Text consolidated by Valsts valodas centrs (State Language Centre) with amending regulations of:

13 September 2016 [shall come into force on 16 September 2016];

7 January 2020 [shall come into force on 10 January 2020];

16 August 2022 [shall come into force on 26 August 2022].

If a whole or part of a paragraph has been amended, the date of the amending regulation appears in square brackets at the end of the paragraph. If a whole paragraph or sub-paragraph has been deleted, the date of the deletion appears in square brackets beside the deleted paragraph or sub-paragraph.

Republic of Latvia

Cabinet

Regulation No. 179

Adopted 29 March 2016

**Procedures for Determining a Fine for the Infringements of Competition Law and of Prohibition of Unfair Trading Practice and a Pecuniary Penalty for the Non-fulfilment of the Legal Obligation Imposed by the Competition Council**

[*16 August 2022*]

*Issued pursuant to*

*Section 8.1, Paragraph eight, Section 9.4, Paragraph three, Section 12, Paragraph five, Section 12.1, Paragraph seven, Section 14, Paragraph four, and Section 14.2, Paragraph four, Section 14.3, Paragraph five of the Competition Law and Section 8, Paragraph four of the Prohibition of Unfair Trading Practices Law*

[*16 August 2022*]

**I. General Provisions**

1. This Regulation prescribes:

1.1. the procedures for determining a fine for the violations provided for in Section 11, Paragraph one of the Competition Law, and also specifics for the calculation of the financial year net turnover in individual cases, criteria for the specification of the amount of a fine, mitigating and aggravating circumstances;

1.2. the procedures for determining a fine for the violations provided for in Section 13 of the Competition Law, and also specifics for the calculation of the financial year net turnover and procedures for calculating the amount of fine, taking into account the gravity and duration of the relevant violation, mitigating and aggravating circumstances, and the cases where there is the right to a reduction of the fine;

1.2.1the procedures for determining a fine for the violations provided for in Section 14.1 of the Competition Law, and also specifics for the calculation of the financial year net turnover in individual cases, criteria for the specification of the amount of a fine, and mitigating and aggravating circumstances;

1.3. the procedures for determining and imposing a fine for the violations provided for in Sections 5 and 6 of the Prohibition of Unfair Trading Practices Law, providing for specifics for the calculation of the financial year net turnover and the procedures for calculating the amount of fine depending on the gravity and duration of the relevant violation, and also mitigating and aggravating circumstances, specifying the cases where there is the right to a reduction of the fine;

1.4. the procedures by which the Competition Council shall give immunity from a fine and reduce the fine under the leniency programme, and also the requirements for the participants to the agreement of leniency programme;

1.5. the procedures for determining the net turnover of the financial year from which a fine for the violations provided for in Section 9.4, Paragraph one of the Competition Law shall be calculated, and the criteria for determining the amount of a fine;

1.6. the procedures for determining the amount of a fine for the violations provided for in Article 101(1) and Article 102 of the Treaty on the Functioning of the European Union, providing for specifics for the calculation of the financial year net turnover depending on the gravity and duration of the relevant violation, and also mitigating and aggravating circumstances, specifying the cases where there is the right to a reduction of the fine;

1.7. the procedures for determining the net turnover of the financial year from which pecuniary penalty is calculated, and the criteria for determining the amount of pecuniary penalty.

[*13 September 2016; 7 January 2020; 16 August 2022*]

2. Terms used in this Regulation:

2.1. prohibited vertical agreement – within the meaning of this Regulation an agreement that is not exempted from the prohibitions referred to in Section 11, Paragraph one of the Competition Law which has been entered into between market participants each of which conducts economic activity in a different level of the production or distribution of goods, and applies to the purchase or sales provisions of goods;

2.2. market participant – within the meaning of this Regulation, the market participant referred to in Section 1, Clause 9 of the Competition Law, and also a buyer and a retailer of non-food products within the meaning of the Prohibition of Unfair Trading Practices Law.

[*16 August 2022*]

3. A fine for the violation provided for in Section 9.4, Paragraph one, Section 11, Paragraph one, Sections 13 and 14.1 of the Competition Law and in Sections 5 and 6 of the Prohibition of Unfair Trading Practices Law shall be calculated in percentage of the net turnover of the last closed financial year of a market participant before the date of establishment of the violation.

