

Competition - Switzerland

Commission imposes fines for price fixing in door components sector

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On November 4 2010 the Competition Commission fined four undertakings Sfr7.6 million for entering into agreements on prices with competitors in relation to the distribution of door components (eg, doorknobs, hinges and locks). The investigation showed that the undertakings had colluded in determining the level of price increases and the moment at which they would be made. An investigation into the same industry sector is underway at European Union level.

In 2007, after an undertaking had reported its involvement in a qualified hardcore cartel, the Competition Commission launched a regular investigation and carried out dawn raids on the offices of the principal market participants. Later in the course of the investigation, information on a second, as yet undiscovered cartel was brought to the attention of the commission by a cartel participant. The undertaking which provided the information for the investigation to be initiated qualified for full immunity from fines, and the undertaking which disclosed information on the second, as yet undiscovered cartel qualified for a fine reduction of 80%.

Under Swiss competition law, the commission has the power to fine undertakings up to 10% of their turnover in Switzerland for the past three years. However, pursuant to Article 49(a)(2) of the Competition Act, the commission operates a leniency programme which applies to restrictive agreements that are subject to fines because they contain clauses that eliminate competition. Full immunity from fines is available for the first undertaking that reports its involvement in a qualified, hardcore cartel and delivers information enabling the secretariat to start a regular investigation, provided that – among other things – that undertaking did not instigate the cartel activity. A fine reduction of up to 50% is available, at any time in the procedure, to an undertaking that does not qualify for full immunity, if and to the extent that the applicant cooperates with the investigation and ends its involvement in the prohibited agreement at the time that the evidence is provided. In addition, the fine for a particular infringement can be reduced by up to 80% if an undertaking discloses information or evidence relating to a second, as yet undiscovered, hardcore cartel (the so-called 'bonus-plus' system). This reduction is without prejudice to any possible full exemption or partial reduction of fines of the newly disclosed cartel.

This decision is notable in that it is the first time that the commission has reduced an undertaking's fine due to its disclosure of information regarding a second, as yet undiscovered cartel.

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