



A vibrant, abstract geometric pattern composed of various shapes including circles, rectangles, chevrons, and semi-circles. The shapes are rendered in a variety of colors such as teal, orange, purple, and green, often with gradient effects. Some shapes are solid, while others are outlined. The pattern is scattered across a light gray background, creating a modern and dynamic visual texture.

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competition protection

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FOREWORD



In 2023, the President of the Office of Competition and Consumer Protection issued over 1,000 decisions and imposed fines totalling more than PLN 612 million. He conducted more than 15 thousand inspections to check the quality and safety of products. This is just a fragment of the activities of the Office.

Since the beginning of the year, our activities have been related to the entry into force of legislation enhancing consumer protection. We educated market participants, making them aware of the changes and facilitating navigation through the new regulations. Consumer protection was also a pillar of our global actions – the Polish presidency of UOKiK in the International Consumer Protection and Enforcement Network inspired and boosted the direction of work of institutions worldwide. Strengthening the position of online consumers, ensuring secure financial services, effectively combating abusive clauses and digital traps – these are our priorities.

Consumers' reasonable and independent financial decisions must come hand in hand with fair market play. We opened new antitrust cases and secured evidence. We continue an investigative trend, conducting searches at dozens of businesses each year. We are currently one of the leading antitrust agencies in Central and Eastern Europe according to Global Competition Review, the world's leading competition law publication.

We eliminated unfair trading practices in relations between entities operating in the supply chain of agricultural and food products. Many undertakings cooperated with the Office and were open to changing the challenged practices, and thus avoided financial penalties. We also intensively fought against payment gridlocks, which are particularly burdensome for micro, small, and medium-sized firms. We had concerns about payment discipline in the electromechanical, food processing, construction, and trade sectors.

We widely reported on its activities, reaching many audiences. #ITagAds campaign was recognized for modern education in the influencer marketing industry and won a Bronze Paperclip for fighting disinformation. Our activities focused on a wide range of groups, from preschool children to senior citizens, and with future antitrust experts in mind – we set up UOKiK Summer Camp workshops. The project received an honourable mention for its modern and engaging format in a competition held by the International Competition Network and the World Bank Group.

More information about our activities is published in the annual report. We cordially invite you to read it!

Tomasz Chróstny
President of the Office of Competition and Consumer Protection



WHO ARE WE?

The President of the Office of Competition and Consumer Protection is a central governmental authority responsible for making and implementing competition and consumer protection policies in Poland.¹

The Office of Competition and Consumer Protection ensures the implementation of the Authority's tasks. The institution's activities are financed from the state budget.

The mission of the Office is to increase consumer welfare by effectively protecting their interests and safety and promoting the development of competition while respecting the principles of openness and dialogue in relations with market participants.

WHAT DO WE DO?

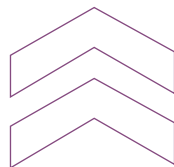
The tasks of the President of UOKiK focus on ensuring appropriate conditions for the functioning of competition, as well as protection of consumer interests and safety.

MANAGEMENT

President of UOKiK:
Tomasz Chróstny (performing the function since 27 January 2020)

Vice President of UOKiK:
Daniel Mańkowski, PhD (performing the function since 24 October 2023)

Director General:
Katarzyna Prus-Stachyra (performing the function since 1 September 2020)



¹ Systemic issues are regulated in the Competition and Consumer Protection Act of 16 February 2007 (Journal of Laws of 2024, item 594, as amended).

AREAS OF ACTIVITY OF THE PRESIDENT OF UOKiK

COMPETITION PROTECTION

- combating anti-competitive practices used by undertakings (prohibited agreements and abuse of a dominant position)
- control of undertaking concentration
- monitoring aid granted by the state
- eliminating practices involving an unfair use of contractual advantage
- counteracting payment gridlocks (excessive payment delays in commercial transactions)

CONSUMER PROTECTION

- eliminating practices infringing collective consumer interests and abusive clauses in model contracts
- supervising the Trade Inspection
- carrying out market surveillance and ensuring the safety of non-food products
- monitoring the out-of-court consumer dispute resolution system
- financing consumer advice through helpline and e-advice system
- advising in cross-border issues provided as part of the European Consumer Centre

market
research

legislative
activities

information and
educational activities

international
cooperation





Budget

PLN 136.2 million²

Decisions

1.080

including:
395 related to competition protection
685 related to consumer protection

Financial penalties imposed by the President of UOKiK

PLN 612.3 million

including: over PLN 45 million	for competition-restricting practices
PLN 384.5 million	for practices infringing collective consumer interests
PLN 37.9 million	in relation to the recognition of model contract clauses as abusive
PLN 87.2 million	for unfair use of contractual advantage
PLN 41.2 million	for causing payment gridlocks
PLN 567 thousand	for violations in connection with the Act on Conformity Assessment and Market Surveillance Systems
PLN 650.5 thousand	in relation to the general product safety
PLN 1.1 million	for failure to provide information / provision of false / misleading information
PLN 11.2 million	for failure to cooperate in the course of inspection / search
PLN 123.8 thousand	for failure to enforce / delay in the enforcement of the decision
PLN 60 thousand	for failure to notify the intention to implement a concentration or for implementing a concentration without obtaining the required consent from the President of UOKiK
PLN 2.8 million	for managing persons

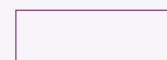
Financial penalties paid by undertakings

PLN 192.9 million³

Funds transferred to the Financial Education Fund

in 2023
PLN 11.9 mln

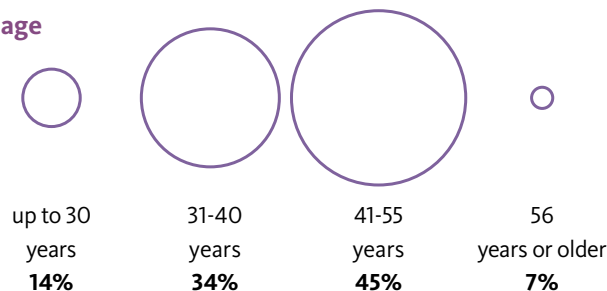
between 2019 and 2023
PLN 46.7 mln



EMPLOYMENT STRUCTURE⁴

number of employees: 631

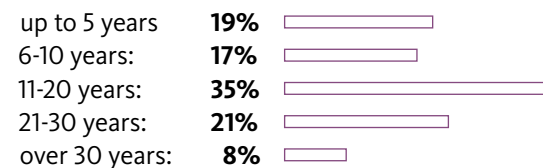
age



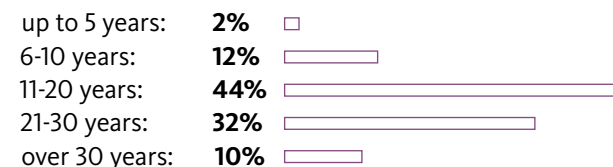
education

63% lawyers and economists
37% other

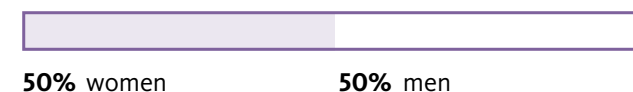
total seniority



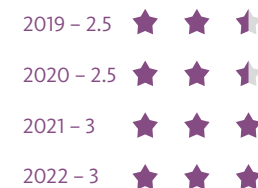
seniority – senior positions⁵



sex – senior positions



UOKiK rating by Global Competition Review*



*More at page 13

Organisational structure⁶

OFFICES

Executive Office
International Cooperation Office
Office of Human Resources, Training, and Organisational Affairs
Finance Office
Administration Office
IT and Security Office

DEPARTMENTS

Department of Competition Protection
Department for Bid Rigging Prevention
Department of Concentration Control
Department of State Aid Monitoring
Department of Contractual Advantage
Department for Combating Payment Gridlocks

Support Department for Combating Payment Gridlocks
Department for Analysis Development
Department of Protection of Collective Consumer Interests
Department of Trade Inspection
Department of Market Surveillance
Department of Laboratories
Department of Market Analyses
Department of Legal Affairs
Department of Communication

BRANCH OFFICES

Branch Office in Bydgoszcz
Branch Office in Gdańsk
Branch Office in Katowice
Branch Office in Kraków
Branch Office in Lublin
Branch Office in Łódź
Branch Office in Poznań
Branch Office in Wrocław

2 Budget implemented in 2023
3 Penalties resulting from final decisions of the President of UOKiK, including those made before 2023
4 As at 31 December 2023
5 Directors and Deputy Directors
6 As at 31 December 2023

COMPETITION-RESTRICTING
PRACTICES

CONCENTRATION
CONTROL

STATE AID

CONTRACTUAL
ADVANTAGE

PAYMENT GRIDLOCKS

competition
protection



1.1

Competition-restricting practices

The President of the Office of Competition and Consumer Protection is responsible for effectively responding to practices of undertakings that violate competition rules and for promoting solutions aimed at increasing fair competition on the market. Free and effective competition has a positive impact on the efficiency of the economy and is in the interests of undertakings and consumers.

Competition-restricting practices include **anti-competitive agreements** and **abuse of a dominant position**. The law prohibits undertakings from making any arrangement the purpose or effect of which is to eliminate, restrict or distort competition. Prohibited agreements may, in particular, include **price fixing** (price collusion), **bid rigging agreements** (tender collusion), **market allocation** by territory, commodity, customer groups, or exchange of confidential information. Agreements incompatible with competition rules can relate both to competitors and undertakings operating on different levels of the market. Meanwhile, abuse of a dominant position consists in the actions of an entity that has a **substantial market power** which enables it to take actions independently of its competitors, counterparties, and consumers, and leads to the disruption of competition in the market. It may involve, for example, imposing unfair prices, eliminating competitors, or blocking new entrants.

In order to eliminate competition-restricting practices, the President of UOKiK conducts **administrative proceedings**. **Preliminary investigation** may be launched in relation to a suspected violation of antitrust law. It is conducted with regard to a specific matter, not against any specific entity. If the collected material confirms the Office’s suspicion, it may result in the initiation of **antitrust proceedings concerning competition-restricting practices** and in the formulation of charges against a specific undertaking and, in some cases, also against

a managing person or persons. The decision to institute proceedings includes a justification. The justification contains an explanation of the charges against the undertaking and information on the rules for determining the amount of a fine in case the undertaking is found to have violated the provisions of the act.

The proceedings may result in a **cease and desist letter concerning the abusive practices** and in the imposition of a **financial penalty** on the undertaking. The competition protection law also provides for **2 conciliatory solutions** – voluntary submission to penalty and the President’s decision obliging the undertaking to take specific action. Another opportunity to reduce and sometimes avoid financial penalties is the **leniency programme**. It is available to undertakings involved in illegal arrangements and managers responsible for the collusion. The



condition is to cooperate with the President of UOKiK as a “key witness” and to provide evidence or information about the existence of prohibited agreements.

As part of or in addition to ongoing proceedings, the President of UOKiK may call upon the undertaking to provide explanations, change or cease unfair practices – these are the so-called **soft calls**. Moreover, in order to gather information that may serve as evidence in the case, the Office conducts **inspections and searches** at business premises.

The President of UOKiK also issues **reasoned opinions in court cases** relating to competition protection.

UOKiK monitors the market for competition-restricting practices and analyses information obtained directly from consumers and undertakings. Breaches of competition law may be reported to the Office by various channels, including **anonymously** via Whistleblower Platform.

In the annual **Global Competition Review (GCR)** ranking, UOKiK received **3 stars** (2022 edition), indicating a good level. In the review, it was noted that UOKiK’s importance has grown in recent years, especially in Central and Eastern Europe, where it is one of the leading antitrust agencies. There are nearly 150 government competition authorities in the world only 33 of them made it into the GCR ranking⁷.

2019 – 2.5	★ ★ ☆
2020 – 2.5	★ ★ ☆
2021 – 3	★ ★ ★
2022 – 3 ⁸	★ ★ ★

7 GCR: “In total, the agency launched three dawn raids in 2021 and issued eight cartel decisions, which is comparable to some of the continent’s leading enforcers”. In 2022, UOKiK received 3 out of 5 stars, raising its rating from previous years (the 2022 edition represents the 2021 rating; the 2022 rating was similar). For example, the Czech competition authority received fewer stars than UOKiK. The same number of stars was awarded to Belgian, Romanian, Lithuanian, Israeli, and Swiss competition authorities, among others. Only half a star more was awarded i.a. to Spanish, Portuguese, Dutch, 8 The 2022 ranking was published in October 2023.

NEW COMPETITION PROTECTION PROCEEDINGS

32

preliminary
investigations

4

proceedings imposing
a fine**

3

anti-trust proceedings
concerning competi-
tion-restricting prac-
tices, including*:

- 1 horizontal agreement
- 2 vertical agreements

* In 2023, the President of UOKiK did not institute proceedings concerning abuse of a dominant position.
** Proceedings concerning a financial penalty for obstructing a search.

COMPETITION PROTECTION DECISIONS

9

decisions in cases
concerning competi-
tion-restricting prac-
tices,
including:

- 7 concerning horizontal
agreements
- 2 concerning vertical
agreements

All decisions imposing
a fine on the under-
taking (26 financial
penalties with a total
amount of over
PLN 45 million)*

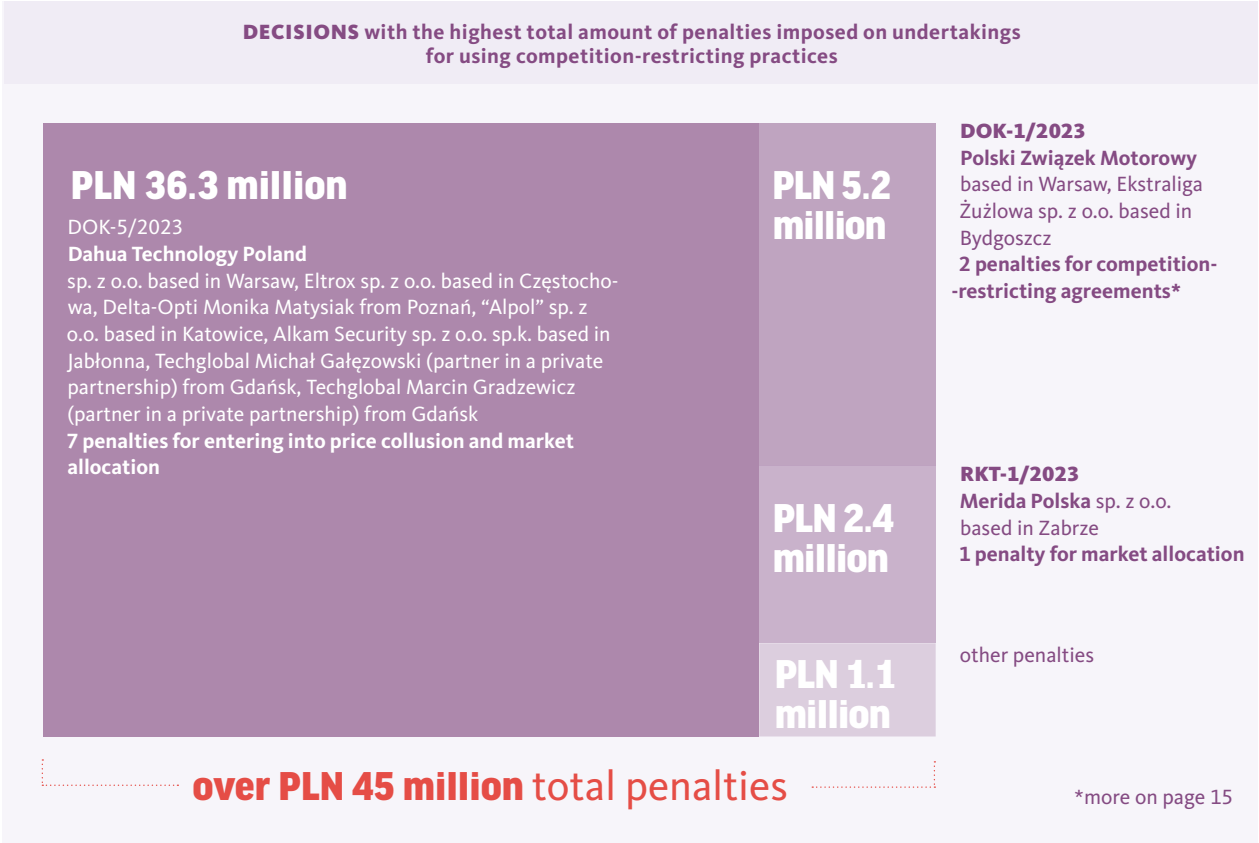
8

decisions
on the imposition of a fine**

* Financial penalties are imposed for a particular practice, and as such, more than one such penalty may be imposed through a single decision.
** Decisions concerning a financial penalty for failure to provide the President of UOKiK with requested information or for providing untrue or misleading information or decisions for failure to cooperate in the course of inspection / search.



* Represents the number of proceedings in which a search was conducted.
** Concerns calls made on the basis of Article 49a of the Competition and Consumer Protection Act.
*** Represents the number of proceedings in which inspections were conducted at business premises.



OVERVIEW OF ACTIVITIES

Collusion in the sale of surveillance equipment

Dahua Technology Poland (Dahua) is the exclusive importer and wholesale distributor of the Dahua brand – a global manufacturer of electronic surveillance equipment (including recorders and video intercoms). The investigation showed that Dahua Technology Poland entered into a competition-restricting agreement with distributors of its products. The President of UOKiK imposed fines on 6 of them, namely: Alpol, Alkam Security, Eltrox (formerly: E-commerce Partners), Delta-Opti, and Techglobal. There were 7 managers directly responsible for the prohibited arrangements, which led to the violation of regulations. The investigation showed that since the beginning of its operations in 2016, Dahua Technology Poland has been influencing the pricing policies of distributors. The company set minimum prices, sending its contractors price lists below which they could not sell products as well as providing them with information on the maximum discounts they could apply. In addition, it imposed rigid prices on distributors, setting rates within promotions it organised. Price fixing may also have taken place at a lower level of the distribution system. Dahua asked distributors to have their trading partners apply the set resale prices and monitored compliance with the arrangements. The distributors themselves also turned to the company to intervene if any of them did not comply with the agreed prices, thus disciplining each other on compliance with the terms of the collusion.

Another competition-restricting practice was market sharing. In the case of transactions involving a large amount for product installation, Dahua would grant higher discounts and the so-called project protection to the first distributor who reported such a transaction. Another distributor could not then offer the same customer, for the same transaction, an identical offer at a competitive price. Dahua employees also took steps to discourage distributors from competing for the same project. The financial penalties imposed on the companies amounted to PLN 36.3 million, with PLN 739 thousand being imposed on their managers (decision DOK-5/2023). The decision is not final.



Competition-restricting agreements in speedway

The case concerned the regulations of speedway competitions in Poland, which were in force from 2014 to 2022. Adopted by the Polish Automobile and Motorcycle Federation (PZM), the document was developed in cooperation with Ekstraliga Żużłowa. The regulations provided for maximum remuneration rates that sports clubs participating in speedway league contests were allowed to pay to their athletes. As a result, no Ekstraliga sports club and other speedway league was able to offer athletes a pay above the pre-determined level. Establishing maximum remuneration rates limited the competition between sports clubs. They could not freely compete for the best speedway riders, even if they were able to offer them a better pay.

The actions of PZM and Ekstraliga may have also affected the situation of sports clubs and athletes from other countries. The Polish contests are considered one of the best in the world. There are a lot of foreigners in Polish sports clubs, and likewise, many Polish athletes compete in foreign sports clubs. As a result, the athletes' earnings in Ekstraliga and other league clubs may serve as a benchmark also in other countries. Therefore, the agreement between PZM and Ekstraliga additionally involved a violation

COMPETITION PROTECTION

of EU competition protection laws. **The fines imposed by the President of UOKiK totalled PLN 5.2 million** – of which PLN 2.9 million was imposed on PZM and PLN 2.3 million on Ekstraliga Żużlowa (decision DOK-1/2023). The decision is not final.