[*16 August 2022*]

3.1 If the violation provided for in Section 9.4, Paragraph one, Section 11, Paragraph one, and Section 13 of the Competition Law has been committed in a case regarding a possible infringement of the European Union competition law, a fine shall be calculated in percentage of the net turnover of the last closed financial year of a market participant before the date of establishment of the violation.

[*16 August 2022*]

3.2 A pecuniary penalty shall be calculated in percentage of the average net daily turnover of the last closed financial year of a market participant before the date of establishment of the violation for each day until the legal obligation has been fulfilled. If the violation is committed in the case regarding the possible infringement of the European Union competition law, the pecuniary penalty shall be calculated in percentage of the average net daily world-wide total turnover of the last financial year per day before the date of establishment of the violation for each day until the legal obligation has been fulfilled.

[*16 August 2022*]

3.3 In determining the amount of a pecuniary penalty, the Competition Council shall comply with the principle of proportionality, and also the financial status of the addressee.

[*16 August 2022*]

4. [7 January 2020]

5. The sum of the following positions of income shall be recognised as the net turnover of credit institutions:

5.1. income from interest;

5.2. income from securities;

5.3. commission remuneration received;

5.4. net profit acquired from financial operations;

5.5. income from other type of activity.

6. Income included in the annual statements and consolidated statements of credit institutions shall be included in the net turnover of credit institutions.

7. The gross value of signed premiums which includes all sums received and to be received for insurance contracts (also reinsurance premiums) entered into by an insurance company or entered into in the name thereof by deducting the tax payments and fees or mandatory payments which are imposed on an insurance premium or the total amount of premiums, shall be recognised as the net turnover of insurance companies.

8. If a market participant is a natural person who is a payer of personal income tax, the fine shall be calculated as a percentage of the income from the last closed reporting year which the natural person has earned from economic activity.

9. If it is not possible to draw up a statement on the complete last closed reporting year for a market participant, the fine shall be calculated as a percentage of the net turnover of the market participant for 12 calendar months beginning with the date when it commenced activity in the relevant market. If less than a year has passed from the commencement of activity until the date of establishing the violation, the fine shall be calculated from the net turnover of the market participant by counting from the day when the activity was commenced until the last complete month prior to the date of establishing the violation.

10. If the net turnover of the last financial year of a market participant has been expressed in a foreign currency, the total amount of a fine in euros shall be determined according to the exchange rate to be used in accounting on the day when the violation was established.

11. If a registered or non-registered association of market participants (for example, organisation, union, association, foundation) or an official thereof has committed the violation referred to in Section 11, Paragraph one of the Competition Law, the fine shall be imposed on the market participants which are members of the association and have participated in the abovementioned violation, or on the association of market participants.

11.1 If a market participant has committed several violations referred to in Section 11, Paragraph one, Section 13, Section 14.1 of the Competition Law and Sections 5 and 6 of the Prohibition of Unfair Trading Practices Law, Article 101(1) or Article 102 of the Treaty on the Functioning of the European Union and they have been examined concurrently in one case, the amount of a fine shall be determined individually for each violation of Paragraph of the relevant Section or Article. The final sum of the fine shall be calculated within the framework of the fine which has been specified for the most serious violation.

[*16 August 2022*]

11.2 If the market participant has committed the violations both referred to in Section 11, Paragraph one and Section 13 of the Competition Law or the violations both referred to in Article 101(1) or Article 102 of the Treaty on the Functioning of the European Union and they have been examined concurrently in one case, the amount of a fine shall be determined individually for the violation referred to in each Section or Article. The final sum of the fine shall be calculated within the framework of the fine which has been specified for the most serious violation.

[*16 August 2022*]

11.3 If more than five years have passed since termination of a violation and the violation has not left significant negative consequences on the market, the Competition Council may impose a fine in the amount of EUR 350.

