

Republic of Serbia

COMMISSION FOR PROTECTION OF COMPETITION

Number: 5/0-02-36/2016 – 25

Reference: 5/0-02-783/2015

Date: July 11, 2016

Belgrade

25/IV, Savska Street

Pursuant to Article 58(3) of the Law on Protection of Competition (“Official Gazette of the Republic of Serbia” no. 51/2009 and 95/2013), the Commission for Protection of Competition publishes the following

INFORMATION

on submission of the proposed commitments that the Public utility company “Infostan tehnologije” Beograd is voluntarily willing to undertake in order to eliminate possible competition infringements, including the invitation to all interested parties to submit written remarks, stances and opinions related to proposed commitments

The Commission for Protection of Competition, pursuant to the Conclusion of the President of the Commission no. 5/0-02-783/2015-1, dated October 26, 2015, has instituted proceedings ex officio against the PUC “Infostan” with registered head-office at 33, Danijelova Street, Belgrade, for investigating competition infringement pursuant to Article 16 of the Law on Protection of Competition (abuse of a dominant position).

“Infostan” company has been entrusted with several activities of interest to the City of Belgrade, in full accordance with the Law on Utility Services. Among other, the consolidated collection of utility products and services for apartments, garages and office space via the consolidated collection system (CCS) was entrusted.

In accordance with available data, the CCS system processes data of more than 650,000 users in the City of Belgrade, with 13 utility services supplied and on the territory of 10 central urban municipalities and two peripheral urban municipalities. Precisely this data points to the uniformity in supplying above mentioned services on the territory of the City of Belgrade.

In addition to suppliers of previously mentioned 13 utility services, the “Infostan” is able, via the CCS system, to provide its services to other suppliers of services that necessarily do not need to be of a utility nature. On the grounds of special contract relations with such service suppliers, the “Infostan” provided its services for appropriate compensation, thus generating additional

revenues from activity principally intended for utility service suppliers.

Based on the content and manner of data collection and processing, the Commission reasonably assumed, which was proved as correct in further investigating proceeding, that the “Infostan” holds at disposal and operates with a vast database on service users from the territory of the City of Belgrade, and which represent or may represent a business sensitive and very important information for various service suppliers intending to provide their services to the citizens.

In this specific case, following cognition that the “Infostan” has attached to the regular September 2015 utility services invoice a cost for home insurance with the insurance company „GENERALI OSIGURANJE SRBIJA“ (hereinafter: the GENERALI), and cognition that mentioned costs are included only for those housing units owners previously not having listed the home insurance cost with some other insurance company, the Commission reasonably assumed that the “Infostan”, by using data available on potential new users of the insurance service (“unutilized market share”), enabled the GENERALI company to inspect potential market, i.e. pointed towards the users not using current insurance services.

Based on previously mentioned, the Commission also reasonably assumed that these acts enabled “Infostan” to implement unequal business conditions to alike business activities executed by different undertakings, thus subjecting individual undertakings to an unequal treatment against competing undertakings, and to in such manner carried out the competition infringement by abusing a dominant position.

On June 30, 2016, pursuant to provisions of Article 58 of the Law on Protection of Competition (hereinafter: the Law), party to the proceeding – “Infostan”, by the submission noted at the Commission under refe. no. 5/0-02-36/2015-24, submitted the proposal for adjournment of proceeding with a precise listing of commitments – measures is voluntarily willing to undertake in order to eliminate possible competition infringement, containing terms and conditions for taking the proposed measures.

The Commission determined that the submission of the “Infostan tehnologije” is admissible, submitted in timely manner and by an authorized person.

Pursuant to Article 58(1) of the Law, the Commission may enact a conclusion on the adjournment of investigation of competition infringement and determine measures referred to in Article 59 of the Law, if the party, based on the content of the conclusion on instituting proceeding, that is, facts established in the proceeding, submits a proposal of commitments that is voluntarily willing to undertake in order to eliminate possible competition infringement, containing terms and conditions for taking the measure. Paragraph 2 of the said Article of the Law prescribes the deadline in which party to the proceeding may submit such proposal.