Bicycle sales market allocation

Merida Polska is the exclusive distributor of Merida bicycles in Poland. Sales are carried out via an extensive network of distributors running traditional or online stores. As a result of the antitrust proceedings, the President of UOKiK found that Merida Polska **had banned its distributors from selling bicycles online** between 2014 and 2020. A store offering bicycles in a traditional brick-and-mortar store could only present Merida products on its website and enable remote ordering. According to the rules introduced by Merida, no online transaction could have been completed and no goods could have been dispatched to customers. To pick up the selected bicycle, the buyer had to visit a traditional store. Moreover, Merida prohibited its distributors from selling bicycles through auction platforms. Thus, the arrangements made between Merida and its distributors aimed to completely ban the sale of bicycles of this brand online. **The restriction of online sales led to an actual, territorial market allocation.** For competition-restricting practices on the domestic bicycle sales market, **the President of UOKiK fined Merida Polska with PLN 2.4 million** (decision RKT-1/2023). The decision is not final.

ACTIVITIES UNDER NATIONAL AND EU REGULATIONS

14

proceedings concerning suspicion of violating Articles 101 and 102 TFEU:

12 preliminary investigations
2 antitrust proceedings

3

decisions based on Articles 101 and 102 TFEU

COMPETITION-RESTRICTING PRACTICES

This is not the only one of the interventions by the Office in the bicycle sales market. The President of UOKiK instituted proceedings against Scott Sportech Poland sp. z o.o. based in Otwock – the exclusive distributor of the popular Scott bicycles. The President of UOKiK’s reservations were raised by finding that the company had prohibited dealers from selling bicycles online. Vendors were allowed to post offers on their websites but when a potential customer wanted to make a purchase online they were to be prompted to look for a suitable brick-and-mortar store. Distributors were also prohibited from selling bicycles on platforms like Allegro or OLX. The online sales ban may have limited competition between dealers to a narrow area or even eliminated it altogether if there was only one dealer in a particular area. According to information obtained during the search at the company’s headquarters, Scott Sportech Poland monitored whether distributors were complying with the arrangements and intervened if they tried to sell bicycles online. The effect of the online sales ban **could involve market allocation.** As a result of the challenged practices, consumers may have been deprived of the opportunity to purchase products online.

Sale of pet food online

The Empire Brands company sells dog and cat food under the Empire brand. It conducts retail sales through its own online store and the Allegro platform and wholesale distribution to veterinary clinics and pet stores which then sell the products in-store or online. According to information available to UOKiK, including information obtained during the search, among others, **the company may have set the retail prices of Empire pet food online with sellers** and monitored whether these arrangements were followed. Undertakings which wanted to sell the pet food online at a lower price could be called on to change their prices, in which case they could face penalties such as changes in payment methods, restricting access to promotions, or higher wholesale prices. The President of UOKiK brought antitrust charges against both Empire Brands and company executives who were suspected of direct involvement in the illicit arrangements.

CONCENTRATION CONTROL

STATE AID

CONTRACTUAL ADVANTAGE

PAYMENT GRIDLOCKS



Bathroom equipment prices

The President of UOKiK launched a preliminary investigation to determine whether companies selling bathroom equipment violated antitrust laws. The undertakings, together with distributors, may be involved in an agreement consisting, among others, in price fixing, including retail resale prices. UOKiK conducted searches in the registered offices of companies from Oltens and Radaway groups as well as in online and traditional showrooms. **The search involved a total of 12 undertakings.**

Sale of agricultural machinery

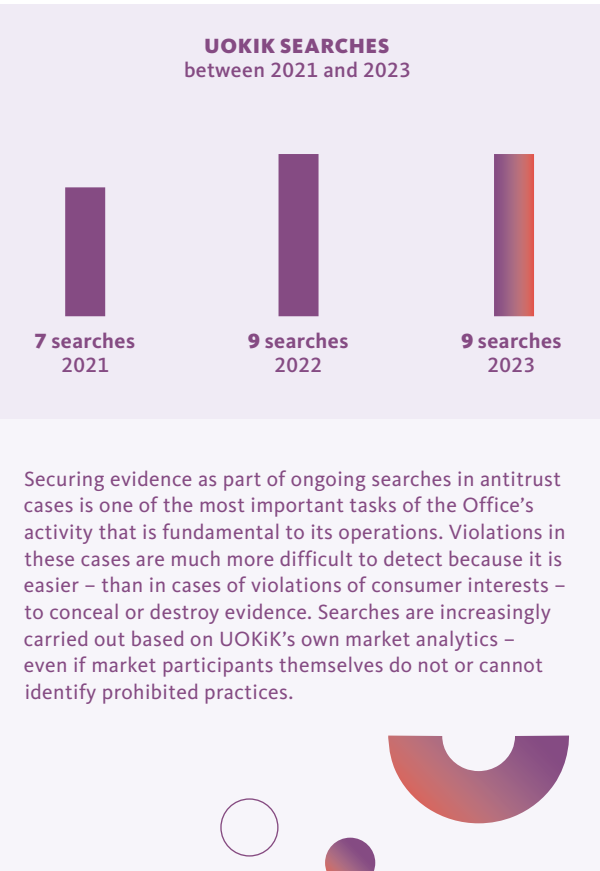
Through open-source intelligence,⁹ UOKiK acquired information that the sale of agricultural machinery of most popular brands may have taken place in violation of competition rules. The President of UOKiK launched 3 preliminary investigations into this matter. The first one concerned the sales of Class brand machines, the second one – New Holland Architecture, Case IH, Steyr Traktoren, with the third one relating to Massey Ferguson, Fendt and Valtra. The Office conducted **a search at the registered offices of 10 entities** – manufacturers and dealers of agricultural machinery. UOKiK will check whether there has been an illegal market allocation. In practice, this would mean that individual dealers may have been selling machines only to customers residing or running business operations within the area concerned. In these situations, a farmer willing to accept the offer of another dealer may have been referred to the one in whose area their farm was located. In such a case, a potential buyer may have received an inflated offer to discourage them from purchasing from a dealer outside their area. Additionally, the Office suspects that undertakings may have fixed the prices of agricultural machinery or exchanged information on their value.

Grain silos

The President of UOKiK launched a preliminary investigation into grain silos prices. The Office took action based on information obtained through open-source intelligence. The purpose of the investigation was to check whether the prices of grain silos may have increased as a result of price collusion following the announcement in April 2023 by the Minister of Agriculture and Rural Development of the subsidy scheme for the purchase and construction of infrastructure for warehousing agricultural products. As part of the investigation, Office employees conducted **a search at the registered offices of 2 entities.**

⁹ Open-source intelligence is a form of reconnaissance and business intelligence consisting in the collection of information from publicly available sources.

COMPETITION PROTECTION



Coffee machines – obstructing a search

The case relates to a 2022 search conducted in connection with suspected price fixing of Jura brand coffee machines. As soon as UOKiK instituted a search at Euro-net, one of its employees deleted content from a phone used for business purposes. These were conversations with Jura Poland representatives on WhatsApp. A similar situation occurred at Jura Poland. One of the sales managers deleted all conversations from an instant messaging platform. This occurred after they had already received information about the start of the search. **For obstructing the search, the President of UOKiK imposed fines of PLN 10 million on Euro-net** (decision DOK-3/2023) and **PLN 1 million on Jura Poland** (decision DOK-2/2023). The decisions are not final, and the undertakings appealed to the court.

COMPETITION-RESTRICTING PRACTICES

Radio market

Companies belonging to the Radio Research Committee (KBR) jointly order and finance the Radio Track survey, which allows for the preparation of radio station listenership rankings. The survey covers all radio stations broadcasting under current licences. Radio stations which are not KBR members may purchase Radio Track survey results and use them to price advertising time. Following market signals, the President of UOKiK launched a preliminary investigation into the undertakings forming KBR. It focused on clarifying whether Committee members may have violated the competition law when shaping the survey methodology and verifying its results. **The Office's analysis did not reveal any illegal activities.** UOKiK found that the survey was conducted in accordance with applicable standards and that KBR members did not interfere with the results. The said investigation also did not show that undertakings' action had been aimed at weakening the listenership results of competing radio stations. The analyses also ruled out that broadcasters were not able to prohibit other entities from joining the Committee.

Bid rigging agreements

Bid rigging agreements are agreements between undertakings tendering for a contract or these undertakings and the organiser concerning the terms of bids submitted, in particular the scope of work or price.

In connection with its preliminary investigation, UOKiK conducted **searches at the registered offices of 4 undertakings** involved in the manufacture or distribution of ambulances. According to the Office's information, undertakings taking part in tenders organised by emergency medical services and hospitals, among others, possibly entered into an anti-competitive agreement.

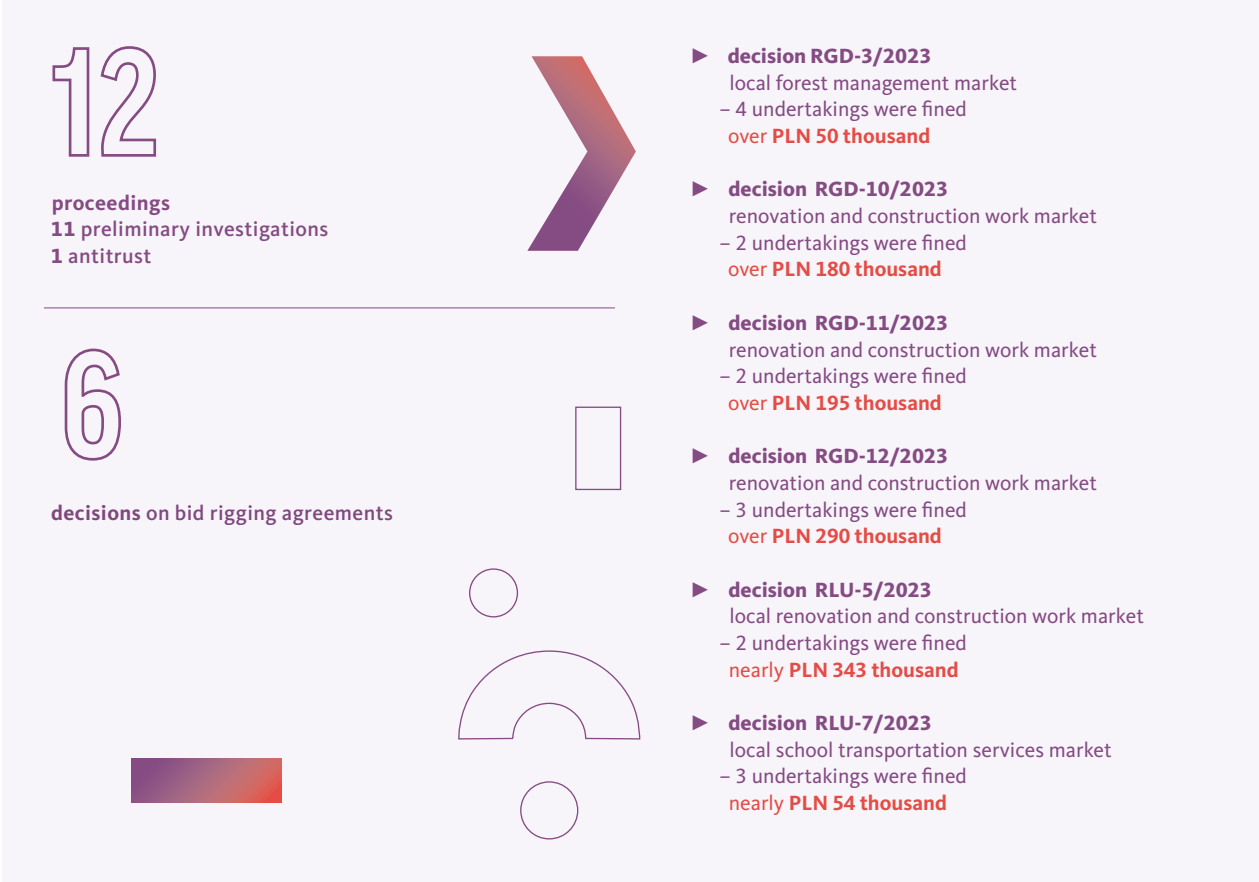
CONCENTRATION CONTROL

STATE AID

CONTRACTUAL ADVANTAGE

PAYMENT GRIDLOCKS

BID RIGGING AGREEMENTS



Report a breach of competition law to UOKiK

Whistleblower Platform

More information at
uokik.whiblo.pl



1.2

Concentration control

The President of UOKiK scrutinises transactions planned by undertakings to ensure that such transactions will not result in effective competition between undertakings on the Polish market being distorted or, in extreme cases, completely eliminated. This applies to business concentration through a merger, acquisition of control over another entity, establishment of a joint venture, or acquisition of part of the assets of another undertaking.

The obligation to notify the President of the Office of the intent to concentrate applies to undertakings whose total turnover exceeded 1 billion euro worldwide or 50 million euro in Poland in the year preceding the notification and they do not benefit from any statutory exemptions in this regard.

The President of UOKiK approves the concentration if it will not significantly restrict market competition. Otherwise – he prohibits the concentration of undertakings. Concentration may also be permitted under certain conditions – the so-called conditional approval, as long as the fulfilment of these conditions does not lead to a significant restriction of competition. Meanwhile, the

so-called extraordinary approval of a transaction leading to a restriction of competition is granted in cases where the transaction will significantly contribute to economic development or technical progress, or will have a positive impact on the national economy.

If the undertakings proceed with the concentration without the prior approval of the President of UOKiK, they may be fined up to 10 percent of last year's turnover. An entity may be fined up to 3 percent of turnover if it fails to provide the Office with information during ongoing proceedings or provides untrue or misleading data and information (before the amendment of the Competition and Consumer Protection Act from May 20, 2023, this sanction was up to PLN 50 million).

Concentration control proceedings consist in the assessment of the potential impact of the transaction on the market based on information provided in applications filed by undertakings and the results of market research conducted by UOKiK. The procedure may be conducted in two stages. Most cases concerning concentration, which do not raise concerns regarding their impact on competition, are resolved at stage 1, which lasts up to one month. Stage 2 of the procedure is initiated for more complex transactions, which require, i.a. further market analysis. In such cases, the deadline for examining the application is extended by additional 4 months.

In addition to analysing cases which are subject to national legislation, UOKiK gives its opinion on concentration applications filed with the European Commission with regard to the impact of the concentration on the Polish market and, consequently, the possible application to the national authority to oversee them.



* The actual case review time, including time limits subject to exclusion under Article 96(2) of the Competition and Consumer Protection Act (rounded to a whole day).

** The actual case review time, including time limits subject to exclusion under Article 96a(8) of the Competition and Consumer Protection Act (rounded to a whole day).

OVERVIEW OF ACTIVITIES

CONCENTRATION APPROVALS

Market of by-products of origin animal

The President of UOKiK granted consent for Van Hessen participation B.V. based in the Netherlands to acquire JAP sp. z o.o. based in Gdańsk (decision DKK-300/2023). The concentration concerned by-products of origin animal (especially intended for production animal feed), animal meals and fats animal category 3, as well as natural casins used in the meat industry. As part of the proceedings

UOKiK conducted a market study, which did not showed that the concentration would lead to an infringement competition.

Household appliances market – pouches, bags, packaging

The President of UOKiK granted consent for Sarantis Polska to acquire Stella Pack Europe (decision DKK-297/2023). The activities of both companies overlapped in the production and sale (distribution) of certain

household products, including garbage bags and food packaging products. In addition, both undertakings manufactured products for wholesalers and retailers, who then offer these products under their own brand.

As part of the investigation, **UOKiK investigated 11 product markets**, with surveys sent to over 100 entities. The surveys were forwarded both to manufacturers competing with the concentration participants in the distribution of particular household products and to retail chains and wholesalers that sell private label products of the same category as the concentration participants.

An analysis of the evidence showed that the concentration would have an impact on the national distribution markets for: plastic bags, ice bags, and paper bags. However, it did not reveal any significant competitive risks from the proposed transaction.

CONDITIONAL APPROVALS

Conditional approval in the roof tiles sales market

The President of UOKiK granted a conditional approval for concentration in the market for the sale of ceramic and cement roof tiles. Wienerberger may acquire Terreal Holding **on the condition that it continues to license the Creaton brand to be used by Creaton Polska** (decision DKK-230/2023). The undertakings are the owners of popular tile brands in the Polish market. Wienerberger owns the Koramic brand, while Terral Holding held the rights to the Creaton brand and granted a licence Creaton Polska. One of the conditions is that Wienerberger must continue to licence the Creaton trademark to Creaton Polska. The licence is free of charge and covers all permitted uses, including production, distribution, and advertising of ceramic and cement roof tiles, underlays, roofing accessories, and photovoltaic products.

Conditional approvals for pharmacies

Gemini Polska received approvals for the acquisition of Apteka Wrzeszcz (decision DKK-206/2023) and Apteka Trójmiasto (decision DKK-207/2023), **subject to the sale of 3 pharmacies**. At the time of concentration, Gemini

Polska was in possession of 96 own pharmacies and operated a franchise network comprising 180 pharmacies. Apteka Wrzeszcz operated 16 branches in 9 towns/cities. Apteka Trójmiasto held 20 pharmacies in 12 towns/cities. All pharmacies belonging to the acquired companies were members of the franchise network organised by Gemini Polska and operated under the “Gemini” brand.

In the course of the proceedings, UOKiK assumed that the pharmacies compete within a radius of one kilometre. Additionally, the analysis showed that although the acquired pharmacies are members of the franchise network of the acquiring company, they are still competitors for Gemini Polska’s own pharmacies.

According to the condition imposed in the decision pertaining to Apteka Wrzeszcz, Gemini Polska was obliged to sell one pharmacy located in Gdańsk. Similarly, the condition for the acquisition of Apteka Trójmiasto was the sale of one pharmacy in Starogard Gdański and one in Suwałki. The buyer could not be a member of the same group as Gemini Polska and had to be approved by the President of UOKiK. The investor had to guarantee in the agreement that it would continue pharmacy operations at that location.

INVESTMENT CONTROL

Since 2020,¹⁰ the President of UOKiK has been controlling investments concerning Polish companies that have strategic importance for public order, security or health. Within the scope of his powers, he may **block their acquisition by investors**¹¹ outside the EU, EEA, and OECD. The adoption of these regulations resulted directly from the COVID-19 pandemic and the risk of takeover of Polish companies, which, due to the pandemic, could experience temporary financial setback and their valuation could be particularly low. The legislation was to be in force for 2 years, but in view of the current geopolitical situation, its duration has been extended for another 3 years.

10 In July of 2020, an amendment to the Act of 24 July 2015 on the Control of Certain Investments (Journal of Laws of 2020, item 2145) entered into force. The legislation was part of the government’s Anti-crisis Shield 4.0, and its adoption was prompted by the COVID-19 pandemic.

11 I.e. natural persons who are not citizens of an EU, EEA or OECD Member State and entities that are not natural persons and whose registered office is not located in the territory of those Member States.

The control covers investments concerning Polish-based undertakings whose revenue from sales and services exceeded the equivalent of EUR 10 million in the territory of Poland and meeting the conditions set out in the Act.¹² The entity conducting the transaction is obliged to notify the Office about it.

Investment control proceedings, just like concentration proceedings, are divided into 2 stages. The President of UOKiK conducts **verification proceedings** (stage 1) after receiving a notification of the intended transaction. It serves to separate cases that are simple from those that are more complex. If the transaction raises no objections, the Authority issues a no-objection decision and refrains from instituting control proceedings. Proper **control proceedings** (stage 2) are instituted with respect to cases that may pose a serious threat to public order, public security, or public health.