[*16 August 2022*]

**II. Amount of a Fine for the Violations Provided for in Section 11, Paragraph One, Sections 13 and 14.1 of the Competition Law and Sections 5 and 6 of the Prohibition of Unfair Trading Practices Law**

[*16 August 2022*]

12. In determining the amount of a fine, the gravity, duration of a violation, circumstances mitigating and aggravating the liability shall be taken into account.

[*16 August 2022*]

13. In determining the gravity of a violation, the following shall be taken into account:

13.1. the type of the violation;

13.2. the consequences caused by the violation or the possible consequences thereof;

13.3. the part of each market participant involved in the violation.

[*16 August 2022*]

14. According to the type of a violation, prohibited vertical agreements and prohibited co-operation agreements, a violation of the rules for free and fair competition (Section 14.1 of the Competition Law), and also prohibited unfair trading practice shall be deemed a petty violation, abuse of the dominant position and vertical agreements the goal of which is to restrict the opportunity of a buyer to determine the resale price shall be deemed a serious violation, cartel agreements and agreements containing restrictions on the import or export of goods shall be deemed an especially serious violation.

[*16 August 2022*]

15. In evaluating the role of each market participant involved in a violation, it shall be taken into account whether at least one of the following conditions exists:

15.1. the market participant has been the initiator of the violation;

15.2. the market participant has had an active or passive role in the violation.

[*16 August 2022*]

16. The total amount of a fine for one violation shall be calculated by summing up the fines specified in accordance with Paragraphs 17 and 18 or 19 of this Regulation.

[*16 August 2022*]

17. Taking into account the gravity of a violation, the amount of a fine shall be determined as follows:

17.1. if a petty violation, manifested as a prohibited unfair trading practice, has been committed – up to 0.15 per cent;

17.2. if a petty violation, manifested as a prohibited vertical agreement or a prohibited horizontal co-operation agreement, has been committed – up to 0.5 per cent;

17.3. if a petty violation, manifested as a violation of rules for free and fair competition (Section 14.1 of the Competition Law), has been committed – up to 1 per cent;

17.4. if a serious violation has been committed – from 0.5 to 1.5 per cent;

17.5. if an especially serious violation has been committed – from 1.5 to 7 per cent.

[*16 August 2022*]

18. Taking into account the duration of a violation, the amount of a fine shall be determined as follows:

18.1. if the duration of the violation does not exceed one year, the amount of a fine specified in accordance with Paragraph 17 of this Regulation shall not be increased;

18.2. if the violation continues for more than a year, but does not exceed five years, the fine shall be up to 0.5 per cent;

18.3. if the violation continues for more than five years, the fine shall be from 0.5 to 1 per cent.

[*16 August 2022*]

19. Taking into account the duration of a violation, the amount of a fine for the violation which is specified in Sections 5 and 6 of the Prohibition of Unfair Trading Practices Law shall be determined as follows:

19.1. if the duration of the violation does not exceed one year, the amount of a fine specified in accordance with Sub-paragraph 17.1 of this Regulation shall not be increased;

19.2. if the violation continues for more than one year – up to 0.02 per cent;

19.3. if the violation continues for more than five years – up to 0.04 per cent.

[*16 August 2022*]

20. The total amount of a fine may be increased in the following cases:

20.1. if at least one of the following aggravating circumstances exists:

20.1.1. a market participant has committed the same type of violation repeatedly, and the Competition Council has established it and taken a relevant decision;

20.1.2. a market participant has directly or indirectly forced other market participants to perform activities whereby the prohibition referred to in Section 11, Paragraph one of the Competition Law is violated;

20.1.3. a market participant hinders investigation and hides the committed violation;

20.2. if the Competition Council establishes that it is necessary to increase the fine in order to exceed the income which a market participant has gained by committing the violation referred to in Section 11, Paragraph one, Section 13 or 14.1 of the Competition Law (if it is possible to evaluate the sum of the illegally gained income).

