

# European and Competition Law

Legal Flash | Portugal

March 6, 2020



Portuguese Competition Authority applies for the first time an accessory sanction that disqualifies companies from participating in public tender procedures



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On March 4, 2020, the Portuguese Competition Authority (the "AdC") announced that it had adopted the last two infringement decisions in the investigation it started in 2016 against five providers of railway maintenance services. It imposed fines of €3.4 million on the five companies involved, as well as on five of its board members and directors, for allegedly engaging in an anticompetitive practice known as "bid-rigging".

In this case, there were already three infringement decisions following settlement procedures, where the fines were reduced to  $\leq 1.6$  million. In its new decision, the AdC sanctioned the remaining two companies involved, imposing fines amounting to  $\leq 1.8$  million.

The main innovation of this decision is the AdC's application of an accessory sanction that disqualifies, for a two-year period, these two companies from participating in public tender procedures relating to the products and services on which the infringement decision was based.

Although this is first time the AdC has used this sanctioning mechanism, it is likely to use it more in the future, just as it has started imposing fines on individuals for infringing competition rules, namely on companies' board members and directors.

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