During the period of validity of the investment control legislation, the President of UOKiK has not imposed any transaction ban on the basis of the legislation. In 2023, the Authority instituted **4 proceedings in this case** and issued **2 decisions** on refusal to institute control proceedings and no objection to the transactions, which concerned Elbe Investment’s acquisition of a significant stake in Messer Polska (decision DKK-203/2023) and the dominance of Epicentr K LLC and Paravita Holding Limited over Intersport Polska (decision DKK-248/2023).

In one case, the Office issued a decision against instituting preliminary investigations, as the transactions in question were not subject to notification to UOKiK.

12 They are public companies or possess property that has been disclosed in the list of facilities, installations, equipment and services constituting critical infrastructure, or they develop or modify software in areas indicated by the Act or conduct business activity in one of the industries specified in the Act (including energy, fuel, chemical, food companies).

UOKiK’S INVESTMENT CONTROL ACTIVITIES

4

new proceedings

2

decisions against instituting control proceedings and expressing no objections to transaction

1

decisions against instituting preliminary investigations (transactions were not subject to notification to UOKiK)

1.3

State aid

State aid constitutes an interference with market processes and should be applied only in the most justified cases. Granting state aid to a specific undertaking or launching an aid scheme **requires prior consent from the European Commission**. An exception in this regard is aid granted under block exemptions, i.e. based on specific provisions recognising certain categories of support as compatible with the internal market (e.g. aid for small and medium-sized enterprises or environmental protection aid). The notification requirement also does not apply to *de minimis* aid, i.e. small-scale support,¹³ that does not violate market competition principles. EC approval is also not required, as a rule, for aid to compensate for the provision of public services, for example rail and road passenger transport.

Support from public funds for undertakings may be granted on the basis of an **aid scheme** or as **individual aid**. The President of UOKiK **issues opinions** about projects providing for such aid in terms of their compliance with EU law and the obligation to notify the EC. The Office advises institutions responsible for providing state aid in Poland on this matter.

Another important competence of the President of UOKiK involves **the monitoring of aid granted to undertakings** in Poland based on reports from aid-granting institutions. All data is exchanged and collected within the SHRIMP system (Aid Scheduling, Reporting, and Monitoring System).

¹³ By the end of 2023, such aid did not exceed EUR 200 thousand gross for a single undertaking within 3 calendar years, or EUR 100 thousand in the case of the road transport sector.

WHAT IS STATE AID?

State aid is any support granted by a Member State or through state resources in any form that distorts or threatens to distort competition by favouring certain enterprises or the production of certain goods, insofar as it affects trade between Member States.

State aid includes, for example, grants, tax reliefs and exemptions, preferential loans and credits, credit sureties and guarantees, and recapitalisation of an undertaking on terms more favourable than those offered on the market.

NOTIFICATION

The President of UOKiK plays a key role in that process of notification of projects providing for the granting or modification of state aid – **he notifies the EC of any intention to grant new aid** by a Polish administration body or any other public or private entity operating under state authorisation. Member States are obliged to refrain from implementing aid measures until the European Commission has issued a final decision on its compatibility with the EU law.

PRE-NOTIFICATION

The intended state aid may be subject to **pre-notification** to the European Commission. The EC and the Member State analyse the legal and economic aspects of the aid project under a confidential procedure. This ensures that the future notification is better prepared and its verification process is more efficient.

The State Aid Data Sharing System (SUDOP), operating since 2016, has been upgraded and equipped with an API (Application Programming Interface). This interface allows data to be transferred between applications and can therefore supply state aid data to IT systems operating in public and private institutions, such as those implementing programmes co-financed by the EU or entities engaged in state aid activities. Data made available through the SUDOP application is often used by academics. The SUDOP API enables them to bulk download aid data without having to submit a request for access to public information.

UOKiK'S REPORTS AND ANALYSES concerning state aid – examples

For the Council of Ministers:

- ▶ Report on state aid granted to undertakings in Poland in 2022
- ▶ Report on *de minimis* aid granted to undertakings in Poland in 2022

For the European Commission:

- ▶ semi-annual analyses “Results of monitoring of state aid granted to automotive companies operating in special economic zones”
- ▶ 2 reports on state aid granted in connection with the situation caused by COVID-19 and the war in Ukraine
- ▶ Report on state aid granted in Poland in 2022 – prepared and submitted using the SARI2 electronic reporting system
- ▶ Report on compensation, aid, and other state interventions for the railway sector in Poland in 2021 and 2022
- ▶ Report on state aid granted to financial institutions including for 2022

UOKiK experts provided an online training titled “Best practices in preparing *de minimis* resolutions” for employees of local government units. The training was held in November 2023. Its purpose was to present the Office’s practices in assessing (including presenting any potential reservations) resolutions providing for *de minimis* aid and reporting *de minimis* aid so as to eliminate the most common errors. In addition, information on new regulations draft was presented.

OVERVIEW OF ACTIVITIES

Support for the economy following Russia’s aggression against Ukraine

UOKiK continued its work on aid schemes for the provision of state aid due to the negative consequences of the armed conflict in Ukraine in line with the Communication from the Commission “Temporary Crisis and Transition Framework for State Aid measures to support the economy following the aggression against Ukraine by Russia”. The most important activities in this regard included:

- notification proceedings: TCTF: Aid to cover additional costs caused by an exceptionally sharp increase in natural gas and electricity prices incurred in 2022, which received a positive decision from the European Commission on 6 October 2023,
- coordination of the preparation of Poland’s stance on the extension of the “Temporary Crisis Framework for State Aid measures to support the economy following the aggression against Ukraine by Russia”.

Opinions on state aid projects

In 2023, the President of UOKiK issued his opinion on **56 aid scheme projects**, including the rules for granting state aid from European funds in the new 2021-2027 programming period. These included, i.a.:

- state aid for air transport projects under the European Funds for Infrastructure, Climate and Environment programme 2021-2027 (FEnIKS),
- state aid for intermodal transport under the National Recovery and Resilience Plan,
- state aid for intermodal transport projects under the European Funds for Infrastructure, Climate and Environment programme 2021-2027,
- investment aid for district heating and cooling under 2021-2027 regional programmes,
- investment aid for energy infrastructure under 2021-2027 regional programmes,
- state aid for energy and environment under the European Funds for Infrastructure, Climate and Environment programme 2021-2027,

COMPETITION
PROTECTION

- state aid for micro, small and medium-sized undertakings for advisory services and participation in trade fairs under 2021-2027 regional programmes,
- training aid for CP1 policy objective and the specific objective of the Just Transition Fund under 2021-2027 regional programmes,
- state aid for the development of broadband infrastructure under the European Funds for Digital Development programme 2021-2027,
- state aid to support the activities of entities engaged in cultural and creative industries under the National Recovery and Resilience Plan.

Participation in proceedings before EU institutions

Examples of proceedings held before the European Commission in connection with pre-notified or notified state aid:

- construction of a multimodal terminal in Zduńska Wola Karsznice,
- modification of aid for Getin Noble Bank S.A. in recovery proceedings,
- exemption of railroad terminals from property tax,
- social protection for employees in the power and lignite mining sectors.

Inter-ministerial cooperation

Cooperation with the Ministry of Development and Technology

- cooperation in the notification proceedings regarding the Vigo Photonics S.A. project under IPCEI “ME/CT” – Poland – Important Project of Common European Interest on Microelectronics/Communication Technologies (IPCEI ME/CT),
- collaboration on the pre-notification of the Ryvu Therapeutics project within IPCEI Health.

Cooperation with the Ministry of Infrastructure

- cooperation in the notification proceedings regarding the exemption of railroad terminals from property tax,
- opinion on the draft Act amending the Public Transport Act and Certain Other Acts,

COMPETITION-RESTRICTING PRACTICES

IMPORTANT EU DECISIONS
on state aid

- 13 February 2023**
The European Commission issued a positive decision on individual aid for the Baltic Power offshore wind farm.
- 5 May 2023**
The Commission issued a positive decision for draft Amendments to the closure plan in the Polish coal mining in the period 2015-2027.
- 15 May 2023**
The Commission issued a decision regarding Ruch S.A. (complaint case), finding that the alleged measures did not constitute state aid.
- 24 November 2023**
The Commission issued a positive decision on the modification of aid for Getin Noble Bank S.A. under recovery proceedings.
- 13 December 2023**
The Commission issued a positive decision for the project to build a multimodal terminal in Zduńska Wola Karsznice.

- opinion on the draft regulation on the granting of state aid for intermodal transport under the National Recovery and Resilience Plan,
- opinion on the draft regulation on the granting of state aid for equipping railroad vehicles with the ERTMS system under the National Recovery and Resilience Plan.

Cooperation with the Ministry of State Assets

- opinion on the draft act on social protection for workers in the power and lignite mining sectors.

Cooperation with the Ministry of Agriculture and Rural Development

- opinion on the draft report on state aid granted in the agricultural or fisheries sector in the Republic of Poland in 2022.

Cooperation with the Ministry of Development Funds and Regional Policy

- cooperation in the preparation of draft aid schemes setting out the rules for granting state aid and de minimis aid from European funds in the new 2021-2027 programming period following a significant

CONCENTRATION
CONTROL

STATE AID

CONTRACTUAL
ADVANTAGE

PAYMENT GRIDLOCKS

Opinions on state aid projects and analysis of draft government documents

67

opinions issued by the President of UOKiK, including:

- 56 opinions on aid schemes
- 11 opinions on individual aid

585

received and reviewed requests for interpretation of state aid regulations

2,812

reviewed notifications of de minimis aid schemes

909

reviewed draft government documents to determine if specific support qualifies as state aid

Notification proceedings before the European Commission

6

projects pre-notified including:

- 2 aid scheme projects
- 4 individual aid projects

14

projects notified including:

- 9 aid scheme projects
- 5 individual aid projects

10

projects approved by the EC*

4

withdrawn projects*

122

projects notified under block exemptions, including:

- 61 aid scheme projects
- 61 individual aid projects

* Statistics include cases reported in previous years.

- amendment to the block exemption regulation which took place in 2023,
- European Court of Auditors – a visit to Poland in connection with EC audit,
- a meeting regarding the registration of state aid in SHRIMP 2 granted under the INTERREG programme – de minimis aid and aid granted in accordance with Article 20a GBER (definitions, practical filling of forms, presentation of the SHRIMP system).

Cooperation with the Ministry of Digital Affairs

- opinion on the draft act amending certain acts in connection with the development of e-government,
- opinion on the draft act on the preparation and implementation of investments in the National Data Processing Centre.

Cooperation with the Ministry of Internal Affairs

- opinion on the draft act on civil protection in connection with the obligation to introduce state aid provisions to the extent that aid is envisaged for undertakings which have suffered damages due to natural disasters.

»»1.4««

Contractual advantage

Contractual advantage occurs when there is a significant disparity in economic potential between suppliers and buyers of agricultural and food products. It may be unfair to use it if an action is contrary to good practices and poses a threat to the essential interests of the other parties or infringes upon such interests.

The task of the President of UOKiK is to **eliminate unfair trade practices in relations between entities operating in the supply chain of agricultural and food products**. These measures serve to protect the public interest rather than individual interests of a specific undertaking.

The President of UOKiK institutes **proceedings** concerning practices involving an unfair use of contractual advantage. The Office identifies the problem, determines the nature of the harmful practice and takes further action to remove the irregularities. This may be preceded by a **preliminary investigation**, which is intended, in particular, to establish whether there has been a violation of the law that justifies the initiation of proceedings concerning practices involving an unfair use of contractual advantage.

The proceedings may end in a cease and desist letter concerning the abusive practices and the imposition of a fine on the undertaking. The President of the Office may also issue a **provisional decision**. The Act on Counteracting the Unfair Use of Contractual Advantage¹⁴ also provides for **2 conciliatory solutions** – voluntary

submission to penalty and the President’s decision obliging the undertaking to cease and desist the abusive practices or remedy their consequences.

Undertakings which have been harmed by the practices of another entity resorting to an unfair use of contractual advantage may pursue their claims before a civil court. In such cases, the President of the Office may present to the court **a view relevant to the case (“reasoned opinion”)** by presenting the findings from the UOKiK proceedings.



14 The Act of 17 December 2021 on Counteracting the Unfair Use of Contractual Advantage in Trade in Agricultural and Food Products (Journal of Laws of 2023, item 351).

»» OVERVIEW OF ACTIVITIES

Unfair use of contractual advantage by a retail chain

The President of UOKiK imposed a fine of over PLN 87 million on Auchan Polska for actions detrimental to agri-food suppliers (decision RBG-12/2023). The undertaking charged its suppliers for transporting goods from central warehouses to the chain’s individual stores. In the decision, the President of UOKiK stated that this constituted an unfair use of contractual advantage against suppliers of agri-food products. In addition to the fine, he also ordered the chain to cease and desist these practices. The decision is not final.

Retail chain changes terms of discounts and fees

SCA PR Polska (the purchasing centre for Intermarche stores) established the rules of cooperation with suppliers of agri-food products during its term. This meant that suppliers, when carrying out orders from 1 January of a given year until the contract was signed, were not sure under which terms and conditions would apply for retroactive sales settlement. In addition, the undertaking obtained a **retrospective discount** from suppliers, even though the turnover value on which the parties made its provision conditional in the agreement was not achieved in the relevant settlement period. As a result of these activities, the company’s business partners were deprived of part of their income from cooperation with the chain.

After determining that these practices by SCA PR Polska might constitute an unfair use of contractual advantage, the President of UOKiK obliged the company to refund to suppliers the amounts collected for discounts, together with interest (decision DPK-1/2023). In addition, the company will no longer enter into agreements with suppliers setting the terms of discounts for the year after it has already begun, retroactively. As a result, suppliers will know the financial terms of cooperation with the Intermarche chain at the start of cooperation for a specific period. The decision is final.



* Represents the number of proceedings in which inspections were conducted.



Intervention in the milk market

Mlekpól Dairy Cooperative (Spółdzielnia Mleczarska Mlekpól) is one of the largest producers of milk and dairy products in Poland. The company purchases milk from over 8.4 thousand suppliers who are also members of the cooperative. Cooperation is based on contracts drafted by the cooperative, where individual suppliers usually have no influence over the terms. UOKiK found that Mlekpól **was forcing members to sign contracts with unfavourable terms**. Abusive practices included the possibility of unilaterally changing the milk procurement price list, including retroactively, lowering prices during the contract termination period, and restricting suppliers' access to full information on the contract terms. In addition, suppliers had to deliver milk in every case, even when it was impossible due to circumstances beyond their control.

The President of UOKiK obliged the Mlekpól Dairy Cooperative to cease and desist unfair trade practices (decision RBG-4/2023), including by:

- introducing a new template contract for the supply of milk and a price list, which includes the terms of delivery, such as required parameters of milk quality, delivery rules, contractual penalties (previously scattered in various internal acts of the cooperative),
- obligation to obtain supplier consent to change the milk procurement price list and establishing clear procedures in this regard,
- eliminating Mlekpól's ability to reduce the price paid to the supplier for milk solely because of the termination of the contract,
- exempting producers from the obligation to deliver milk in the event of circumstances beyond their control (e.g. animal disease, equipment failures, introduction of administrative restrictions on movement). Before the changes, only Mlekpól had the right not to collect milk in case of force majeure,
- allowing suppliers to verify milk quality tests performed by Mlekpól in an independent laboratory (quality assessment has an impact on milk acceptance and price).

The cooperative avoided a fine because immediately after learning of the President's allegations, it proposed changes to its contracts and business practices in line with the Office's expectations. It also refunded the suppliers the amounts by which it had previously reduced the prices paid to them during contract termination periods and agreed to pay interest to farmers. The decision is final.

Improvement in the situation of sugar beet planters

Pfeifer & Langen Polska (Pfeifer & Langen) is one of the largest sugar manufacturers in Poland. Reservations of the President of UOKiK were raised by **provisions in contracts concluded with farmers** according to which growers could buy sugar beet seeds exclusively from Pfeifer & Langen. If other seeds were used, the company would reserve its right to refuse to collect the sugar beets. Such activities may have been a sign of an unfair use of contractual advantage. In response to the reservations of the President of UOKiK, during the proceedings, the undertaking expressed its willingness to change its practices in line with UOKiK's expectations. **The President of UOKiK obliged the company to change its practices** and provide farmers with an opportunity to buy other varieties of seeds admitted to trading in Poland as well, provided their quality is confirmed by relevant documents (decision RBG-5/2023). The decision is final.

Contract fattening – commitment decisions

In the contract fattening model, a farmer rears piglets or fattens piglets on behalf of a meat corporation or feed manufacturer. The farmer is provided with strict guidelines on rearing techniques, including the quantity and type of feed. Inputs, such as weaners and feed, as well as a certain amount of veterinary care are provided by the system organiser. The organiser is obliged to buy back the porkers from the farmer at the agreed price, at the agreed time, and after the animals have reached a specified weight.

As part of its investigations, UOKiK challenged the fact that the contracts with Agrifirm and Agri Plus companies **did not adequately protect farmers from risks associated with contract fattening**. Most of the risks are related to the way these companies organise their cooperation with farmers and the quality of the inputs they provide. The parties ordering the fattening procedure reduced prices if the farmer failed to achieve the intended goals even if these parties delivered animals on their own in a condition that made it impossible to achieve the required weight or provided defective feed. According to UOKiK, farmers should not be held liable if they exercised due diligence during the production process.

Opinions provided in the course of the proceedings by

scientific institutes under the Ministry of Agriculture and Rural Development showed that, with appropriate rules, agricultural production in the form of contract fattening can bring benefits to farmers. These include, first and foremost, access to capital, greater production stability, including the certainty of collecting porkers, and improved cost efficiency, thus maintaining the profitability of pig farming. In the decisions, **the President of UOKiK obliged Agri Plus** (decision RBG-14/2023) and Agrifirm (decision RBG-15/2023) to change their practices so as to remove elements from contract fattening that unduly transfer the risks to the farmer – farmers will be given, among others, more time to verify the condition of weaners and piglets or the quality of feed and to file complaints in this regard. Agrifirm, in turn, pledged to adjust the prices paid for pigs in the event of an increase in the cost of utilities which are borne solely by the farmer. The decisions are final.

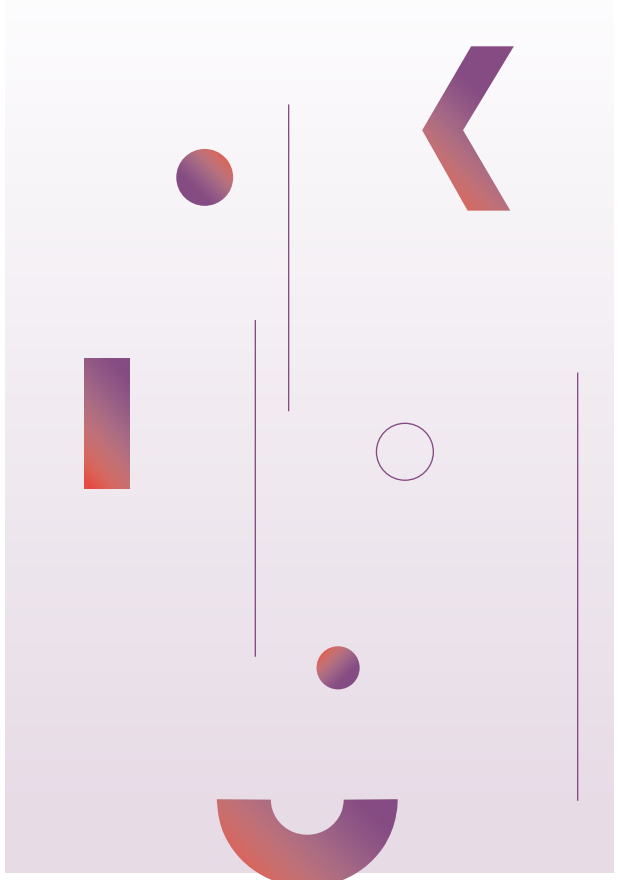
Allegations of cost shifting to suppliers

This case involves Carrefour Polska. UOKiK's findings show that this undertaking charges suppliers **sales-related fees**, such as fees for the service of delivering products from the chain's central warehouses to individual retail stores. Meanwhile, there are entities in the retail market that perform activities related to the distribution of goods from distribution centres to retail outlets at their own expense. This could mean that Carrefour Polska, by charging for transportation from central warehouses to stores, is shifting the costs of its operations to suppliers. The President of UOKiK brought charges against the company.