[*16 August 2022*]

21. The Competition Council may reduce the total amount of a fine in the following cases:

21.1. if mitigating circumstances exist, for example:

21.1.1. the violation has been discontinued as soon as the market participant has received information from the Competition Council on the possible violation referred to in Section 11, Paragraph one or Section 13 of the Competition Law or Section 5 or 6 of the Prohibition of Unfair Trading Practices Law;

21.1.2. the market participant has voluntarily eliminated the consequences of the violation before the Competition Council has taken the decision to establish the violation;

21.1.3. the market participant, upon its own initiative, has provided complete and true information or evidence which have a significant role in establishing the violations referred to in Section 14.1 of the Competition Law or Section 5 or 6 of the Prohibition of Unfair Trading Practices Law;

21.1.4. the market participant has provided evidence that during the period of time while it was the participant of an illegal agreement it actually did not implement this agreement;

21.1.5. the market participant has entered into settlement regarding settling the dispute and reimbursed the losses caused by the committed violation;

21.2. if the net turnover of the last closed financial year of a market participant in the market where the violation has taken place is less than 10 per cent of the net turnover for the last closed financial year of the market participant;

21.3. in relation to the violations of the Prohibition of Unfair Trading Practices Law if the net turnover of the market participant in the particular stage of the supply chain of agricultural and food products or in retail trade of non-food products is less than the total net turnover in the last financial year;

21.4. in relation to the violations of the Prohibition of Unfair Trading Practices Law, taking into account the turnover of the market participant from the goods or services which directly or indirectly refer to the goods or services involved in the violation.

[*16 August 2022*]

22. [16 August 2022]

23. [16 August 2022]

24. [16 August 2022]

25. [16 August 2022]

**II.1Amount of a Fine for the Violations Provided for in Article 101(1) and Article 102 of the Treaty on the Functioning of the European Union**

[*16 August 2022*]

25.1 In determining the amount of a fine for a violation provided for in Article 101(1) or Article 102 of the Treaty on the Functioning of the European Union, the gravity, duration of the violation, circumstances mitigating and aggravating the liability shall be taken into account. The amount of the fine shall conform to the part of the sales volume of goods and services directly or indirectly involved in the violation to be determined depending on the gravity of the violation multiplied by the number of years during the course of which the violation has been committed.

[*16 August 2022*]

25.2 The following conditions shall be complied with in determining the sales volume of goods or services:

25.21. usually the sales indicators of a market participant during such last full year when the market participant was involved in the violation shall be taken into account;

25.22. if the violation of an association of market participants is related to the activities of the participants thereof, the sales volume in general shall conform to the amount of sales volumes of the participants thereof;

25.23. the Competition Council shall use the most complete data at its disposal regarding a market participant. If data is incomplete or not credible, the Competition Council is entitled to determine the sales volume on the basis of partially obtained information on a market participant, and also other information which it deems essential or appropriate;

25.24. the sales volume is determined before application of value added tax and other taxes which are directly related to sale;

25.25. the sales volume determined shall not exceed 30 per cent of the total sales volume of the market participants involved in the violation.

[*16 August 2022*]

25.3 Horizontal agreements regarding fixing of prices, market allocation, and restriction of production output shall be considered as the most serious infringements of competition, therefore, in determining the sales volume of goods and services directly or indirectly involved in the violation, it shall be approximated to the maximum permissible sales volume referred to in Sub-paragraph 25.25 of this Regulation.

[*16 August 2022*]

25.4In determining the gravity of a violation, the following shall be evaluated and taken into account among other things:

25.41. the type of the violation;

25.42. the total market share of the market participants involved in the violation;

25.43. the geographical area where the violation was committed;

25.44. whether the violation has already been committed;

25.45. the consequences caused by the violation or the possible consequences thereof;

25.46. the part of each market participant involved in the violation.

[*16 August 2022*]

25.5 The gravity of a violation shall be evaluated for each particular violation and all types of violations, taking into account all essential circumstances of the case.

[*16 August 2022*]

25.6 In determining the duration of a violation, the following conditions shall be complied with:

25.61. if the duration of the violation does not exceed six months, it shall be calculated for six months;

25.62. if the violation lasts more than six months but does not exceed one year, it shall be calculated for one year.

[*16 August 2022*]

25.7 If the violation referred to in Paragraph 25.3 of this Regulation has been committed, in determining the total amount of a fine, the amount forming 15 to 25 per cent of the sales volume of goods or services directly or indirectly involved in the violation shall be additionally added to the calculations referred to in Paragraph 25.1 of this Regulation, taking into account the factors referred to in Paragraph 25.4 of this Regulation.