Pursuant to Article 58(3) of the Law, if the proposal is admissible, submitted in timely manner and by an authorized person, the Commission shall publish on its website the Information on

proposed commitments of party to the proceeding, inviting all interested parties to submit written remarks, stances and opinions within 20 days from the date of publication of the Information.

The Commission holds no legal commitments to accept the proposal containing commitments that the party is voluntarily willing to take.

If subsequent to reviewing potential remarks, stances and opinions submitted in a prescribed time frame, and on the basis of an analysis of market conditions, the Commission determines that it is likely that the proposed commitments will ensure fulfillment of objectives from the measure referred to in Article 59 of the Law, it shall pass a conclusion determining the measure on the basis of a given proposal and adjourn the proceeding.

The behavior of the party upon enactment of the conclusion on adjournment of proceeding shall be supervised ex officio by the Commission, while the proceeding may be continued pursuant to arise of circumstances from Article 58(7) of the Law.

In accordance with previously mentioned, the Commission publicizes to all interested parties

Proposed commitments that party to the proceeding, the Public utility company “Infostan tehnologije” from Belgrade is voluntarily willing to undertake in order to eliminate possible competition infringement, containing terms and deadline for execution of measures

1) Listing entry of new commercial services on the CCS invoice shall be performed on the basis of a written request of users, i.e. the City of Belgrade citizens that are in the system of consolidated collection of utility services. The listing entry shall be performed in one of two manners, whereby the first implies a written consent of users provided by filling out designed forms attached to the offer, and submitting the said to the Infostan. The second manner of listing entry shall imply sending information attached to the offer, whereby informing that only by executing the payment on the special payment slip, the consent for entering of particular items on the Infostan utility invoice shall be provided.

Deadline: Immediately

2) Listing of items from the CCS utility invoice shall be done upon the request of an individual user, i.e. the City of Belgrade citizens that are in the system of consolidated collection of utility services. The Infostan shall accept at their counters every written request for listing of commercial items from the utility invoice, and starting from the subsequent invoice onwards, list the said item and inform the supplier of service on the matter.

Deadline: Immediately

3) When providing the service of forwarding offers of third parties attached to the CCS

utility invoice, the Infostan shall not provide information to the suppliers which as the outcome might cause adverse consequences for competing undertakings, i.e. the insurance companies shall not be provided with selected information on uninsured users. The insurance companies may only issue an order relating to individual areas and number of users to be covered by the offer, while the option of providing information on insured users with the insurance company that is the supplier of service, in order to avoid sending offers to users already covered with the said insurance company, shall remain at the disposal of the Infostan.

Deadline: Immediately

4) In the following period, the Infostan shall refrain from entering new items on the CCS utility invoice, while every new item entry option shall be published on the Internet page, containing a detailed description provided to the users on the manner in which they might be entered as additional items on the respective CCS utility invoice.

5) The Infostan shall submit to the Commission for Protection of Competition for review purposes, every subsequent contract concluded with third parties interested for utilization of Infostan commercial services (forwarding offers, consolidated collection, etc.), with the request for issuing a related opinion.

All interested parties are hereby called to submit in written form the remarks, stances and opinions related to proposed commitments that the PUC Infostan Tehnologije from Belgrade, with registered head-office at 33, Danijelova Street, is voluntarily willing to undertake in order to eliminate possible competition infringement, within 20 days from the date of publication of this information, to the following address: Commission for Protection of Competition, 25/IV, Savska Street, 11000 Belgrade.

The submission by which the remarks, stances and opinions are submitted, should contain a remark stating its reference to the publicized proposed commitments submitted by the PUC Infostan Tehnologije.

The remarks, stances and opinions may also be submitted, within the said deadline, via e-mail to the following address: cedomir.radojcic@kzk.gov.rs

COUNCIL OF THE COMMISSION FOR PROTECTION OF COMPETITION