French fries and chips – preliminary investigations

The President of UOKiK launched a preliminary investigation into 6 entities: Farm Frites Poland, Frito Lay Poland, Iglotex, Intersnack Poland, McCain Poland, and The Lorenz Bahlsen Snack-World. They are among the main producers of potato products, i.e. French fries and chips, operating in Poland. According to information obtained from UOKiK, the payment for delivered potatoes may be determined on the basis of unclear criteria, allowing buyers to arbitrarily reduce its value, which may constitute an unfair use of contractual advantage.

As part of the investigation, UOKiK first and foremost checks **whether the rights and obligations are equally distributed between both parties to the contract**. This particularly concerns the terms and conditions for deliveries, rules for the determination of pay for farmers, including its individual components, and the terms and conditions for quality testing of the raw material supplied and the imposition of contractual penalties.



» 1.5 «

Payment gridlocks

A payment gridlock refers to a situation where **undertakings do not receive their receivables from their counterparties on time**. The accumulated debt is passed on to subsequent related parties in the supply chain, adversely affecting the financial liquidity of the entire business environment. Untimely payments or excessively long payment periods for received goods or services are a hindrance to business operations. Payment gridlocks are particularly damaging for micro, small and medium-sized undertakings, contributing to their liquidity problems and constituting a barrier to investment and growth.

The President of UOKiK conducts proceedings and imposes administrative fines on entities that are in arrears with payments to their counterparties, thus violating the statutory prohibition on excessive delays in the fulfilment of financial obligations. Proceedings are **only instituted**

ex officio on the basis of evidence and information obtained by UOKiK. They may originate from **notices** submitted by entities suspecting that they have fallen victim to a payment gridlock.

In parallel, within the framework of cooperation with the Head of National Revenue Administration, the President of UOKiK receives monthly information about possible delays in payment by undertakings.¹⁵ This information serves as the basis for carrying out **the so-called “probability analysis” of excessive delay in the fulfilment of financial obligations**, which precedes the initiation of any proceedings. This analysis comprises the identification of areas featuring the greatest risk of a payment gridlock, the estimated value of the payment gridlock generated by the entity, and the number of creditors harmed by the undertaking’s practices.

An excessive delay in the fulfilment of financial obligations occurs when, over a period of 3 consecutive months, the sum of the value of all financial obligations unfulfilled or fulfilled after the deadline by a given entity amounts to **at least PLN 2 million**. In the course of its proceedings, the President of UOKiK examines the purchase documents received by the entity under investigation and its settlements with suppliers in order to determine which invoices during the specified three-month period under investigation were due (i.e. the payment deadline set by the contracting parties had already passed) and had not been paid during this period or had been paid after the deadline. Consequently, the President of UOKiK may impose **a fine** on the undertaking, the maximum amount of which is determined by the value of overdue receivables and the length of payment delays.

¹⁵ Information from the Head of National Revenue Administration on the determination of the probability of delays referred to in Article 299f of the Act of 29 August 1997 – Tax Ordinance (Journal of Laws of 2023, item 2383).

When determining the amount of the administrative fine, the President of the Office also considers the circumstances indicated by the undertaking with regard to the reasons for the occurrence of payment delays, actions taken on its own initiative to discontinue further violations, and other circumstances stipulated by the regulations, including the gravity of the violation and cooperation with the President of the Office during the proceedings.

Undertakings have **the right to request the President of UOKiK to reconsider the case or file a complaint with the Voivodeship Administrative Court in Warsaw**.

Key payment gridlock counter-measures are provided for in the Act on Counteracting Excessive Delays in Commercial Transactions.¹⁶ Its amended provisions came into force on 8 December 2022 and apply to commercial transactions entered into after that date.¹⁷ All commercial transactions which had been entered into at an earlier date and proceedings which had been instituted but not concluded before the date of entry into force of the amended Act are subject to pre-existing regulations.¹⁸ The main goal of the enacted amendments was to increase the effectiveness of proceedings conducted by the President of UOKiK, primarily by clarifying the provisions of the act and changing the rules for imposing and mitigating administrative fines (more information: 3.2 Drafting of legal regulations).

» OVERVIEW OF ACTIVITIES

In total, the Office conducted **85 proceedings concerning excessive delays** in the fulfilment of financial obligations. These included entities involved in trade (retail and wholesale), the automotive sector (manufacturing and distribution), as well as construction, food, and processing industries. As a result of the 2023 probability analyses, the President of UOKiK instituted 30 proceedings in the last quarter of the year. The new initiations were necessary

to protect a large part of the market at risk of payment gridlocks, specifically the industrial sector – including, in particular, electromechanical and food industries, as well as construction and trade.

In 2023, the President of UOKiK issued 52 decisions confirming excessive delays in the fulfilment of financial obligations. 28 undertakings were given a fine, 19 of whom submitted a request to the President of UOKiK for reconsideration of their respective cases.

In the decisions issued in 2023 finding excessive delays in the fulfilment of financial obligations, the total value of payment gridlocks generated by undertakings operating in 7 sectors of the economy – determined during the course of the proceedings – amounted to **nearly PLN 10 billion**.

Fines for payment gridlocks

The total amount of penalties imposed by the President of UOKiK in the first instance exceeded **PLN 41.2 million**, and the two highest fines for payment gridlock amounted to nearly PLN 7.5 million and PLN 4.7 million and were imposed on automotive enterprises involved in car manufacturing – FCA Poland (decision DZP-28/2023) and VW Poznań (decision DZP-51/2023), respectively. In both cases, the undertakings delayed payment to their contractors, the scale of which (i.e. the values of overdue payments and the length of delays determined in the course of these proceedings) translated into the amount of fines imposed. In the case of FCA Poland, the excessive delays in the fulfilment of financial obligations resulted from the unilateral “extension of payment terms to suppliers” by the company as part of its “flexible payment terms management”, as dictated by its internal liquidity formation policy. Both decisions are not final – the undertakings have submitted requests for reconsideration of the cases.



¹⁶ Introduced under the Act of 4 November 2022 amending the Act on Counteracting Excessive Delays in Commercial Transactions and the Public Finance Act (Journal of Laws of 2022, item 2414).
¹⁷ The Act of 4 November 2022 amending the Act on Counteracting Excessive Delays in Commercial Transactions and the Public Finance Act (Journal of Laws of 2022, item 2414).
¹⁸ Introduced under the Act of 19 July 2019 amending Certain Acts to Limit Payment Gridlocks (Journal of Laws of 2019, item 1649).

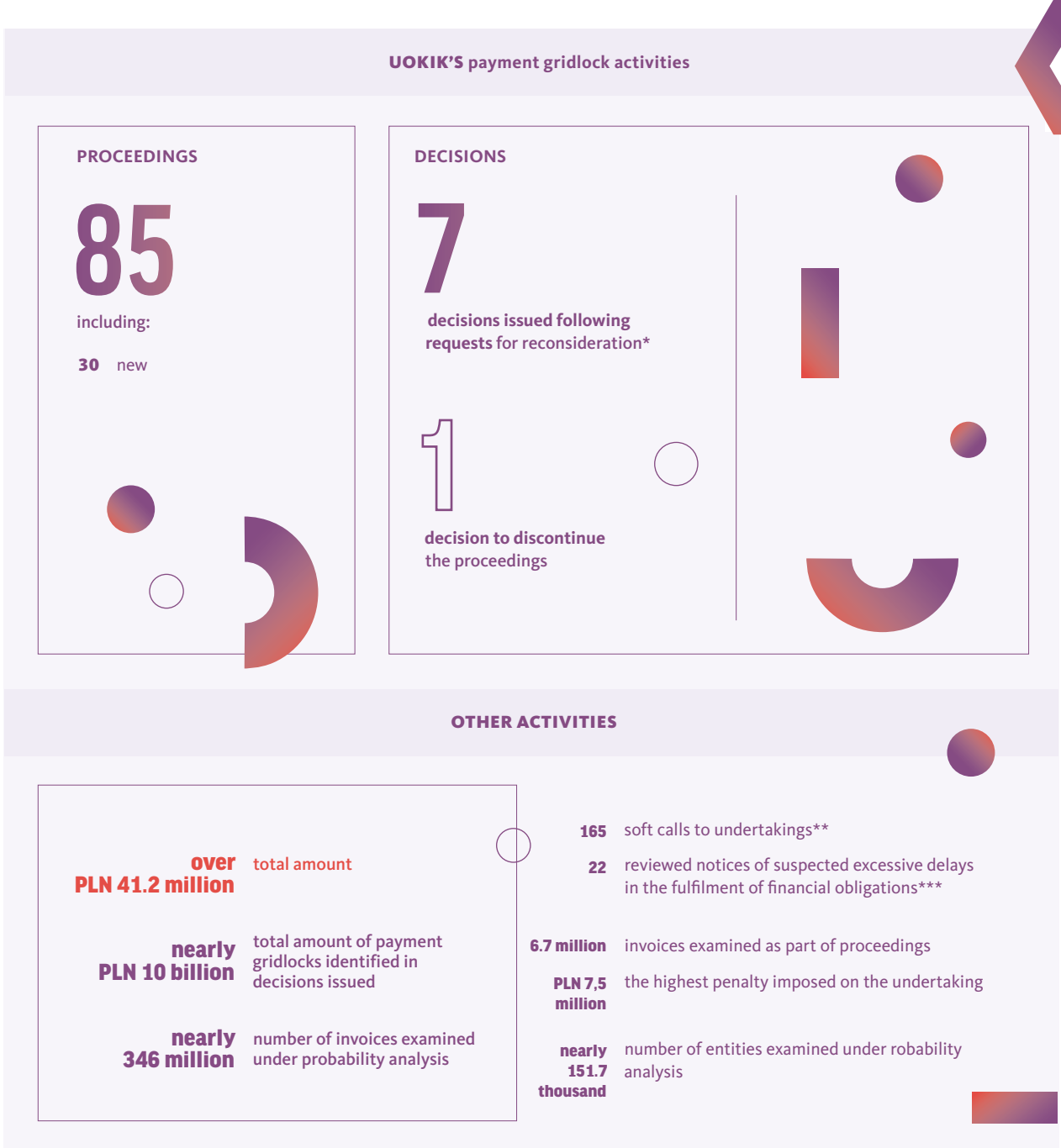


Waiver of penalty

For 24 undertakings, the proceedings concluded with the President of UOKiK finding excessive delays in the fulfilment of financial obligations and applying **penalty waivers**. All decisions issued in 2023 concerned proceedings instituted in previous years, therefore, the President of UOKiK issued decisions based on the provisions of the Act on Counteracting Excessive Delays in Commercial Transactions in their wording prior to the 2022 amendment. The previously applicable regulations stipulated that the President of UOKiK must waive an administrative penalty if the value of receivables which the undertaking has not received or received after the due date in the period under review exceeds the payment gridlock caused by the undertaking. In addition – as a matter of administrative discretion – the President of UOKiK could waive the penalty in other justified cases.

Soft calls

Under the 2022 amendments to the act, the President of UOKiK has been given the authority to issue the so-called “soft” calls to undertakings in matters concerning counteracting excessive delays in commercial transactions. In 2023, as part of efforts to counteract payment gridlocks in the market, **165 undertakings** received letters from the President of UOKiK about potential irregularities in their settlements with suppliers and the resulting need for monitoring and improving their payment practices. Some of the companies that received soft calls responded to the actions of the President of UOKiK. In response to the letters, the undertakings pointed to circumstances affecting their payment practices and settlements with suppliers. At the same time, they declared they would immediately review their procedures and take the necessary measures to improve payment discipline towards contractors.



* All decisions upheld the finding of excessive delays in the fulfilment of financial obligations; in 5 cases the penalties imposed were slightly lower

** Refers to the calls under Article 13ca of the Act on Counteracting Excessive Delays in Commercial Transactions (Journal of Laws of 2023, item 1790).

*** In the case of 15 of them, UOKiK initiated further action (probability analysis)

VIOLATION OF CONSUMER INTERESTS
AND ABUSIVE CLAUSES

SUPERVISION OVER THE TRADE
INSPECTION

PRODUCT SAFETY AND MARKET
SURVEILLANCE

LABORATORIES

OUT-OF-COURT CONSUMER
DISPUTE RESOLUTION SYSTEM

COOPERATION WITH
CONSUMER INSTITUTIONS

EUROPEAN CONSUMER
CENTRE

consumer protection



2.1

Violation of consumer interests and abusive clauses

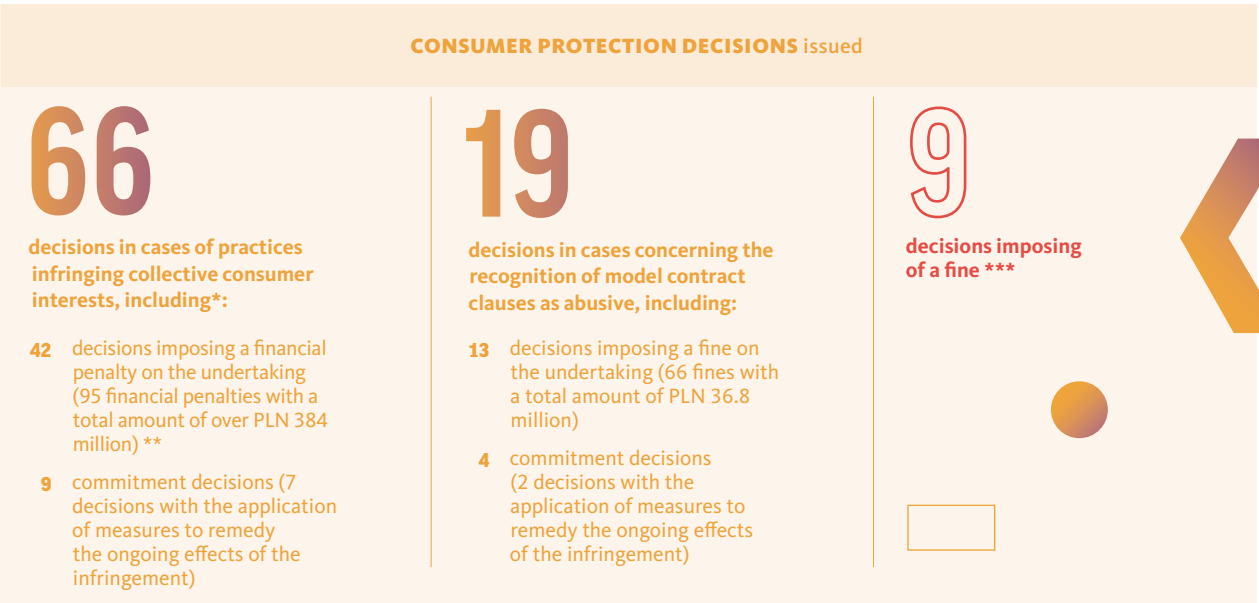
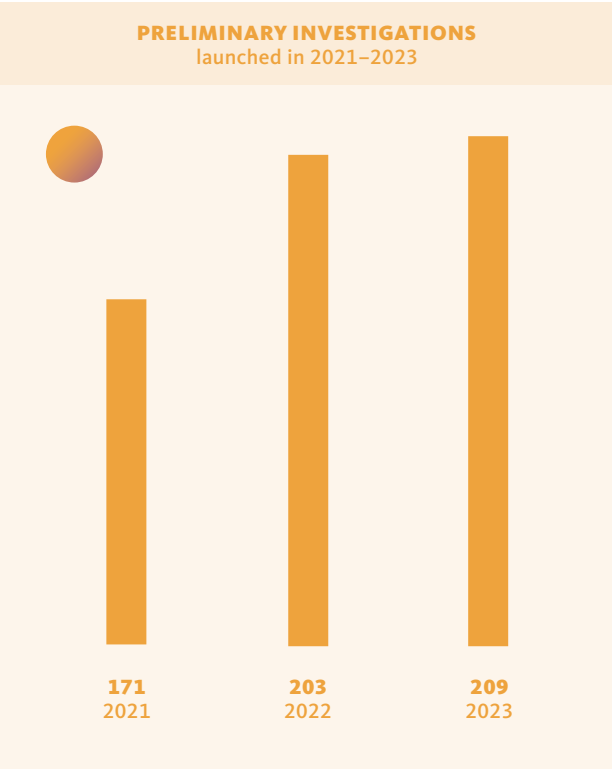
One of the main tasks of the President of UOKiK is **to eliminate practices that infringe collective consumer interests**. They include non-customary or unlawful actions of undertakings that may affect an unlimited number of people. The President of the Office also counteracts the use of **abusive clauses in model contracts**, which shape the rights and obligations of consumers in a manner contrary to good practices and blatantly infringe their interests. Model contracts contain standardised provisions that are commonly used without the possibility of individual negotiation.

The President of UOKiK initiates administrative proceedings in cases of considerable importance for consumer interests. The proceedings may be concluded with **a cease and desist letter concerning the contested practices and the imposition of a financial penalty or with a voluntary commitment of the undertaking** to change its behaviour to remedy the infringements. Decisions of the President of the Office may also provide for the application of measures to remedy the ongoing effects of the infringement. The actual proceedings against an undertaking are often preceded by a preliminary investigation to determine whether an infringement has occurred.

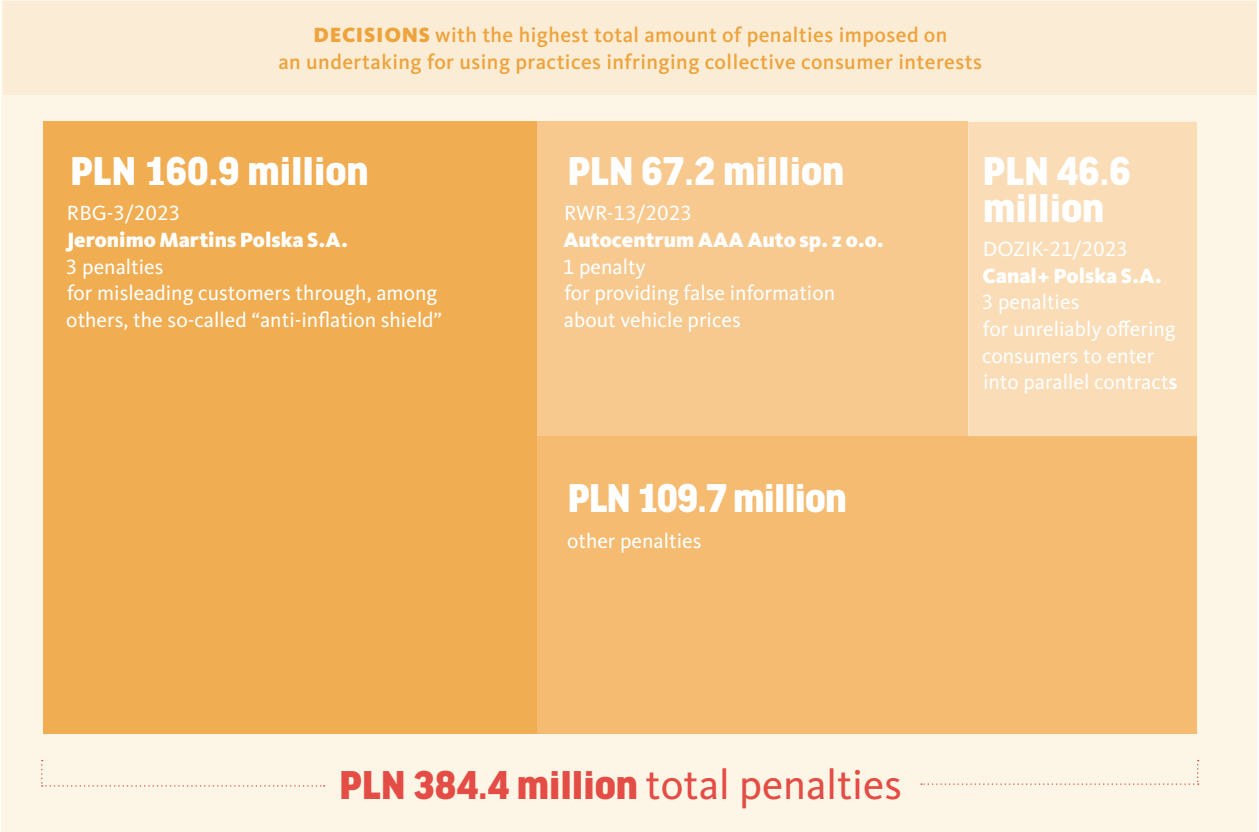
UOKiK identifies infringements by **monitoring** the behaviour of undertakings and **analysing signals** received from the market. Moreover, as part of granting subsidies to non-governmental organisations, UOKiK provides **legal assistance to consumers**. The President of UOKiK also **issues reasoned opinions in court cases**. In this way, with its expertise, the Office assists the common court in the comprehensive examination of the case.