[*16 August 2022*]

25.8 The total amount of a fine may be increased in the following cases:

25.81. if at least one of the following aggravating circumstances exists:

25.81.1. a market participant continues or repeats the same violation and the Competition Council has established it and taken a relevant decision (the amount of a fine may be increased up to 100 per cent for each such violation);

25.81.2. a market participant has directly or indirectly forced other market participants to perform activities whereby the prohibition referred to in Article 101(1) or Article 102 of the Treaty on the Functioning of the European Union is violated;

25.81.3. a market participant does not cooperate with the Competition Council, hinders investigation, or hides the violation committed;

25.82. if the Competition Council establishes that it is necessary to increase the fine in order to exceed the income which a market participant has gained by committing the violation referred to in Article 101(1) or Article 102 of the Treaty on the Functioning of the European Union (if it is possible to evaluate the sum of the illegally gained income).

[*16 August 2022*]

25.9 The Competition Council may reduce the total amount of a fine in the following cases:

25.91. if mitigating circumstances exist, for example:

25.91.1. a violation has been discontinued as soon as the market participant has received information from the Competition Council on the possible violation of Article 101(1) or Article 102 of the Treaty on the Functioning of the European Union;

25.91.2. the market participant has voluntarily eliminated the consequences of the violation before the Competition Council has taken the decision to establish the violation;

25.91.3. the market participant has cooperated with the Competition Council and, upon its own initiative, has provided complete and true information and evidence which have a significant importance in establishing the violations referred to in Article 101(1) or Article 102 of the Treaty on the Functioning of the European Union;

25.91.4. the market participant has provided evidence regarding its small and limited role in committing the violation;

25.91.5. the market participant has provided evidence that during the period of time while it was the participant of an illegal agreement it actually did not implement this agreement;

25.91.6. the market participant has entered into settlement regarding settling the dispute and reimbursed the losses caused by the committed violation;

25.91.7. the market participant provides evidence that the violation has occurred as a result of negligence;

25.91.8. the anticompetitive action has been permitted or facilitated by State institutions or legal framework;

25.92. if the net turnover of the last closed financial year of the market participant in the market where the violation has taken place is less than 10 per cent of the net world-wide turnover of the last closed financial year of the market participant.

[*16 August 2022*]

25.10 If the violation of an association of market participants is related to the activities of the participants thereof and the fine is imposed on such market participants which are members of the association and have participated in the abovementioned violation, it shall not exceed 10 per cent of the net world-wide turnover of the last closed financial year of each participant before the day when the violation was established.

[*16 August 2022*]

25.11 The Competition Council may take into account insolvency of a market participant and reduce the total amount of a fine if, on the basis of objective evidence, further economic activity of the market participant is being irreversibly jeopardised.

[*16 August 2022*]

**II.2Amount of a Fine for the Violations Provided for in Section 9.4, Paragraph One of the Competition Law**

[*16 August 2022*]

25.12 In determining the amount of a fine for the violation provided for in Section 9.4, Paragraph one of the Competition Law, the gravity, circumstances of committing, duration of the violation, circumstances mitigating and aggravating the liability shall be taken into account.

[*16 August 2022*]

25.13 The Competition Council may reduce the total amount of a fine if circumstances mitigating the liability exist, for example:

25.131. the person to be held liable has admitted to and expressed regret for the violation committed;

25.132. the person to be held liable has voluntarily eliminated the consequences of the violation, reimbursed the loss, or eliminated the harm caused.

[*16 August 2022*]

25.14 The Competition Council may increase the total amount of a fine if at least one of the following circumstances aggravating the liability exists:

25.141. the person to be held liable has committed the same type of violation repeatedly and the Competition Council has established it and taken a relevant decision;

25.142. the unlawful action was continued regardless of the request of an authorised official to terminate it.

