



Republic of Serbia
**COMMISSION FOR
PROTECTION OF COMPETITION**

25/IV Savska St., Belgrade
Number: 5/0-02-297/2018-1
Date: March 27, 2018
Belgrade

Pursuant to Article 35(2) of the Law on Protection of Competition (Official Gazette of the RS 51/2009 and 95/2013), the President of the Commission for Protection of Competition enacts the following

CONCLUSION

- I PROCEEDING SHALL BE INSTITUTED** *ex officio* for the investigation of competition infringement **against** company

SERBIA BROADBAND - SRPSKE KABLOVSKE MREŽE DOO BEOGRAD (VOŽDOVAC), company number 17280554, with registered seat at the address 19 Peka Dapčevića Blvd., Belgrade, represented by CEO, Aleksandar Seratlić,

in order to establish the existence of an act of abuse of dominance, within the meaning of Article 16 of the Law on Protection of Competition.

- II** All persons in possession of data, documents or other relevant information that could contribute to the fact-finding in this proceeding are invited to submit said to the Commission for Protection of Competition at the address 25 Savska St., Belgrade
- III** This conclusion shall be published in the Official Gazette of the RS and on the webpage of the Commission for Protection of Competition.

Rationale

The Commission for Protection of Competition (hereinafter, the Commission) gained knowledge via a report on the execution of terms under the Commission Decision no. 6/0-03-01/2017-26 of March 13, 2017, issued to company **SERBIA BROADBAND - SRPSKE KABLOVSKE MREŽE DOO BEOGRAD (VOŽDOVAC)**, company number 17280554, with registered seat at the address 19 Peka Dapčevića Blvd., Belgrade, represented by CEO, Aleksandar Seratlić (hereinafter, company SBB), approving the merger with conditions, created by acquisition of control on the part of company SBB over company Interaktivne kablovske objedinjene mreže – I.KOM d.o.o, concerning the activity of company SBB to increase the monthly maintenance fee for the cable distribution system and cable TV services for 100.00 dinars, that is, to 1,395.00 dinars.

The analysis of the state of competition on the market for media content distribution services enabled the Commission to collect data and information necessary for the assessment of justification of company SBB to increase the monthly maintenance fee for the cable distribution system and cable

TV services to 1,395.00 dinars. The goal of the analysis was to establish whether the increase in the fee concerned is conditioned by the increase in costs.

The Commission contacted company SBB in writing with a request to provide a clear and precise presentation of the causes for the referred increase in costs of its services. The data and information submitted by company SBB have not indicated that the price increase of 100 dinars is fully conditioned by the increase in costs.

Taking into consideration that company SBB has not provided sufficient evidence on the cost reasonableness of the monthly maintenance fee for the cable distribution system and cable TV services set in the amount of 1,395.00 dinars, pursuant to Article 41 of the Law on Protection of Competition (Official Gazette of the RS 51/2009 and 95/2013 – hereinafter, the Law), the Commission will establish the facts, that is, determine whether the price for the services concerned was set in an unfairly high amount which can lead to the exploitation of the service users, that is, may represent an act of imposing unfair selling prices to users of its services from Article 16 of the Law.

Given the assessment of the fulfillment of conditions from Article 35(1) of the Law for instituting *ex officio* proceedings for the investigation of competition infringement, pursuant to the provision of Article 35(2) of the Law, it is decided as in Paragraphs I and II of the enacting terms herein.

Pursuant to the provision of Article 40(1) of the Law, where is stipulated that conclusions on instituting *ex officio* proceedings are published in the Official Gazette of the Republic of Serbia and on the website of the Commission, it is decided as in Paragraph III of the enacting terms herein.

Instruction on legal remedy:

This conclusion is not susceptible to special appeal, but is permitted to institute administrative dispute against the final decision of the Commission.

PRESIDENT OF THE COMMISSION

Dr Miloje Obradović