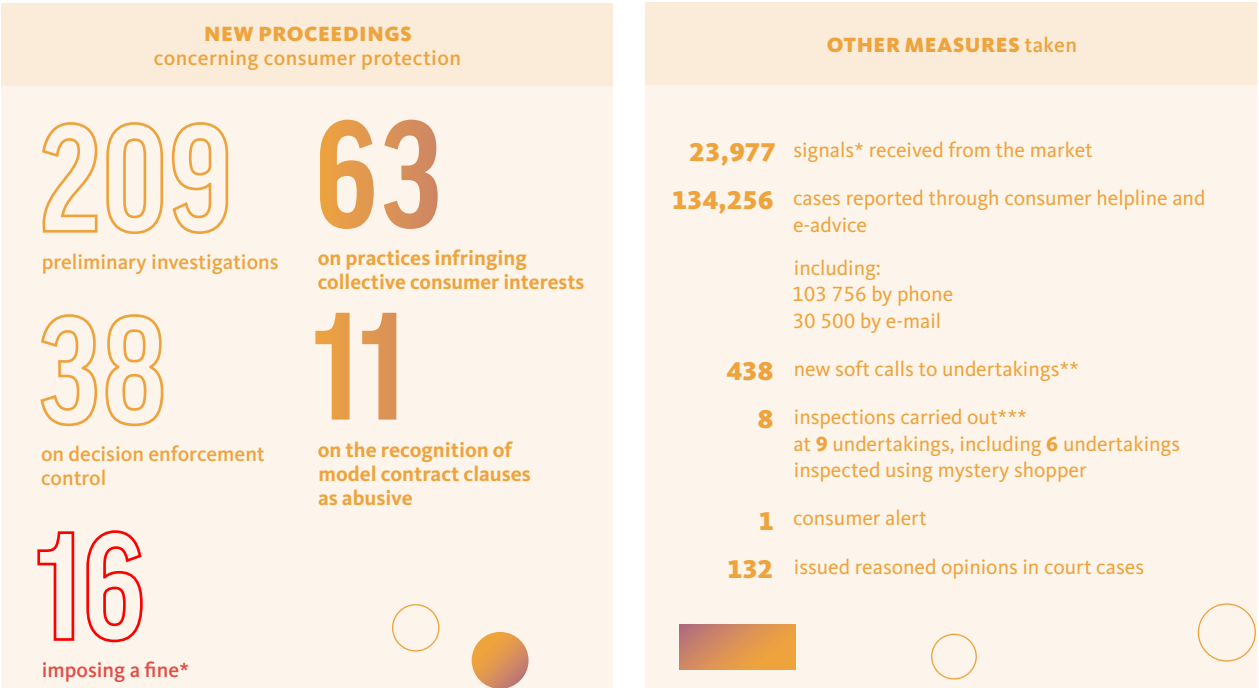
The President of UOKiK may also **request an undertaking** to provide explanations or to change an unlawful

practice without instituting proceedings. Additional evidence can be obtained through **inspections** of undertakings, including with the use of the so-called mystery shopper. In specific cases, the President of UOKiK may issue **a consumer alert** regarding the actions of a particular undertaking and their potential consequences. This solution is used if there is a reasonable suspicion that the practices may cause substantial losses or adverse effects for a wide range of consumers.



* The decisions provided are exemplary.
** Financial penalties are imposed for a particular practice, and as such, more than one such penalty may be imposed through a single decision.
*** Decisions concerning a financial penalty for failure to provide the President of UOKiK with requested information or for providing untrue or misleading information.



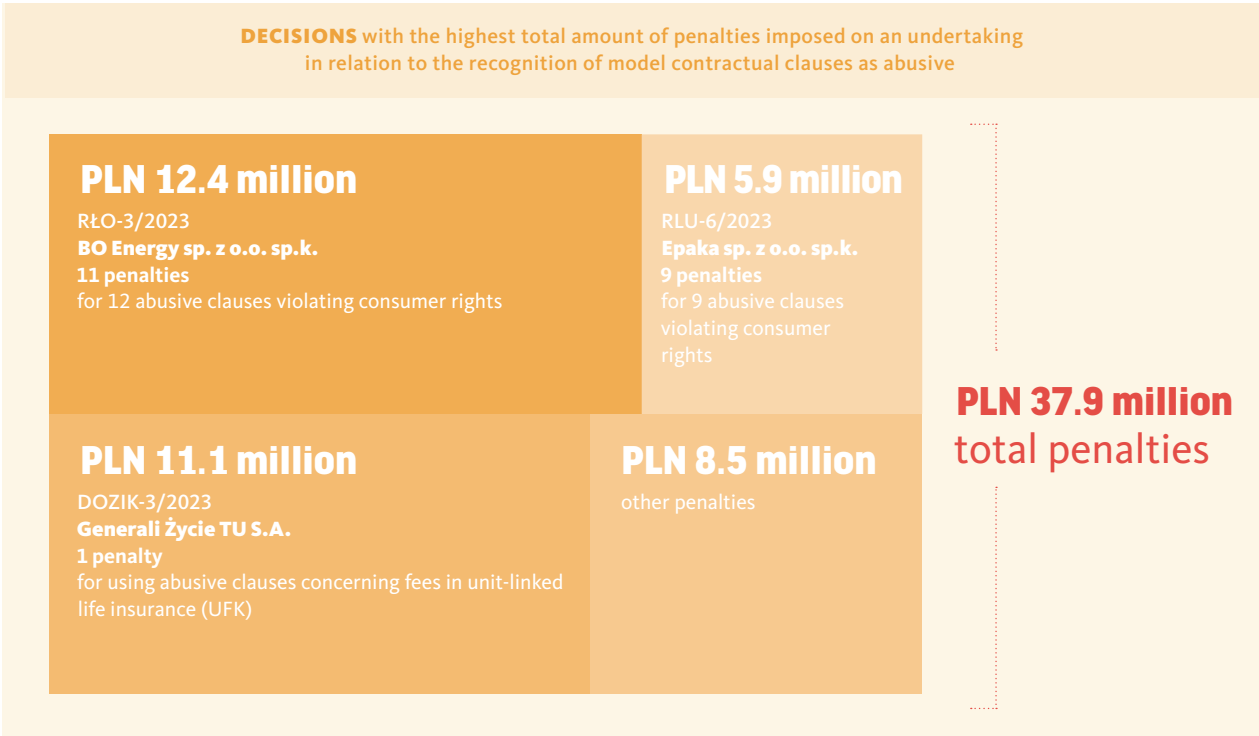


* Proceedings concerning a financial penalty for non-compliance with late compliance with a decision, for failure to provide the President of UOKiK with requested information or for providing untrue or misleading information, or for failure to cooperate in the course of an inspection.

* Data based on notifications reported to the UOKiK headquarters and branch offices.

** Concerns calls made on the basis of Article 49a of the Competition and Consumer Protection Act.

*** Number of proceedings in which inspections were conducted.



OVERVIEW OF ACTIVITIES

Obstructing the use of loan repayment holidays

UOKiK continued its activities regarding so-called "loan repayment holidays", which allow for the temporary suspension of mortgage loan repayment¹⁹. Banks that failed to comply with the President's soft calls were charged with infringing collective consumer interests. In their electronic banking systems, BNP Paribas Bank Polska, Getin Noble Bank, and Bank Pocztowy **illegally restricted the possibility of applying for repayment holidays** only to a maximum of 2 or 4 months instead of 8 months. **The fine imposed on BNP Paribas amounted to over PLN 2.7 million** (decision DOZIK-2/2023), with Bank Pocztowy being fined **over PLN 230 thousand** (decision DOZIK-1/2023). BNP Paribas Bank Polska appealed against the decision, whereas the decision against Bank Pocztowy is final.

Unilateral amendments to agreements by banks

The President of UOKiK imposed **a fine of over PLN 5.7 million** (decision RBG-1/2023) on Deutsche Bank Polska. **The undertaking unilaterally amended the provisions concerning the level of fees for statements on the**

19 The Act of 7 July 2022 on Crowdfunding for Business Ventures and Assistance to Borrowers (Journal of Laws of 2023, item 414).

history of repayment of credit facilities or mortgage loans, despite the fact that the aforementioned provisions were of abusive nature. While still under investigation by the Office, the bank, instead of ceasing to use the challenged clauses, sent out a notice to consumers about its unilateral amendment. The bank was penalised for this action and must inform consumers of their right to compensation. The decision is not final.

Similarly, Raiffeisen Bank International unlawfully made unilateral amendment to the mortgage loan agreement with regard to new account numbers for loan repayment and servicing. In 2018, Raiffeisen Bank Polska (RBP) was demerged, **causing complications for holders of mortgage loans either indexed to or denominated in the Swiss franc. The bank had misled consumers by disseminating false information about new accounts.** As a result, consumers did not know which account to pay money into, which resulted in delays in the repayment of instalments, and, in some cases, the initiation of debt collection proceedings against borrowers. The President of UOKiK imposed **a fine of over PLN 3.1 million** on the bank (decision RBG-2/2023). The decision is not final.

Unauthorised transactions

The President of UOKiK conducted proceedings against 9 banks for violating collective consumer interests, and in the case of 6 banks, it launched preliminary investigations to determine whether their actions lead to the violation of collective consumer interests. The Office examined **how banks settle with consumers and respond to complaints regarding unauthorised transactions.** They often occur as a result of cyber attacks, such as fraudsters phishing for online banking passwords. Banks are obliged, by law, to reimburse the payer for the amount of the unauthorised transaction or restore the account to the status prior to such transaction by the end of the next business day following the notification. There are two exceptions: the consumer's notification took place more than 13 months after the transaction or there is a reasonable suspicion of fraud on the part of the consumer, which was duly notified by the bank to the police or prosecutor's office.

UOKiK's actions regarding unauthorised transactions involved a total of **15 banks.** According to the Office's analysis, **banks, i.e., do not return stolen money or fail**

to do so within the required timeframe, and some have introduced the so-called “conditional refunds” – they give the money back while the complaint is being processed, and if, having analysed the case, they find that the responsibility rests with the consumer, they automatically deduct the refunded amount from the consumer’s account. There may also be cases of banks misleading consumers in their responses to reports of money theft or banks imposing a limit on the number of possible complaints and shortening the time for filing them.

Non-interest credit costs

The President of UOKiK imposed a fine of over PLN 15 million on Everest Finanse S.A., known as Bocian Pożyczki (decision DOZIK-6/2023). In addition to loans, the company offered consumer leaseback agreements for household appliances and consumer electronics equipment, acting as an intermediary in these transactions. The financing model based on loan agreements and consumer leasing agreements resulted in non-interest costs being charged from consumers in a total amount exceeding the statutory limits. This formula was used during the reduction of statutory limits due to the pandemic.²⁰ These actions served to circumvent regulations concerning limits on non-interest costs of consumer credits, which were temporarily reduced during the COVID-19 pandemic. In addition, consumers were not properly informed about the type of financing they were receiving and the associated costs. The decision is not final.

The President of the Office is also taking action against loan institutions that attempt to circumvent the current regulations concerning limits on non-interest costs of consumer credits, introduced by the so-called “Anti-usury Act”.²¹ The Office’s actions against 13 entities aim to determine whether the actions of lending institutions, among others, related to offering ancillary services and credit cards, are intended to circumvent the limits on non-interest credit costs.

Loan rollover

The President of the Office also imposed a fine of PLN 10 million on 7 lenders and consumer credit intermediaries. These entities were involved in the so-called loan rollover, which involves alternating the provision of loans to consumers for the purpose of repaying the original debt. As a result of these illegal actions, consumer incurred costs in excess of the maximum non-interest credit costs. For the infringement of collective consumer interests, the President of UOKiK imposed a financial sanction of over PLN 2.9 million on Creamfinance Poland. Three related parties were also fined: MDP Finance – over PLN 1.8 million, KIM Finance – over PLN 2.5 million, and JJK Credit – over PLN 88 thousand. Szybka Gotówka was also fined for similar practices – more than PLN 86 thousand – along with 2 related parties entities: Gwarant24 – over PLN 1.3 million and Centrum Rozwiązań Kredytowych – over PLN 990 thousand. At the same time, the President of UOKiK imposed a fine of over PLN 632 thousand on Creamfinance Poland for failing to provide consumers with information form before concluding the loan agreement. The decisions of the President of UOKiK: DOZIK-18/2023, DOZIK-19/2023, and RGD-13/2023 are not final.

The President of the Office is also taking action against lending entities that may have misled consumers about the terms of services offered. For instance, proceedings have been instituted against Fincapital sp. z o.o. – the operator of loan platforms Kuki.pl, Finbo.pl, and Oros.pl. The undertaking is accused of conditioning the deferral of loan repayment by 30 days on the borrower ordering a credit score report (FinTech Report). During the ongoing proceedings, the President of UOKiK noted that the FinTech Report did not guarantee repayment deferral and was not required by the lenders working with the company when deciding on deferral. Such decisions were made by the lenders themselves in each case. The UOKiK’s findings show that ordering a paid FinTech Report – despite what was communicated to borrowers – did not guarantee a loan repayment deferral. The cost of the FinTech Report was not counted by lenders as a non-interest cost of the loan. The investigation is pending.

Debt relief services

The President of UOKiK issued 2 decisions (RKT-5/2023 and RKT-6/2023) against Certo Kancelaria Janowicz-Stradowska i Wspólnicy sp.k. from Warsaw. The company offers its consumers a “Debt Relief” and “I Repay My Debts” programmes whose aim is to reduce their debt. However, the law firm does not guarantee success, its services are presented in a misleading way and deducts its fees from the money paid by consumers to pay off debts. After analysing the contracts between Certo and consumers, the Office challenged 5 practices of this company and 14 abusive contract clauses. The indebted consumers may not have been aware that using the company’s services could worsen their financial standing even further. The total fines for the company amounted to nearly PLN 640 thousand. The company appealed against both decisions.

Loan crowdfunding

The President of UOKiK instituted proceedings against Polskie Destylarnie. The allegations concern practices that took place as part of the “Skarbiec Palikota” loan campaign. The company offered consumers the opportunity to grant it an interest-bearing loan on terms which seemed to be exceptionally favourable, including the opportunity to participate in the company’s future profits and take part in contests with prizes. At the same time, it misleadingly implied that it acted based on the principle of legally regulated loan crowdfunding, raising funds for investment purposes. According to information gathered by UOKiK, shortly after the campaign’s launch, the undertaking had already stopped performing the loans concluded with consumers in a timely manner. In addition, the funds raised during the campaign, instead of being invested, were used to cover the company’s current debts (debt rollover). The allegations of the President of the Office also relate to a fictitious competition prize and attributing others’ achievements as the company’s own achievements.

Abusive clauses in insurance contracts

Undertakings are not allowed to take advantage of their stronger positions to include provisions in contracts that restrict consumers’ rights and are financially unfavourable for them. The companies Generali Życie TU and TU Allianz Życie applied abusive contract clauses. The President of UOKiK challenged the mechanism by which Generali Życie collects allocation fees in life insurance contracts with an insurance capital fund (UFK) and imposed a fine of nearly PLN 11.2 million on that undertaking (decision DOZIK-3/2023). In the case of Allianz (formerly Aviva Towarzystwo Ubezpieczeń na Życie), concerns were raised about unclear modification clauses allowing increases in various fees. The company was ordered to discontinue their use and compensate consumers affected by the fee changes (decision RGB-12/2022). The decision against Allianz is final, while Generali Życie lodged an appeal.

Investment bills

Aforti Holding is a company engaged in the management of entities providing a variety of financial services. The President of UOKiK found that the undertaking, which encouraged consumers to invest in the “Promissory Note Offer”, broke the law and imposed a fine of over PLN 790 thousand on the company (decision RWR-6/2023). The undertaking assured that the “Promissory Note Offer” was a solid and safe investment that guarantees a fixed return. In reality, it was a risky product and consumers could not only fail to achieve the advertised profit, but also lose the money they invested. The company used the consumer funds to finance the operations of the entire group, thereby transferring the business risk of Aforti’s operations to them. Using a promissory note in its dealings with consumers, in the way Aforti did, was contrary to its function. The company lodged an appeal against the decision of the President of UOKiK.

The President of UOKiK also brought charges against 2 companies from the Assay Group, namely: Assay Management Alternatywna Spółka Inwestycyjna (Assay ASI), which also used investment promissory notes, and Assay Management, which advertised its promissory notes on offer in a way that could be potentially

20 Article 8d of the Act of 2 March 2020 on Specific Solutions Related to Preventing, Counteracting, and Combating COVID-19.

21 The Act of 6 October 2022 on amending Certain Acts to Counteract Usury (Journal of Laws of 2022, item 2339).

misleading to consumers. The company **falsely assured the safety of its investments** and that the operations of the Assay Group are under the supervision of the Polish Financial Supervision Authority. The proceedings against Assay Group executives are also pending. Since there is a high risk of consumers losing their invested funds, the President of UOKiK issued **a consumer alert** concerning Assay ASI.

Charges were also brought against CK Investments, which offers consumers to purchase promissory notes, pointing to the certainty and safety of the investment. Meanwhile, **promises of guaranteed capital returns can mislead consumers and distort their market behaviour**.

Cryptocurrencies and cryptoassets

The President of UOKiK carried out proceedings against Good Solution Investments Limited, which is the operator of the Kanga Exchange cryptocurrency exchange. The charges concern **the dissemination of false information about holding the approval of the Polish Financial Supervision Authority and the Polish origin of the website**. The Company is also on the list of warnings of the PFSA in connection with the functioning of the kanga.exchange website due to the possibility of committing a crime. The case is being investigated by the District Prosecutor's Office in Warsaw.

Investments in quads

The President of UOKiK imposed **a fine of over PLN 56 thousand** on Jakub Leśniewski Total Finance from Warsaw (decision RŁO-5/2023). The company provided **false information indicating certain profit and the safety of the quad investment**. However, such a project may carry significant risks due to, among others, the lack of an appropriate investment collateral by the undertaking or due to the fact that the consumer is going to buy the goods they have never seen before. The decision is final.

Pyramid-type incentive schemes

The President of the Office of Competition and Consumer Protection also took action against entities involved in establishing, operating and marketing pyramid-type promotional systems. Such promotional systems are unfair market practices prohibited by law. They involve building a sales network through promises of benefits, depending primarily on introducing additional people to the system. A person who decides to join such a system deposits money and then persuades others to do the same. A fee is paid for introducing new participants.