[*16 August 2022*]

**III. Immunity from a Fine and Reduction of a Fine under the Leniency Programme, and also Requirements for the Participants to the Agreement of Leniency Programme**

[*16 August 2022*]

26. A participant to the agreement of leniency programme has the right to address the Competition Council with an application for:

26.1. assigning the first sequence number for immunity from a fine;

26.2. immunity from a fine;

26.3. reduction of a fine.

[*16 August 2022*]

27. A participant to the agreement of leniency programme shall submit the applications referred to in Paragraph 26 of this Regulation to the authorised person of the chairperson of the Competition Council.

[*16 August 2022*]

28. Prior to submitting an application, a participant to the agreement of leniency programme may anonymously and orally consult with the Competition Council regarding general aspects of application of the leniency programme.

[*16 August 2022*]

29. In order to qualify for the leniency programme, a market participant shall meet the following requirements:

29.1. immediately after submission of the application for leniency programme at the latest, terminate participation in relation to the agreement of leniency programme unless the Competition Council has stipulated otherwise because it considers that further participation of the participant to the agreement of leniency programme is justifiably necessary for the purposes of an investigation;

29.2. has genuinely, fully, on a continuous basis, and expeditiously cooperated with the Competition Council, starting from the moment of submission of the application until taking of a decision, with such cooperation providing for the following among other things:

29.2.1. upon its own initiative or upon request of the Competition Council, to immediately submit any evidence at the disposal thereof or available thereto and other information on facts and circumstances which are related to the agreement of leniency programme, particularly:

29.2.1.1. the names of the applicant and other participants to the agreement of leniency programme, and also legal address of the applicant;

29.2.1.2. a detailed description of the agreement of leniency programme: objective, principles of operation, the markets of the influenced goods, duration of activities, and geographical area;

29.2.1.3. information at the disposal of the applicant which is related to submission of the application or planned submission to the competition institution of the European Union Member State or other country;

29.2.2. to be at the disposal of the Competition Council in order to reply to any request which might help to verify facts related to the agreement of leniency programme;

29.2.3. to ensure that the heads of such company which is represented by the applicant and other employees are available for questioning at the Competition Council, and also to make reasonable effort for the former heads and other employees of the company to be available for questioning at the Competition Council;

29.2.4. not to destroy, not to falsify, and not to hide information or evidence attributable to and of significance for the agreement of leniency programme;

29.2.5. not to disclose the fact of the submission of the application and the content of the application until the Competition Council notifies the participants of the proceedings in writing that the information necessary for taking the decision has been obtained unless the Competition Council has stipulated otherwise;

29.3. during the contemplation of making an application for the leniency programme to the Competition Council, the market participant must not have performed any of the following activities:

29.3.1. destroyed, falsified, or concealed evidence regarding an agreement of leniency programme;

29.3.2. disclosed the fact of the planned submission of the application or any information on the content of the application and the planned cooperation with the Competition Council in relation to an investigation of an agreement of leniency programme to other participants to the agreement of leniency programme or other persons, except for the competition institution of another European Union Member State or other country.

[*16 August 2022*]

30. A market participant shall append a written certification regarding compliance with the requirements of the leniency programme to the application for participation in the leniency programme.

[*16 August 2022*]

31. If a participant to the agreement of leniency programme who wishes to submit the application referred to in Sub-paragraph 26.2 of this Regulation for immunity from a fine requests it, the Competition Council may grant to it a place in the line for the leniency programme for a specific period of time, providing a period of time for the participant to the agreement of leniency programme to aggregate the necessary information and evidence which conforms to the amount of evidence necessary for immunity from a fine.

[*16 August 2022*]

32. In submitting the request indicated in Paragraph 31 of this Regulation, the applicant must provide information to the Competition Council insofar as it is known to the applicant, including the following information therein:

32.1. the name of the applicant and its legal address;

32.2. the considerations due to which the applicant has submitted the request;

32.3. names of the companies which are or have been participants to the agreement of leniency programme;

32.4. the objective of the agreement of leniency programme, principles of operation, the markets of the influenced goods, duration of activities and geographical area;

32.5. information related to the submission or planned submission of the application to a competition institution of the European Union Member State or other country in relation to the agreement of leniency programme;

32.6. other information which, in the opinion of the applicant, is of significance in the application of the leniency programme.

