effectiveness of any compliance program should be reviewed regularly. There is no standard review period but many companies review their compliance efforts on an annual or bi-annual basis. It is, in any event, important to observe that an *ad hoc* review may be advisable, for example upon an acquisition of a company or business, which may have another risk profile and/or compliance culture.

Reasons for an effective competition compliance program

Virtually any company in any sector is exposed to cartel and other competition law risks. A competition law infringement may have many adverse potential consequences, including:

- Corporate fines imposed by competition authorities or courts
- Civil law suits and damages to customers, suppliers or competitors
- Individual liability, including dismissal and, in some countries, disqualification orders, personal fines or even imprisonment
- Unenforceability of provisions in agreements that infringe the law
- Badwill, diversion of management time and higher legal costs

An effective competition law compliance program will help to avoid infringements and such adverse consequences. It will enable early in-house detection and adequate actions, including, if appropriate, leniency application(-s) to eliminate fines that could otherwise be imposed. An effective compliance program may, at least in certain jurisdictions, also as such be taken into account when competition authorities set the level of any penalty for a competition law infringement. Further, but not least important, an effective competition law compliance program ensures that company staff at all levels focus on the right things and compete on the merits.

Directors and senior management of all business, even if relatively small, should be aware that competition authorities nowadays expect them to demonstrate a clear commitment to competition law compliance, and to ensure that their organization is taking steps to identify and assess the company's exposure to competition law risks and put in place appropriate steps to mitigate these risks, and to review these activities on a regular basis.

Contacts

Don't hesitate to us if you wish to know more about competition law compliance or if you have any other questions of competition law.



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"Vinge's outstanding competition and EU department fields a 23-strong team in offices across Sweden and Brussels, and it is praised for its "in-depth antitrust experience across the whole arena." The team is seen as a versatile outfit with strengths throughout the field of EU and competition law, and it is especially noted for its reputation in merger filings and abuse matters." Chambers Europe 2011