One of the systems addressed by UOKiK was an online training platform called Properly, which was designed for people who want to become Forex traders. To accept take the company's offer, the consumer had to purchase a training package. Additionally, consumers could join the partnership programme and boost their profits by recruiting others into the scheme. The company Wisepro Foctral established, ran, and promoted "Properly Partnership Scheme", with Vital Trading supporting it in its promotional and marketing activities. UOKiK found that the gains from the partnership scheme were much higher than trading gains; this pertained to both the undertaking's gains and the gains of individual traders. **The companies promised financial gains which were primarily dependent on recruiting more participants into the system**. "Properly Partnership Scheme" is an illegal pyramid-type incentive schemes The President of UOKiK imposed **a fine of over PLN 156 thousand** on the companies Wisepro Foctral and Vital Trading and 2 managers from Vital Trading who also happened to be Wisepro Foctral shareholders. The decisions issued by UOKiK (RGD-2/2023 and RGD-10/2022) are not final.

In 2023, the President of the Office also took action against other entities operating and promoting illegal schemes, concluding proceedings against 2 companies: Selfmaker Smart Solutions Ltd. and Selfmaker Technology sp. z o.o. The activities also concerned the person managing the above-mentioned companies. The President of UOKiK found that the **companies misled consumers by disseminating false information** that the purchase of a token called "Selfmaker smart solutions" would entitle its holder to participate in profits generated by entities in the Selfmaker group (which includes Selfmaker Technology sp. z o.o.). In reality, these entities were in no way obligated to pay the generated profit either to the

token holders or to Selfmaker Smart Solutions Ltd, which was solely responsible for paying benefits to the token holders. The President of the Office ruled that Selfmaker Smart Solutions Ltd.'s token distribution model, based on a partnership programme promoted by Selfmaker Technology, **bears the hallmarks of a pyramid-type incentive scheme**. In connection with the aforementioned practices, the President of UOKiK imposed **finances totalling nearly PLN 94 thousand** on Selfmaker Smart Solutions Ltd. and **over PLN 895 thousand** on Selfmaker Technology. CEO of Selfmaker Technology **was fined PLN 150 thousand**. The decisions issued by the President of the Office (RGD-8/2023 and RGD-9/2022) are not final.

Following signals from consumers, i.a., the President of UOKiK launched a preliminary investigation into two Internet platforms: iGenius, which offers educational services in finance management, and Dream Trips (formerly: WorldVentures) – encouraging consumers to join a travel club. The Office is also looking into Jifu project, which offers access to a travel service search engine in exchange for a monthly subscription and commissions for recruiting new members into the project.

The platforms: iGenius, Dream Trips, and Jifu **may potentially constitute pyramid-type incentive schemes**. In addition, the President of the Office brought charges against the promoters of investment projects related to promoting IM.Academy project, **pretending to sell educational packages concerning finance and e-commerce**.



This company is known to UOKiK since July 2022 due to an ongoing investigation into the establishment and promotion of a pyramid-type incentive scheme. **In the case of IM.Academy, the President of UOKiK decided to apply an extraordinary tool to protect potential injured parties and in July 2022 he issued a consumer alert whose legitimacy was confirmed in 2023 by the Court of Competition and Consumer Protection**.

Investments in development projects

The President of UOKiK issued a decision (RGD-14/2023) pertaining to HRE Investments group, imposing **finances of nearly PLN 12 million** on its member companies. Fines totalling **PLN 1.4 million were imposed on 2 managers**. Companies in the HRE Investments group offered buyers, including consumers, the purchase of shares in special-purpose vehicles established by the HRE group to carry out various development projects. The said business model **assumed that consumers were charged with the risk specific for company shareholders**, which is a much higher risk than, say, the risk of persons depositing their savings at a bank. The President of UOKiK had reservations concerning promises of high returns and its alleged profitability compared to other forms of investment. The group's communications emphasised benefits while omitting material risk-related information – this way, **consumers were misled about the guaranteed investment result**. The decision is not final.

Investment in rental properties

The President of UOKiK has also issued 2 decisions (RLU-3/2023 and RLU-4/2023) against Przedsiębiorstwo Gospodarki Komunalnej Termy Uniejów and **imposed fines totalling more than PLN 200 thousand on the company**. The first decision concerned the company's use of **4 abusive clauses in its contracts with investors**, including the property area. Once the decision becomes final, these clauses will be ineffective and should be treated as if they have not been included in the contract at all. In the second decision, the President of UOKiK found that **before concluding the agreement, the company provided potential investors**

OMNIBUS – legal changes

In 2023, legislation implementing the EU Omnibus Directive came into force. The regulations impose new information obligations on undertakings such as:

- ▶ informing whether and how they verify published reviews,
- ▶ in case of shopping platforms – indicating whether, a specific offer originates with an undertaking or a natural person other than an undertaking and explicitly and understandably indicate how the duties related to, the performance of an agreement concluded at the platform are divided between them and the providers of products and services offered,
- ▶ display the lowest price (the “prior price”) that applied during the last 30 days prior to the discount.

with false information about the expected return, overstating its amount, which misled recipients about key data in the decision-making process. Both decisions are not final.

Information obligations in e-commerce

The Office has been extensively monitoring online platforms, checking the fulfilment of information obligations resulting from the implementation of the Omnibus Directive. After confirming the occurrence violations in 19 cases and undertakings have been called upon to provide explanations and change the challenged practices. In most cases, there was no information, in the way required by applicable laws, that the seller using the platform was an undertaking (e.g. such information often included only in the platform regulations), with information about the division of responsibilities between the platform and the sellers being scattered across multiple documents. Following the intervention of the President of UOKiK, most undertakings changed their practises or declared that they would introduce certain modifications. These include providers of platforms such as: Glovo, Uber Eats, Pyszne.pl, Wolt, Bolt Food, Aliexpress, Wakacje.pl, Free Now, Uber, Bolt, Facebook, Morele.net, Empik, Triverna.pl, Amazon, and Allegro.

Despite the call to change practices, 3 undertakings: Zalando, Booking, and Travelist failed to introduce changes with respect to communicating information to consumers and have not expressed any intention to do so. Customers of these platforms may not have been clearly informed

whether the offer came from an undertaking or from a natural person other than an undertaking and what the division of responsibilities between the platform and the sellers or service providers was, making it difficult for consumers to make informed decisions. Consumers may have been deprived of access to important information about the rights they were entitled to, affecting their ability to enter into transactions consciously and under explicit and transparent rules. The President of UOKiK charged these companies with infringing collective consumer interests.

Information about discounts

In connection with the implementation of the Omnibus Directive, UOKiK, together with the Trade Inspection, checked whether undertakings were fulfilling their obligation to inform about the lowest price during the last 30 days prior to the discount. Several dozen soft calls have been issued regarding the rules for presenting discounts; there are also pending preliminary investigations into brick-and-mortar stores. A significant number of undertakings changed their practices after the President’s calls and the publication of specific clarifications regarding discount communications. However, some still try to present their promotions as more attractive than they actually are. Therefore, the President of UOKiK brought charges



against 4 companies: Zalando, Media Markt, Sephora, Glovo. The charges include failing to display the lowest price (the “prior price”) during the last 30 days prior to the discount or communicating it in an unclear manner, failing to include a reference to this price in the current promotion, using filters and presenting offers that do not refer to it, and inconsistently using other reference points.

Fake, misleading reviews

UOKiK monitors the market for undertakings selling fake reviews online. The President of the Office imposed a fine of nearly PLN 36 thousand on J&J Jakub Brożyna (decision RPZ-2/2023) for misleading consumers about the economic situation of the company’s counterparties, including their reputation or the quality of their services or goods offered, by creating and posting fake reviews and ratings on Google Maps profiles. Through Seosklep24.pl, the undertaking offered the “Google Maps Reviews” service, which included publishing positive or neutral reviews and ratings. The decision is final.

The President of UOKiK instituted proceedings against Best-Review, a company based in Leszno, accusing it of selling fake online reviews. The company would sell its review publication service without prior testing of products or verifying the reliability of the counterparties. The positive reviews purchased by the undertaking’s customers were posted on Google Maps or on such websites as Znanylekarz.pl, Opineo.pl, Oferteo.pl, Ceneo.pl, Wakacje.pl, TripAdvisor, Google Play, as well as on social media platforms (Facebook). Injured parties include not only buyers who were misled and harmed by fake ratings or reviews. Other competing businesses may have been affected as well.

Displaying prices on websites

UOKiK looked into online platforms selling tickets for sport, cultural, and entertainment events. Concerns were raised about how prices were presented, as they did not include all mandatory fees at the initial stages of the transaction.

One such platform was eBilet.pl. The President of UOKiK obliged the company (decision RWR-9/2023) to

change the way it informs consumers about the minimum ticket price. The minimum ticket price must include a service fee or other mandatory fees, if any. In a separate decision (RWR-10/2023), the President of UOKiK found that the company misleadingly informed consumers about an extended deadline of up to 180 days for refunding the amount paid for a ticket to an event cancelled or postponed due to epidemiological restrictions. In doing so, it invoked provisions of the Anti-covid Act that did not apply to ticket sales. A fine of over PLN 1.3 million was imposed on eBilet. Decision RWR-9/2023 is final, whereas the company lodged an appeal against decision RWR-10/2023.

The Office found similar issues with price visibility in the cases of Eventim.pl and Ticketmaster.pl platforms. The President of UOKiK sent notifications to both companies, expecting explanations and changes in their practices.

Travel services

The President of UOKiK imposed a fine of over PLN 1 million on Wakacje.pl platform (decision RKT-8/2023) and ordered that the challenged practices be discontinued. The prices of many trips displayed on the website were outdated or incomplete – one price was displayed in the search engine, and another price was displayed after expanding the offer details. The Office’s monitoring of the Wakacje.pl website shows that the price discrepancy issue in search results affected 40 percent of the examined offers. This impacted the sorting of offers from cheapest to most expensive and distorted the price-based filtering results. Consequently, consumers did not receive reliable and comparable information about tour prices, making it difficult for them to make optimal purchasing decisions. Through the unreliable operation of the search engine, consumers were misled about the trip price. The company appealed against the decision.

The issue of misleading consumers about tour prices also relates to Travelplanet.pl, which is currently under investigation. In addition, UOKiK is analysing whether tour operators are in compliance with pre-contractual obligations regarding providing consumers with necessary information to enter into a contract. The Office is also looking into the rules for moderating opinions on the websites of travel agencies and examining how consumers are informed about hotel change or that the tour price has increased.

Dropshipping and false time counters

The Bak Drop (previously Bigotka) company offered a wide range of women’s clothes on its website Arkadie.pl, previously Bigotka.pl. The websites were presented as an online clothing store and encouraged to do the shopping, but **to a large extent they acted as intermediaries for orders**, that is, they operated under the dropshipping model. **Consumers were also misled by so-called limited-time promotions**. There was a counter next to the offers, which counted down the hours until the end of the discount. Every day, it started the countdown again and started the countdown for another alleged "special offer". The President of UOKiK imposed **a fine of over PLN 100 thousand** for the prohibited practices (decision RPZ-4/2023). UOKiK’s decision is not final.

Promotion time

Products most commonly purchased online include clothing, accessories, and footwear. These categories are offered by e-shops such as Born2be.pl and Renee.pl, owned by Azagroup. The President of UOKiK charged Azagroup with **misleading consumers by suggesting a limited duration of promotional campaign** – in reality, the commodities were offered at promotional prices all the time. These permanent promotions were a marketing ploy.

Additional fees when placing an order

Drip pricing consists in adding previously unannounced mandatory fees at the last stage of placing an order. For such practices, the President of UOKiK charged the Glovo platform with misleading consumers. **Customers ordering products or services only learned the total cost at the summary stage**, discovering that mandatory fees like packaging or service charges were added. In addition, some elements of the Glovo interface concerning order costs may be hardly visible to consumers.

Hidden cart additions

The President of UOKiK imposed **a fine of over PLN 1.5 million** on DUKA (decision DOZIK-16/2023). Shoppers at the duka.com/pl online store had **“promotional” products added to their order, without prior express consent**. This illegal dark pattern practice lasted nearly a year. If customers did not notice and remove these additional items from their cart, they would end up purchasing them by making payment. Returning an unwanted item involved DUKA customers spending time and incurring shipping costs. In the decision, the President also ordered the company to compensate consumers affected by the unfair practices. The decision is not final.

Irregularities in the provision of services

The President of UOKiK instituted proceedings against Amazon. The charges concern **misleading practices regarding information about the moment of concluding a sales contract, product availability, delivery dates, and consumer rights**. Amazon EU Sarl is one of the sellers on the Amazon.pl platform. The Office received complaints showing irregularities in the provision of services through the website which may infringe collective consumer interests. If consumers had known that placing an order at Amazon.pl was not yet a purchase or that product availability and delivery times were only approximate values, they may have chosen not to use the services of this undertaking.

Tagging ads on social media

The Office continued its efforts related to the monitoring of tagging of commercial content on social media. The Office concluded its proceedings against Olimp Laboratories, with the company **being fined over PLN 5 million for covert advertising on social media** (decision RBG-9/2023). The company paid for the placement of its products in influencer posts and stories/reels. In doing so, it advised them to use vague tagging of advertising materials, making it unclear that the publications

were commercial in nature. The President of UOKiK also imposed **finest on 3 online creators** working with Olimp Laboratories. **The total value of the penalties amounted to more than PLN 40 thousand** (decisions: RBG-6/2023, RBG-7/2023, RBG-8/2023). Decisions RBG-6/2023 and RBG-8/2023 are final, and the company lodged an appeal against decision RBG-7/2023.

The President of UOKiK also brought **charges against additional influencers** who may have misled consumers about the nature of their posts and stories/reels for which they are paid by advertisers.

Misleading advertisements

Mobile Polska was **fined over PLN 25 million** for ads with the slogan “1200 GB for free for a year” (decision DOZIK-20/2023). The UOKiK’s doubts were raised by advertisements for the pre-paid offer “1200 GB for free for a year” in Polish and Ukrainian. The Office found that **the operator mislead consumers since the advertisements suggested that the data package was available for free**. In reality, instead of the promised 1200 GB package, consumers received 100 GB each month, provided, however, that they topped up their account with at least PLN 35 per month. After a year, the amount to be recharged to their cards would amount to PLN 420. The company appealed against the decision.

Hotline fees

The President of UOKiK challenged the practices of Orange Polska (decision DOZIK-8/2023). The first practice involved **charging for calls to Orange and Nju mobile’s customer service hotlines**, even when the consumer had a package offering free calls to mobile and landline networks. Moreover, fees were also charged for the waiting time for such calls. The second practice challenged by the President of UOKiK involved **charging fees to establish** whether the damage reported in the consumer’s complaint actually occurred and which party had contributed to the damage. The President of the Office **obliged Orange Polska to change** these practices and refund the disputed fees to consumers.

Since January 2023, carriers (passenger transport

services) providing hotlines for contract-related inquiries are not allowed to freely set the price of the call. Such calls may not cost more than a regular phone call based on the operator’s tariff package. In connection with the reports of possible infringements in this regard, the President of UOKiK launched a preliminary investigation into the case of Wizz Air Hungary. The Office is also conducting **a second preliminary investigation into 30 undertakings** (including airlines and bus operators) to analyse the costs of hotlines provided by passenger transport operators, intermediaries, and online platforms through which a passenger transport contract can be concluded.

Additional services without consent or unsolicited benefits

Undertakings are required to obtain an express consent to any additional payments before the agreement is concluded. Meanwhile, Cyfrowy Polsat company automatically activated 1 or 2 additional services (“Internet Protection” and “IPLA 3 of 3 Service”) for consumers when concluding or changing internet access contracts. These services were part of most promotional offers, and consumers were required to disable them before the end of the free trial period to avoid additional charges. According to the decision of the President of UOKiK (RKR-1/2023), Cyfrowy Polsat will **reimburse its consumers** for the “Internet Protection” and “IPLA 3 of 3 Service” services as compensation, as long as they cancelled them before receiving the fourth invoice for such charges. Additionally, the company will reconsider and recognise in full the complaints filed to date. Cyfrowy Polsat’s commitment applies to both current and former customers. The decision is final.

In previous years, certain promotional offers from Vectra company included automatic activation of “Secure Internet” antivirus software. Depending on the offer, the service was free only for the first few months. If the consumer did not take action to cancel the additional service, the subscription amount would increase. Following the decision of the President of UOKiK (RKR-3/2023), **the company was ordered to compensate consumers for the improperly enabled service**. Consumers will receive a refund for the “Secure Internet” service if they disabled it before receiving the fifth invoice with the relevant charge. In addition, the complaints filed earlier on this issue – by

both current and former Vectra customers – will be fully recognised. The decision is final.

The President of UOKiK also brought charges against UPC Polska company whose **customers have been charged a fee for additional TV channels and a higher Internet speed despite the fact that they had not ordered those services**. As part of the “More benefits for You” package, UPC Polska increased the subscription fee to customers with indefinite contracts. The burden of a failure to express consent to any new unsolicited services would be transferred onto consumers.

New Year’s Eve TV contest

The President of UOKiK imposed a fine on Telewizja Polsat and Teleaudio Dwa, which were responsible for holding a text message contest on New Year’s Eve 2021. According to decision DOZIK-17/2023, **the fine amounted to nearly PLN 10 million for misleading consumers about the rules, the cost of participation in the contest, its rules, course, and prizes they could win**. Contrary to the announcements, sending a single SMS did not allow the sender to compete for any prizes. UOKiK analysed the contest scenario, the New Year’s Eve broadcast recording, and the wording of text messages received by consumers from organisers, concluding that an unfair practice was applied. The decision is not final.

Misleading information

The President of UOKiK imposed **a fine of over PLN 46 million** on Canal+ Polska (decision DOZIK-21/2023). **Company consultants would mislead clients about the purpose of the phone call** in which they suggested that consumers would receive a free gift. However, consumers ended up signing a parallel contract of which they were unaware until they had to start paying for it. After the free trial period expired, consumers had no option to terminate the contract at no cost and without the undertaking’s consent and had to bear the expenses under both contracts. In addition, in the decision, the President of UOKiK obliged Canal+ Polska to refund consumers. The decision is not final.

Unavailable sports broadcasts

Audioteka Group (formerly Netwizor) promoted a service providing access to channels broadcasting selected football matches of the Spanish Premier League featuring the Polish football player R. Lewandowski. Consumers who were interested in the matches **purchased access to channels offered on WP Pilot website only to find out later that some football matches were not available, contrary to the advertising messages that did not inform or even assured viewers of the possibility to watch all matches**. Following a soft call to the company and conducting the preliminary investigation, the President of UOKiK charged the company with infringing collective consumer interests.

The President of UOKiK also launched a preliminary investigation into the Clout MMA streaming service and requested explanations from two companies: No Limit and Multi Agency Górska. The Office received numerous complaints from individuals who paid for the broadcast of an MMA fighting gala, but were unable to watch it despite having efficient equipment and an adequate Internet connection. Complaints point to **technical issues on the part of the organiser, which prevented viewers from gaining access to the purchased service**.

Change in subscription terms

UOKiK reviewed the subscription regulations of various services available as part of Amazon Prime and Amazon Prime Video packages. In the existing contracts, the companies Amazon EU and Amazon Digital UK had **procedures in place to unilaterally change prices from the new subscription period onwards**. Such a condition is particularly detrimental to customers in cases where a payment card (debit or credit) has been linked to the account and **the operator reserves the right to automatically charge the new amount for the next subscription period**. In the opinion of the President of UOKiK, a new price or other new material terms of the contract may be introduced from the next subscription period only with the clear consent of the consumer. Amazon Digital UK and Amazon EU, under Amazon Prime and Prime Video packages, are changing their practices under the influence of the aforementioned actions by the President of UOKiK.