[*16 August 2022*]

33. If the Competition Council has accepted the application referred to in Sub-paragraph 26.1 of this Regulation from the participant to the agreement of leniency programme for assigning the first position in line for immunity from a fine and the application referred to in Sub-paragraph 26.2 of this Regulation for immunity from a fine has been submitted within the time period stipulated by the Competition Council, it shall be deemed that the application referred to in Sub-paragraph 26.2 of this Regulation was submitted and accepted for examination on the day when the application referred to in Sub-paragraph 26.1 of this Regulation for assigning the first sequence number for immunity from a fine was submitted.

[*16 August 2022*]

34. The Competition Council shall not accept the application referred to in Sub-paragraphs 26.1 and 26.2 of this Regulation if the application does not meet the requirements referred to in this Regulation. After elimination of deficiencies the application may be repeatedly submitted to the Competition Council.

[*16 August 2022*]

35. In submitting the request specified in Paragraph 31 of this Regulation, the applicant has the right to address the Competition Council with an application in the official language or another official language of the European Union if a bilateral agreement thereon has been reached between the Competition Council and the applicant from a foreign country. The submission of the request in another official language of the European Union shall not exempt the applicant from the submission thereof in the official language upon request of the Competition Council.

[*16 August 2022*]

36. If the Competition Council rejects the application referred to in Sub-paragraph 26.2 of this Regulation of the applicant for immunity from a fine, the applicant may request the Competition Council to examine its application as the application referred to in Sub-paragraph 26.3 of this Regulation for the reduction of a fine.

[*16 August 2022*]

37. A participant to the agreement of leniency programme who cannot apply for the immunity from a fine may submit the application referred to in Sub-paragraph 26.3 of this Regulation for the reduction of a fine in the following amount:

37.1. for the participant to the agreement of leniency programme who was the first to submit the application for the reduction of a fine – in the amount of 30 to 50 per cent;

37.2. for other participants to the agreement of leniency programme who submitted the application for the reduction of a fine – in the amount of 20 to 30 per cent.

[*16 August 2022*]

38. A fine shall be reduced in the amount of 50 per cent for the participant to the agreement of leniency programme who has submitted evidence regarding another agreement of leniency programme and to whom the Competition Council has given immunity from the fine for such agreement of leniency programme.

[*16 August 2022*]

39. The Competition Council shall, within five working days after receipt of the application referred to in Sub-paragraph 26.3 of this Regulation, notify the applicant in writing regarding receipt of the application, indicating the date and time of receipt of the application, or refusal to accept it. The reasons for refusal shall be indicated in the notification regarding refusal to accept an application.

[*16 August 2022*]

40. A participant to the agreement of leniency programme who has applied for the application of leniency programme in the European Commission shall, in applying in the line for the leniency programme or submitting an application, submit a summary of the application to the Competition Council if the geographical area of the agreement of leniency programme indicated in the application encompasses more than three Member States (hereinafter – the summary of the application).

[*16 August 2022*]

41. The summary of the application shall include a short description of:

41.1. the names of the applicant and other participants to the agreement of leniency programme, and also legal address of the applicant;

41.2. the objective of the agreement of leniency programme, principles of operation, the markets of the influenced goods, duration of activities and geographical area;

41.3. the Member States in which evidence of the agreement of leniency programme might be located;

41.4. information related to the submission or planned submission of the application to the competition institution of the European Union Member State or other country.

[*16 August 2022*]

42. The Competition Council shall, not later than within five working days after receipt of the summary of the application, notify the submitter of the summary of the application in writing of acceptance of the summary of the application or refusal to accept it. The reasons for refusal shall be indicated in the notification regarding refusal to accept the summary of the application.

[*16 August 2022*]

43. The date and time of receipt of the summary of the application and whether the submitter of the summary of the application has been the first to submit an application for immunity from a fine shall be indicated in the notification referred to in Paragraph 42 of this Regulation.

[*16 August 2022*]

44. Upon request of the applicant, the Competition Council shall confirm receipt of the application or the summary of the application in writing, indicating the date and time of receipt.

