



**SUMMARY OF THE ESSENTIAL RULES  
OF COMPETITION LAW**

## **I. RELATIONS WITH COMPETITORS**

### **1. Any agreement or even discussion is prohibited between competitors for the purpose of:**

- directly or indirectly fixing the purchase or sales price or other contractual conditions, in particular:
  - raising, lowering or stabilizing prices;
  - fixing a maximum or minimum price;
  - fixing the resale price of their distributors;
  - fixing uniform or similar discount or commercial conditions;
- limiting or controlling production, investments or sales, in particular:
  - fixing capacity or production levels;
  - the amount or level of market shares;
  - exporting production surpluses to markets located outside the European Union;
  - joint practices intended to eliminate a competitor or likely to force it to cease its activities;
  - ceasing activity or withdrawing from a given market;
- allocating territories or clients between competitors, in particular:
  - undertaking to sell or refrain from selling (or to limit sales) in a specific territory, except pursuant to a valid non-competition undertaking (e.g. in the event of a sale of a business undertaking);
  - compartmentalizing markets, especially within the European Union, or the allocation of trading zones;
  - undertaking to sell or refrain from selling (including for "bid rigging") to particular clients or a particular category of clients.

2. **Any discussion or transfer of information is prohibited between competitors relating to:**

- tariffs, prices, price and discount policies, including the exchange of price lists with competitors (even if such price lists can be immediately obtained from clients);
- sales volumes or market shares;
- sales territories, clients or final place of arrival of the products ;
- sales conditions;
- margins;
- production or investment costs.

3. However, all confidential information may be freely obtained from sources other than competitors, e.g. from clients, public sources or studies undertaken by external consultants.

## II. RELATIONS WITH CLIENTS AND SUPPLIERS

Any company in a dominant position on a market is **prohibited** from engaging in practices intended to:

- treat clients in a discriminatory manner by imposing different conditions for equivalent services,
- prevent entry into commercial relations, purchases or sales without reasonable justification,
- condition entering into commercial relations on the acceptance of unrelated additional services,
- use exclusive relations with clients to prevent access by competitors to the market,
- prevent or eliminate the establishment of competitors on a market by predatory behavior, in particular with regard to price.

### III. RELATIONS WITH PROFESSIONAL ASSOCIATIONS

1. Discussions relating to subjects of common interest with no direct bearing on the market or its functioning, such as developments in legislation, technical standards, product safety, environmental protection and general economic trends etc.) are lawful.
2. **However, the following should be avoided:**
  - any discussion with other members concerning:
    - purchase prices and conditions, trends therein and modifications thereto;
    - sales territories, clients or intended use of products;
    - production capacities, processes, methods or costs, as well as inventory levels;
  - any participation, by voting or in any other manner, in any association decision intended to eliminate, "punish" or exclude any member without reasonable grounds.
3. **It is also necessary:**
  - in the event of any doubt with regard to the Articles of Association (*statuts*), operating rules and practices of a professional association, to verify their compliance with applicable law with the relevant legal department of the Group;
  - to send an agenda prior to any meeting between competitors which are members of the same professional association, and subsequently to draw up minutes of the meeting;
  - to withdraw immediately from any discussion in a professional association meeting, if it relates to the subjects listed under heading 1 and, if necessary, to leave the meeting, requesting that the departure be noted accordingly in the minutes;
  - to verify with the relevant legal department of the Group that the statistics produced and distributed by professional associations comply with regulations.

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Violation of competition law rules may have serious consequences. For example, the European Commission and the French competition authority (*Conseil de la concurrence français*) have the power to apply a maximum fine of 10% of a group's consolidated world turnover, even if the infringement only relates to one of the company's products in one territory.

American antitrust law has long provided for criminal penalties for private individuals, fines and prison terms that are regularly applied by the Courts.

Comparable criminal provisions, also including prison terms, exist in an increasing number of countries, e.g., in the European Union, the United Kingdom and France.