The Office also conducted preliminary investigations into subscription services offered by the following brands: Apple, Disney+, Google (with YouTube Premium), HBO Max, Microsoft (with GamePass), Netflix, or Sony (with PlayStation Plus), and any price changes they make.

Promotional campaigns of discount stores

Jeronimo Martins Polska, the owner of the Biedronka store chain, was **fined over PLN 160 million** (decision RBG-3/2023). The company **misled consumers with regard to the conditions, benefits, and availability of the regulations of the national campaign** Biedronka’s anti-inflation shield. The undertaking assured that if customers found the promotional products at more favourable prices, they would be reimbursed for the difference. Contrary to the advertising slogans, the terms of the promotion were burdensome to meet, and potential benefits were disproportionate. Moreover, the regulations of the promotion were not displayed in brick-and-mortar stores. The complexity of the campaign’s conditions is evidenced



by the fact that although Jeronimo Martins Polska was approached by a number of customers who found cheaper products, none of them met the formal requirements. The decision is not final.

Biedronka customers **were not provided with reliable information about the “Magic of Discounts, Toys, and Books – Voucher” promotion** also. Therefore, the President of UOKiK instituted further proceedings against Jeronimo Martins Polska. The allegations include complicated terms of the campaign, the way they were presented, and incomplete communications about the terms of the promotion.

Airlines

The President of UOKiK charged Wizz Air Hungary with infringing collective consumer interests. The case involved a birthday promotion during which airline tickets could be purchased at a bargain price. Tickets could be booked on the Wizz Air app and on the company’s website. However, most consumers who bought tickets at the price of PLN 35 did not have the opportunity to use them. The company **cancelled the agreements the day after the purchase, citing a technical error** and declaring an immediate refund of the costs incurred. It only recognised orders for travel taking place within 72 hours of the transaction.

Health insurances – changes without consumer consent

Compensa Towarzystwo Ubezpieczeń na Życie company offered customers insurance extension in exchange for an increased premium. At the same time, those who did not want to take the deal were required to report it to the insurer themselves. Otherwise, a higher premium covering a new scope of the contract would be automatically charged. The President of UOKiK **challenged this practice and obliged the company to discontinue it and remedy the consequences of the infringements** (decision RKT-2/2023). As a result, the company avoided a fine. Consumers whose insurance contracts were amended without their express consent may request the cancellation of the amendments. In such cases, Compensa will either reimburse them for the equivalent of the additional

coverage premiums levied or credit them towards future payments. This applies both to the company's current customers as well as to persons whose insurance contracts have already expired. The decision is final.

Dietary supplements

The President of UOKiK imposed **a fine of over PLN 5 million** on Natural Pharmaceuticals (decision RKT-7/2023). The Office **challenged 7 practices involving mail-order sale of dietary supplements which could influence and manipulate consumer decision-making process in various ways**. The company used a redirection mechanism – ordering a free sample and signing up for a paid subscription occurred directly one after the other. The undertaking also suggested that use of the product was recommended as part of nationwide health campaigns. Some marketing materials included an appeal to the authority of public institutions and referred to the supposed recommendations. For example, the company stated in a TV commercial that each household could order a free year's supply of vitamin D, while it was necessary to cover the shipping cost of the product. In addition, the company improperly labelled the button for placing online orders, which was in violation of the Consumer Rights Act. **Moreover, the company CEO was fined PLN 110 thousand**. The decision is not final.

Electronic prescriptions and sick leaves

Centrum Medyczne Telmed provides online medical consultations via the websites: e-lekarz24h.pl and e-zwolnienie24h.pl. On these websites, consumers may request an electronic prescription or sick leave. The President of UOKiK instituted proceedings against the company. The **allegations concern misleading consumers regarding the possibility of obtaining a prescription for certain medications** (such as psychoactive substances, the use of which requires a diagnosis and direct contact with a doctor), **the authenticity of service reviews, and the right to withdraw from the contract**.

Dental services

The President of UOKiK brought charges against Dr Smile Polska which offered to correct malocclusion through the use of custom-made, personalised teeth aligners. Service recipients **may have had difficulty accessing the full terms of the contract and pressured to sign it immediately during a phone call with a consultant**. The company also failed to provide consumers with a full wording of the agreement and a confirmation of its conclusion in a durable medium. The President of UOKiK also challenged the **use of an unlawful contractual provision** in the "Understanding on Cancellation of the Agreement", **which involved consumers waiving any future claims against Dr Smile Polska** (e.g. for medical errors resulting from malocclusion correction with Dr Smile aligners).

Fake examinations

Polmediq operates a rehabilitation and therapeutic facility in Poznań, offering various types of medical services. The company would invite consumers to take free immunity tests, not knowing that they were conducted for sales purposes, and **the alleged tests** would be performed by a salesman instead of a doctor. In addition, consumers were offered **products that did not have the declared properties, creating the impression of a special price advantage**. For using unfair market practices, the President of UOKiK imposed **a fine of nearly PLN 91 thousand** (decision RPZ-3/2023). **The total penalties of PLN 52 thousand also covered 2 company executives**.

Unsolicited calls

Calling people with commercial information who have not given their consent is not permitted by law. It is also not possible to ask for such consent at the beginning of the call. Such practices were applied by Asmanta Call Center. The phone calls were made through consultants and automated software. UOKiK received complaints from consumers who reported **receiving numerous unsolicited calls**. In addition, consumers were deliberately misled during the interviews by **significantly overstating the**

amount of possible subsidies when installing photovoltaics. The President of UOKiK imposed **finest totalling PLN 1.2 million** on Asmanta Call Center (decision RŁO-2/2023), as well as **finest totalling PLN 250 thousand on 2 company executives** for intentionally allowing the company to infringe collective consumer interests. The company lodged an appeal.

Unfair practices in photovoltaics

The President of UOKiK imposed **a fine of nearly PLN 12.5 million** on BO Energy (formerly FG Energy) which installs photovoltaic panels (decision RŁO-3/2023). The company's **consumer contract templates contained 12 abusive clauses**. The provisions protected only the company's interests and could lead to serious consequences for consumers: a change in the completion date of the work, price increases, or even non-performance of the service due to the withdrawal of the contractor. This is the second decision against this company for infringing collective consumer interests. In 2022, the company received a fine of over PLN 28 million (decision RŁO-7/2022). In both cases, the undertaking lodged an appeal.

The President of UOKiK has also issued a decision (RBG-11/2023) concerning an undertaking operating under the name Krajowy Projekt Energetyczny (KPE), which installs photovoltaic panels. The undertaking's contract templates were examined and UOKiK challenged, among others, **the obstruction in contract withdrawal due to the costs** charged to consumers by the undertaking. The fees were collected illegally. After analysing the contracts, **10 counts of infringing collective consumer interests** were brought against the company. The President of UOKiK imposed **a fine of PLN 5.6 million** on the company. The amount of the sanction was influenced by the fact that the undertaking, during the course of the investigation, decided to reimburse consumers for the unjustly charged amounts for the preparation of audits and the installation concept in cases where the consumers withdrew from the contract.

Courier services

Epaka from Łuków is a company that conducts freight forwarding activities and intermediates in courier services. On the epaka.com website, consumers may compare offers, choose a carrier, send and pay for a shipment. Between 2018 and 2023, the company used prohibited provisions in its model contracts with consumers. They were **unfair and misleading to customers, imposed some additional obligations with no reasonable grounds, and complicated the complaint-handling process**. In addition, the company included clauses allowing it to freely modify the agreement for maintaining an individual account on its website, which is unacceptable. In the decision, the President of UOKiK challenged 9 abusive clauses (RLU-6/2023). **The company was fined over PLN 5.8 million**. The decision is not final.

Energy supply

The President of UOKiK issued **2 commitment decisions** against energy company – Enea S.A. (decisions RPZ-11/2023 and RPZ-12/2023). The Office found probable violations of collective consumer interests and identified the use of prohibited contract clauses. The Company guaranteed fixed electricity prices but **omitted the information about monthly commercial fee or presented it in a misleading form**, which constituted a significant additional cost for consumers. **Moreover, it charged contractual penalties for early contract termination**. According to the wording of the commitment decisions, certain groups of eligible consumers are entitled to compensation from Enea, including refunds of unjustly charged fees. The decisions are final.

Sale of used cars

The President of UOKiK issued 2 decisions (RWR-13/2023 and RWR-14/2023) in the case of Autocentrum AAA Auto, **with a total fine of over PLN 72 million**. A leading second-hand car dealer provided **false information about the price of the vehicles it offered**. The car price discrepancies concerned failure to include the cost of an additional

product – “Carlife Warranty” insurance. Consumers learned about this only at the stage of finalising the contract. Moreover, the company used an illegal practice of adding a mandatory fee for “additional customer service” to the price of the vehicle in the amount of PLN 1,398, about which consumers were not previously informed. The company also understated the price of the car on the invoice, which could be relevant when determining its value or when asserting potential claims against the company. The company also used prohibited contract clauses in its contract templates, which, among others, **obliged consumers to confirm the technical condition of the vehicle**. The company appealed against both decisions.

Bicycle-sharing system

The President of UOKiK imposed **a fine of over PLN 791 thousand** on Nextbike Polska for unlawful changes to the regulations (decision RLU-8/2023). City bike rent operator used abusive clauses. **It introduced unlawful changes to its regulations and unjustly charged consumers an additional fee.**

Nextbike Polska S.A. w restrukturyzacji is a leading operator of city bike systems with bike rental points in dozens of towns and cities. The provisions challenged by the President of UOKiK allowed the company to unilaterally amend the provisions contained in the regulations without specifying any conditions for such actions. Amendments to the regulations were communicated to consumers by e-mail. If consumers did not send a written objection within 14 days, the company assumed that they accepted the new terms. By extension, non-acceptance was tantamount to the agreement termination for the city bike operator. This is an example of the way the company disturbed the balance of obligations between the parties. The company has to pay the fine and inform its consumers about the decision of the President of UOKiK that will be able to assert their rights in court based on this information. The decision is not final.

2.2

Supervision over
the Trade Inspection

The Trade Inspection (IH) is a specialised supervision authority appointed to protect consumer interests and rights. Its duties are performed by the President of UOKiK and voivodeship Trade Inspection inspectors who conduct inspections and issue relevant decisions. The President of the Office **sets the directions of inspections and monitors their execution**. He also carries out **appeal proceedings** against the decisions of voivodeship inspectors.²²

Activities of national importance are reflected in the **Trade Inspection’s annual inspection plan**. They are determined primarily based on the irregularities identified in previous years, their significance, and the prevalence of the product category. Inspectors also conduct **unscheduled inspections** resulting from signals and information received from, among others, consumers or state administration bodies. The inspections include **laboratory tests** performed by both UOKiK laboratories (more information: 2.4 Laboratories) and external laboratories.

The Trade Inspection conducts activities in the following scope:

- inspections in the field of non-food products, services, and obligations of undertakings
- product inspections for meeting general safety requirements and assessing conformity with the requirements,
- fuel inspections under the fuel quality monitoring and control system.

22 The Act of 15 December 2000 on Trade Inspection (Journal of Laws of 2024, item 312).

In 2023, the Regulation of the Minister of Climate and Environment²³ regarding the Waiver of the Requirements of the Regulation on Quality Requirements for Solid Fuels came into force. Consequently, voivodeship Trade Inspection inspectorates did not conduct solid fuel quality inspections and sales quality certificate inspections.²⁴

DECISIONS OF THE PRESIDENT OF UOKiK

241 on appeals against decisions issued by voivodeship inspectors of the Trade Inspection

TRADE INSPECTION INSPECTIONS

13,719 in the field of non-food products, services, and obligations of undertakings

1,500 general product safety and conformity assessment of products with requirements

1,850 fuel quality inspection

23 In 2023, due to the entry into force of the Regulation of the Minister of Climate and Environment of 24 October 2022 regarding the Waiver of the Requirements of the Regulation on Quality Requirements for Solid Fuels (Journal of Laws of 2022, item 2186), followed by the Regulation of the Minister of Climate and Environment of 28 April 2023 regarding the Waiver of the Requirements of the Regulation on Quality Requirements for Solid Fuels (Journal of Laws of 2023, item 835) and the Regulation of the Minister of Climate and Environment of 1 August 2023 regarding the Waiver of the Requirements of the Regulation on Quality Requirements for Solid Fuels (Journal of Laws of 2023, item 1494), the voivodeship Trade Inspection inspectorates did not carry out solid fuel quality inspections and the obligations referred to in Article 6c of the Act of 25 August 2006 on Fuel Quality Monitoring and Control System (Journal of Laws of 2023, item 846 and 1681).

24 Applies to obligations under Article 6c of the Act of 25 August 2006 on Fuel Quality Monitoring and Control System (Journal of Laws of 2023, items 846 and 1681).

ACTIVITIES OF VOIVODESHIP TRADE INSPECTION
INSPECTORS based on inspections carried out
– examples

- 3,494 decisions issued
- 1,666 request to undertakings to rectify irregularities
- 120 notifications to law enforcement agencies
- 1,311 fines with a value of PLN 271.6 thousand
- 272 motions with a value of PLN 54 thousand filed to courts to penalise the offenders
- 1,210 cases referred to other competent authorities

INSPECTIONS to non-food products, services,
and obligations of undertakings

INSPECTIONS CONDUCTED – by type

- 9,177 scheduled inspections conducted by UOKiK
- 1,218 scheduled inspections conducted by voivodeship Trade Inspection inspectors
- 3,324 unscheduled inspections

RESULTS OF INSPECTIONS

- 968,492 inspected product batches
- 109,828 contested product batches



EXAMPLES OF INSPECTIONS

Textile products

The President of UOKiK, together with the Trade Inspection, ensures that only safe and correctly labelled products reach consumers. Textile product inspections are conducted periodically. Businesses are selected for inspection based on market monitoring, results of previous inspections, and information from consumers. In 2023, garments, knitwear, bedding, and towels were inspected. **1,333 batches of products** – blouses, dresses, bedding sets, and sheets – were inspected. A total of 251 batches of textile products were laboratory tested. The Trade Inspection checked the products offered by 273 undertakings: 70 manufacturers (first distributors, importers), 25 wholesalers, and 178 retail outlets. **46% of the laboratory-tested products were found to be inconsistent with the declared material composition or size.** Labelling errors were found in 12 percent of the batches: missing composition information, fibre names in a foreign language or non-identifiable. Inspection results: 105 administrative decisions obliging undertakings to reimburse the cost of the conducted tests for a total amount of over PLN 72 thousand, 51 letters to manufacturers and importers with a request to rectify the irregularities. On top of that, 17 fines totalling nearly PLN 4 thousand were imposed for improper labelling. As a result of the inspections, the majority of undertakings took corrective action on their own initiative or at the request of inspectors – they promptly filled in missing information or removed improper label or undertook to take such actions immediately.

Proper information of prices of goods and services

The Trade Inspection also regularly checks whether undertakings are in compliance with their obligations to **inform consumers about the prices of goods and services.** On 1 January 2023, the provisions amending the Act on Information on Prices of Goods and Services,²⁵ which con-

cerned informing consumers about the reduction of the price of a particular good or service, came into force. The new obligations result from the implementation of the provisions of Directive 2019/2161 (the so-called Omnibus Directive).

Undertakings were required to display **the lowest price of a particular good or service that was in effect during the last 30 days prior to the discount.** The purpose of the changes was to ensure that consumers can easily determine the actual size of the discount and make market choices faster based on transparent price information.

In total, **the Trade Inspection inspected 3,846 undertakings**, with 1,016 of these inspections focusing on establishments offering products at discounted prices (Omnibus). Irregularities were found at 1,888 undertakings, including 489 establishments under Omnibus. A total of 676,856 product batches were checked, with price information issues found in 71,372 products. The irregularities mainly involved the complete absence of prices, the absence of unit prices, “from...to” ranges in the case of services, and the complete absence of price lists. In the case of Omnibus, the irregularities mainly concerned the lack of information about the lowest price of the product in the course of the last 30 days prior to the discount, multiple prices presented on labels without explanations, there was a lack of explanation of what each price meant, and calculating the discount amount based on the regular price. The above irregularities led to the Trade Inspection issuing 1,072 administrative decisions **for a total amount of PLN 1.5 million**, including 96 decisions concerning Omnibus-related irregularities.

EXAMPLES OF INSPECTION TOPICS

jewellery and imitation jewellery	checked for cadmium and lead content
cosmetics	checked for labelling and distribution
paints and varnishes	checked for volatile organic compounds
parking services and car washes	checked for legality and reliability of operation

GENERAL PRODUCT SAFETY and conformity assessment inspections

INSPECTIONS CONDUCTED by type

type	general product safety inspections	conformity assessment inspections
scheduled inspections conducted by UOKiK	155	690
scheduled inspections conducted by voivodetship Trade Inspection inspectors	121	176
unscheduled inspections	70	288

INSPECTED ENTITIES by scope of inspection

1,500	including:
346	entities subject to general product safety inspections
1,154	entities subject to conformity assessment inspections



EXAMPLES OF INSPECTIONS

Sunglasses

From February to April 2023, the Trade Inspection together with the National Revenue Administration (KAS) inspected nearly half a million sunglasses (196 models). **95 percent did not meet formal requirements or featured labelling errors**, i.e. instructions, warnings, and/or CE mark were missing. Laboratory tests were conducted on 15 models, and 4 of them were challenged. In 3 models, the filter category was lower than declared by the manufacturer, and in 1 model, there was an issue with recognising red light on traffic lights. Overall, 186 models were challenged, thus approximately 465 thousand units were not admitted to trading.

RESULTS OF INSPECTIONS

general product safety
752 tested product batches
218 product batches contested on safety grounds
conformity assessment
1,290 tested product types
552 contested products (irregularities found)

LABORATORY TESTS

general product safety
86 product batches tested in laboratories
30 contested products
conformity assessment
721 products tested in laboratories
192 contested products

Household appliances

From July to October 2023, **the Trade Inspection investigated 30 models** of household appliances, including refrigerators, washing machines, and dishwashers. They were checked for energy efficiency and consumption of resources (e.g. water, energy) in the amounts declared by manufacturers. Documentation, labelling, and selected parameters provided on energy labels were also verified. Parameters of particular relevance to sustainable consumption and consumer household budgets were examined. The Trade Inspection found 3 cases where the product card was missing from the vendor’s website, and 1 case where the energy label was missing from the website. Laboratory tests of household appliances found no irregularities in the parameters declared by manufacturers on energy labels.

25 The Act of 9 May 2014 on Information on Prices of Goods and Services (Journal of Laws of 2023, item 168).

Pyrotechnic products

In Q3 and Q4 2023, the Trade Inspection and the National Revenue Administration (KAS) conducted border inspections of pyrotechnic products in classes F1-F3, i.e. fireworks intended for consumer use. Concurrently, the Trade Inspection inspected the fireworks available on the market. During the KAS project, 88 models of pyrotechnic products were verified (i.e. 1,814,791 units), while 12 models were checked as part of Trade Inspection’s annual inspection plan. In total, 100 models of pyrotechnic products were inspected. Experts from the Munitions Testing Laboratory of the Military Institute of Armament Technology (WITU) tested a total of 22 models (10 selected under the KAS project and 12 models under the inspection programme). **Out of 100 pyrotechnic models, 19 featured irregularities:** 15 – erroneous labelling, instructions, and declarations of conformity, and 4 – found in laboratory tests. As a result of the KAS project inspections, **41,712 units of pyrotechnic products in classes F1-F3** that did not meet the applicable requirements **were not admitted to trading**. The voivodeship Trade Inspection inspectors also submitted 2 requests to the President of UOKiK to institute administrative proceedings, which may result in the imposition of penalties.