[*16 August 2022*]

45. The applicant has the right to provide the leniency statement regarding the applications or the summaries of the application to the Competition Council in the official language or another official language of the European Union if a bilateral agreement thereon has been reached between the Competition Council and the applicant from a foreign country. The provision of the statement in another official language of the European Union shall not exempt the applicant from the submission thereof in the official language upon request of the Competition Council.

[*16 August 2022*]

45.1 The Competition Council may request additional information from the submitter of the summary of the application by specifying the date and time for submission thereof.

[*16 August 2022*]

45.2 If the Competition Council takes the decision to initiate proceedings regarding a possible infringement of the competition law of the European Union on the basis of information in the summary of the application, the Competition Council shall notify the date and time by which the submitter of the summary of the application must submit a written application for immunity from a fine in accordance with the requirements referred to in Sub-paragraph 29.2.1 and Paragraph 30 of this Regulation.

[*16 August 2022*]

45.3 If the Competition Council has accepted the summary of the application of the participant to the agreement of leniency programme and an application for immunity from a fine has been submitted within the time period stipulated by the Competition Council, it shall be deemed that the application was submitted and accepted for examination on the day of submitting the summary of the application.

[*16 August 2022*]

45.4 The applicant for the leniency programme has the right to submit the leniency statement regarding the application or the summary of the application in writing or to notify it orally, with the Competition Council taking minutes of the relevant conversation. The applicant shall not obtain the statements provided in its possession, control, or supervision.

[*16 August 2022*]

45.5 If the European Commission receives the application but the Competition Council receives the summary of the application regarding the agreement of leniency programme, the European Commission shall be the main institution for communication with the applicant while it is being decided as to the action of the European Commission in relation to the whole case or its part.

[*16 August 2022*]

45.6 Until the moment when the Competition Council requests to submit the application in conformity with the conditions of Paragraph 45.8 of this Regulation, an explanation regarding only the information referred to in Paragraph 41 of this Regulation may be requested from the applicant.

[*16 August 2022*]

45.7 Upon receipt of the summary of the application, the Competition Council shall verify whether the summary of the application or the application for the same agreement of leniency programme has not already been received from another applicant. If the Competition Council has not received such application from another applicant and the requirements included in Paragraph 41 of this Regulation have been met with the summary of the application, the Competition Council shall inform the applicant thereof.

[*16 August 2022*]

45.8 If the European Commission has informed the Competition Council that it is not planning to perform further activities in relation to the whole case or its part, the applicant has the right to submit the application to the Competition Council. In exceptional circumstances, the Competition Council may request that the applicant submit the application before the European Commission has informed the Competition Council that the European Commission is not planning to perform further activities in relation to the whole case or its part if it is mandatorily necessary for the separation or division of cases. The Competition Council may determine a reasonable period of time within which the applicant must submit the application together with the relevant evidence and information. It shall not affect the right of the applicant to earlier voluntary submission of the application.

[*16 August 2022*]

45.9 If the applicant submits the application to the Competition Council in accordance with Paragraph 45.8 of this Regulation, it shall be deemed that it has been submitted within the time period for the submission of the summary of the application if the summary of the application encompasses the same market of the influenced goods and the same geographical area, and also the same duration of operation of the agreement of leniency programme as indicated in the application for the leniency programme submitted to the European Commission which may be updated.

[*16 August 2022*]

**IV. Closing Provision**

46. This Regulation shall come into force on 1 April 2016.

**Informative Reference to European Union Directives**

[*16 August 2022*]

The Regulation contains legal norms arising from:

1) Directive 2014/104/EU of the European Parliament and of the Council of 26 November 2014 on certain rules governing actions for damages under national law for infringements of the competition law provisions of the Member States and of the European Union;

2) Directive (EU) 2019/1 of the European Parliament and of the Council of 11 December 2018 to empower the competition authorities of the Member States to be more effective enforcers and to ensure the proper functioning of the internal market;

3) Directive (EU) 2019/633 of the European Parliament and of the Council of 17 April 2019 on unfair trading practices in business-to-business relationships in the agricultural and food supply chain.

Prime Minister Māris Kučinskis

Deputy Prime Minister, Minister for Economics Arvils Ašeradens