

# European and Competition Law

Legal Flash | Portugal

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Portuguese Competition Authority imposed fines totaling over 24 million euros to Super Bock for fixing resale prices

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On 25 July 2019 the Portuguese Competition Authority (AdC) sanctioned Super Bock Bebidas, S.A., one member of its board of directors as well as one member of its management and imposed fines totalling over 24 million euros for engaging in anticompetitive practices known as "Resale Price Maintenance" (fixing resale prices)<sup>1</sup>.

It is one of the most serious infringement of competition rules consisting on the imposition by a supplier of fixed or minimum resale prices (and other commercial conditions) to its distributors. In this case, the AdC considered that, for more than ten years (2006-2017), independent distributors of Super Bock products were inhibited from offering their products at low or different prices from those set by Super Bock to hotels, restaurants and cafes (horeca channel).

According to the AdC, the investigation started in June 2016, following two complaints of former Super Bock's distributors. In 2017, the AdC carried out dawn raids at the premises of Super Bock and, in august 2018, the AdC adopted a Statement of Objections.

This decision represents the first infringement decision under the large investigation proceedings in the retail and large retail sector, as well as the largest fine ever imposed on a company in Portugal for vertical restraints of competition law. In line with the most recent decisional practice of the AdC, members of the company's board of directors and management were also sanctioned on an individual basis.

It is important to underline that Super Bock has also been formally accused by the AdC in another infringement proceedings, together with major food retail distributors (Modelo Continente, Pingo Doce, Auchan and Intermarché). In this case, these companies were accused of being involved in an infringement of Competition Law commonly known as "hub and spoke". According to the AdC, the retailers used their vertical relationship with Super

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Bock (as well as the vertical relationship of the said supplier with competing retailers) to collectively promote an horizontal alignment of the resale prices in the retail market<sup>2</sup>.

According to the press release issued by the AdC, in the retail and large retail sector, "the AdC carried out dawn raids in facilities of 44 entities, during 2017, and the results were incorporated in 16 antitrust cases, more than ten of which in this sector".

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