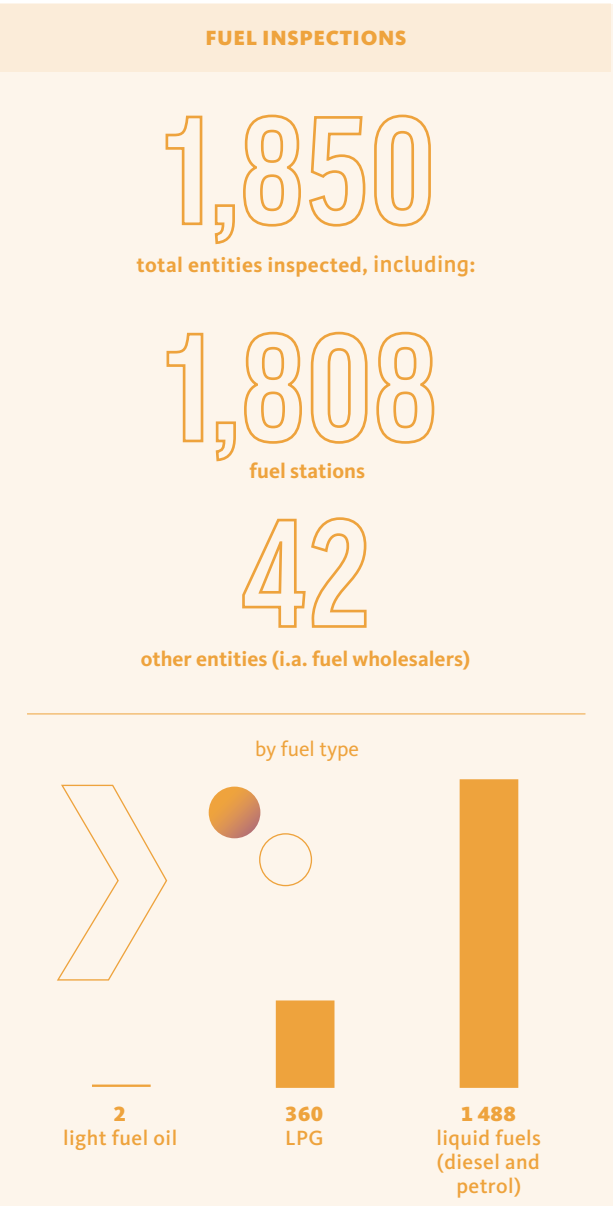
EXAMPLES OF INSPECTION TOPICS

- baby strollers
- sound toys
- lighting fixtures
- sports scooters

Fuel quality monitoring and control system

The President of UOKiK manages the fuel quality monitoring and inspection system, the purpose of which is to **eliminate fuels which do not comply with quality requirements from the market**. The results of the inspections are used in administrative proceedings conducted both by voivodeship Trade Inspection inspectors, the President of UOKiK, and the President of the Energy Regulatory Office (URE) in

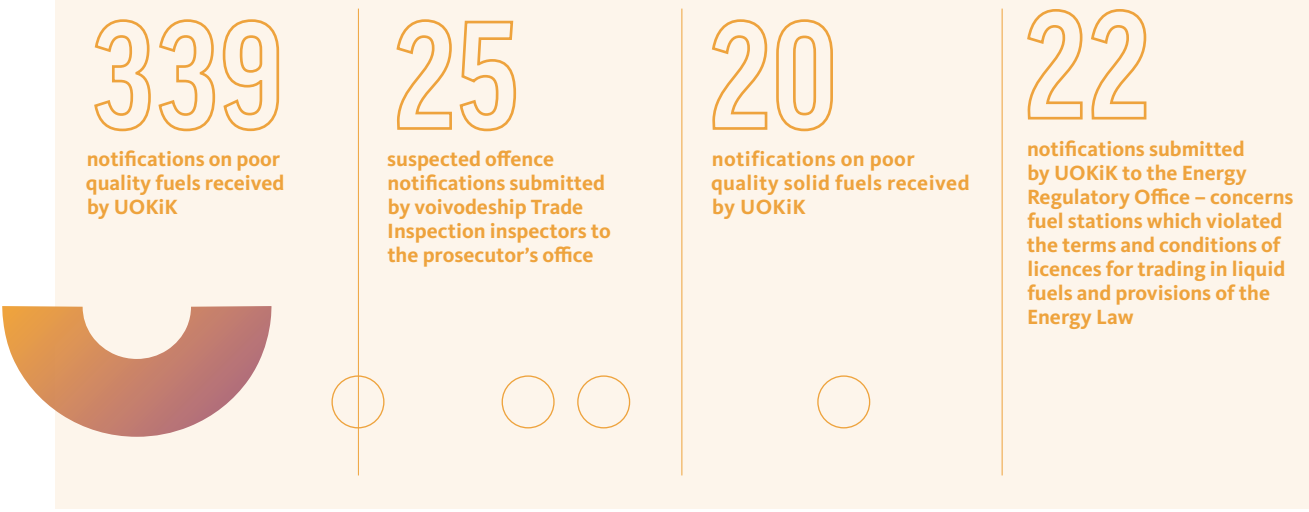
accordance with their respective competences. Fuel inspections are carried out in two ways. The first type of inspection is carried out under the European surveillance system and includes **randomly selected entities**. The second type of inspection involves **stations selected on the basis of negative results of previous inspections, as well as information from consumers and the police, among others**. In this case, laboratory tests are more likely to show non-compliance with quality requirements compared to randomly collected samples.



INSPECTION RESULTS by fuel type and inspection

fuel type	inspections based on RANDOM SELECTION		inspections based on INFORMATION RECEIVED	
	samples tested	fuels not meeting quality requirements (in %)	samples tested	fuels not meeting quality requirements (in %)
diesel fuel	477	2.94	275	7.27
petrol	656	1.07	176	0
LPG	334	0	26	0
light fuel oil	2	0	0	0

OTHER MEASURES



2.3

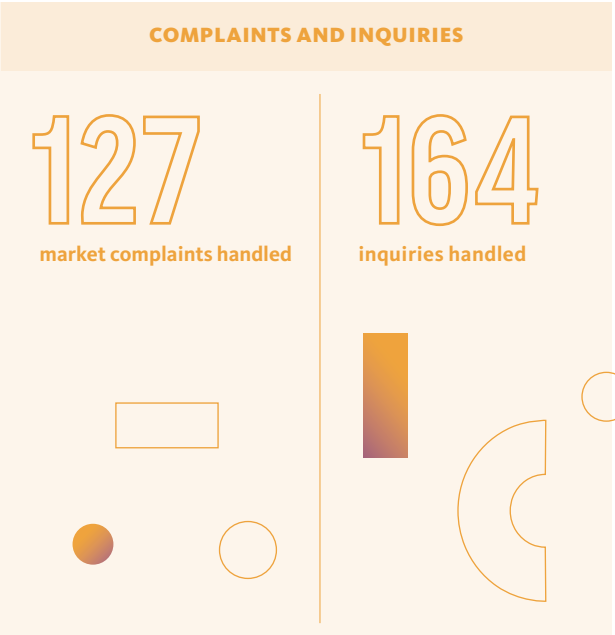
Product safety and market surveillance

The President of UOKiK exercises general safety supervision over products intended for consumers.²⁶ The President conducts proceedings to **eliminate risks to human health and life**. Products deemed by the President of the Office as non-compliant with the safety requirements are entered in the **register of dangerous products**. The Office acts as the national contact point for the EU Safety Gate/RAPEX system,²⁷ which is intended for the rapid exchange of information between EU Member States and the European Commission on risks posed by non-food products. UOKiK also analyses notifications on dangerous products from undertakings and monitors the implementation of corrective actions.

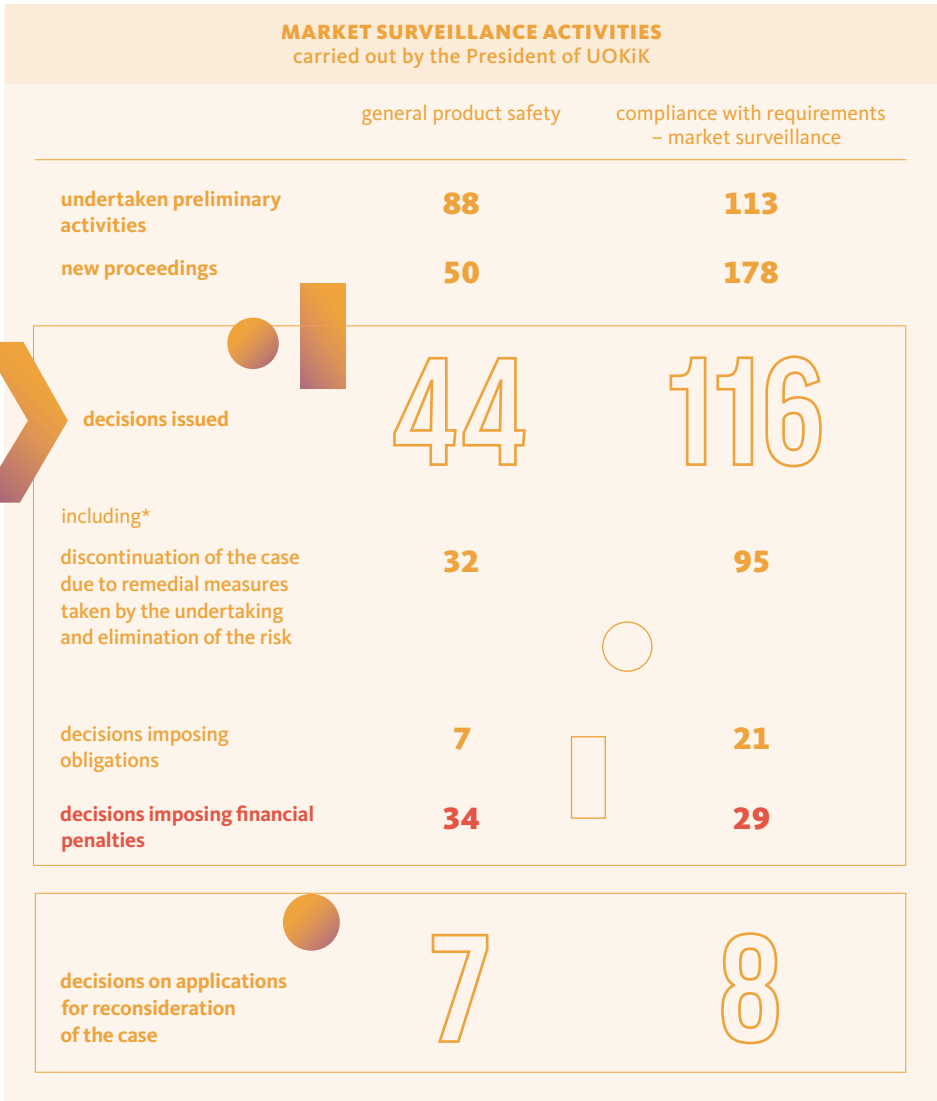
The President of the Office monitors the functioning of the market surveillance system in Poland²⁸ to ensure that products comply with requirements laid down in harmonised EU laws. This system is made up of national authorities entitled to control non-food products. The President of the Office also conducts **proceedings for the compliance of products for which the CE marking is mandatory**.²⁹ UOKiK is also responsible for the national contact point for the ICSMS system,³⁰ which has become the EU's primary system for the exchange of information as well as collection and

processing of data related to the enforcement of market surveillance tasks.

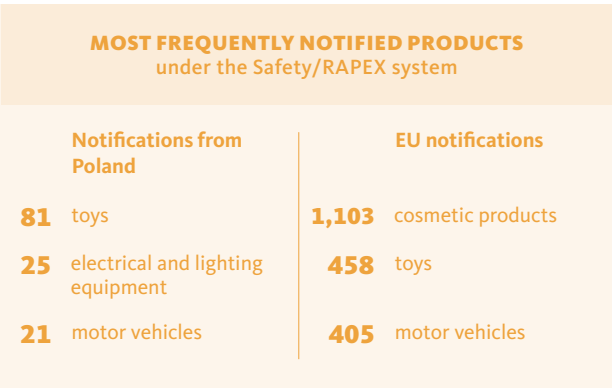
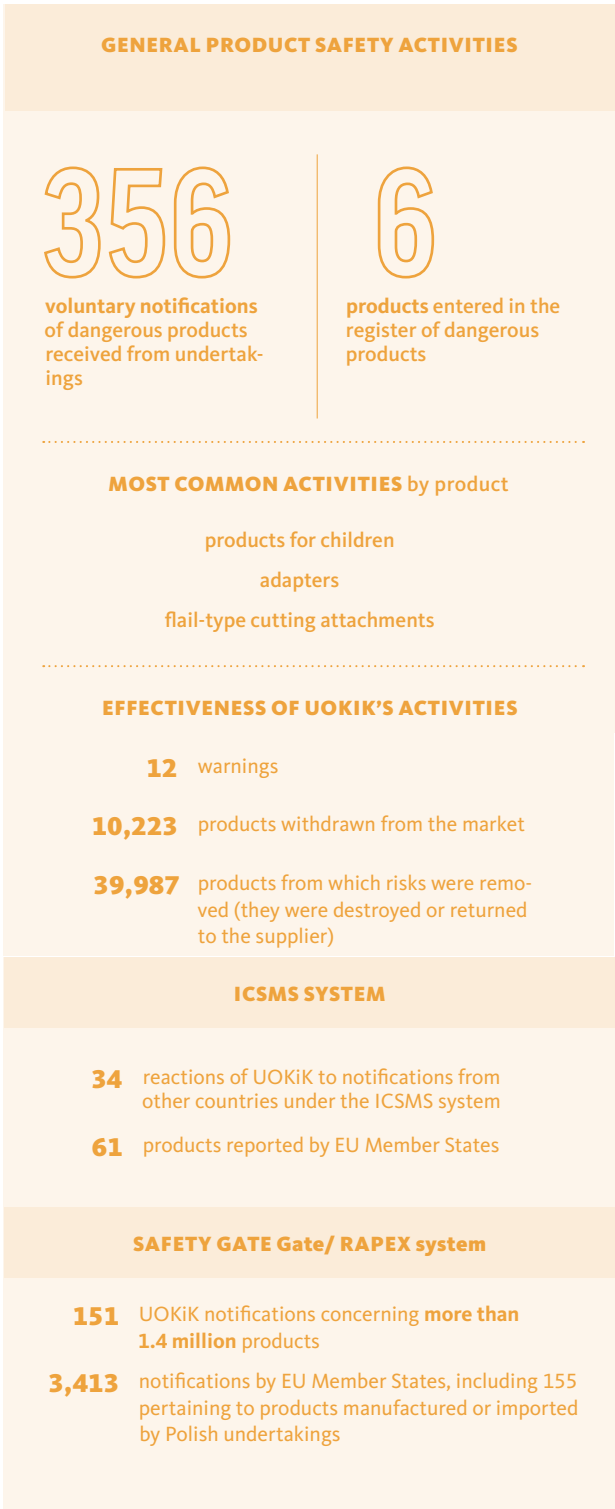
As part of the proceedings, the President of UOKiK may impose a fine or certain obligations on the manufacturer, importer or distributor, including the obligation to withdraw products from the market. In practice, **many businesses voluntarily take corrective action** to remove nonconformities or remove the product from the market **when the proceedings are still pending**. The Office's activities are related to inspections conducted by the Trade Inspection in the area of general product safety and the EU market surveillance system (more information: 2.2 Supervision over the Trade Inspection).



26 Supervision is exercised in accordance with the General Product Safety Act of 12 December 2003 (Journal of Laws of 2021, item 222).
27 Safety Gate: the EU rapid alert system for dangerous non-food products.
28 Supervision is exercised in accordance with the Act of 30 August 2002 on Conformity Assessment System (Journal of Laws of 2023, item 215) and the Act of 13 April 2016 on Conformity Assessment and Market Surveillance Systems (Journal of Laws of 2022, item 1854).
29 CE marking is the manufacturer's declaration that the product placed on the market complies with the harmonised requirements laid down in EU harmonised legislation. CE marking applies only to certain product categories – among others electrical appliances (including electronics and household appliances).
30 Information and Communication System on Market Surveillance.



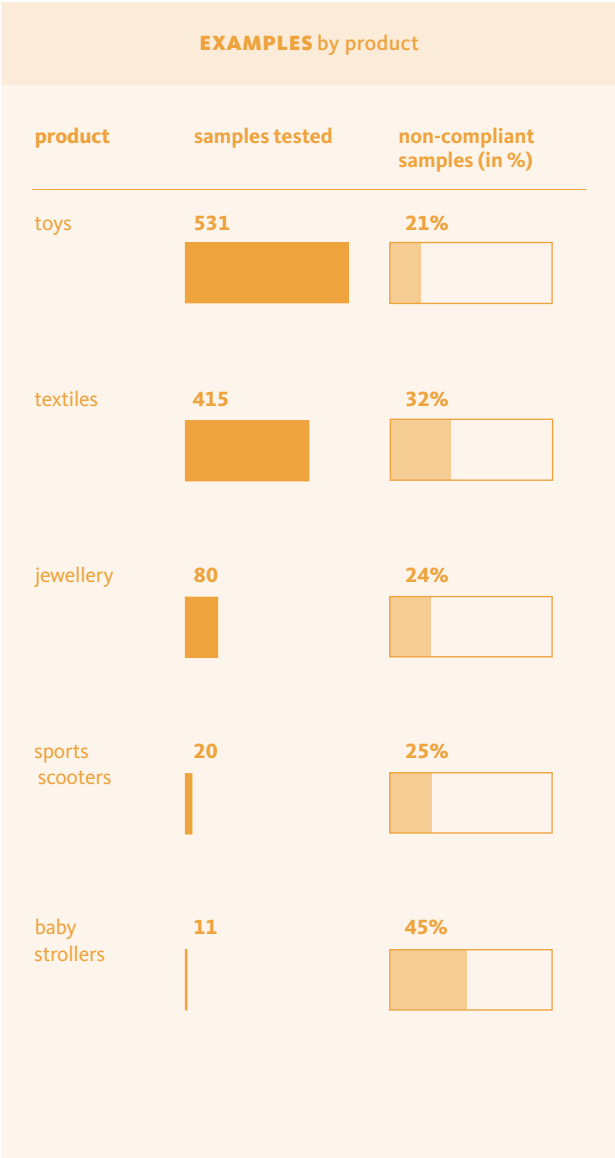
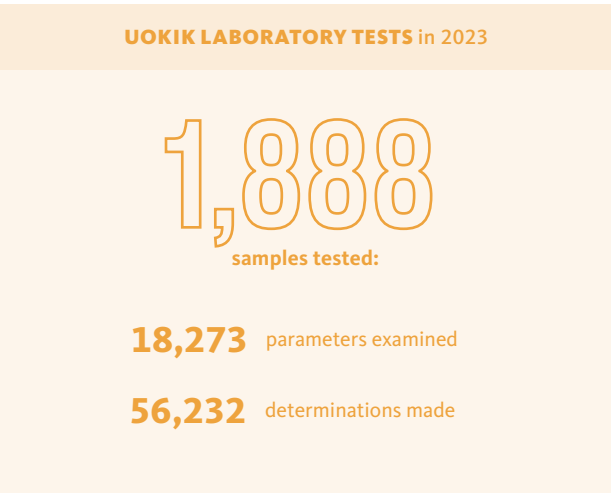
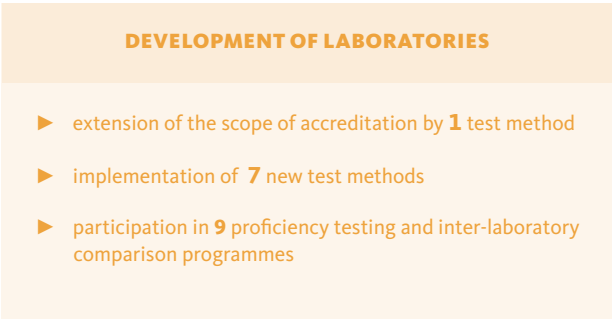
* Examples of types of decisions have been provided, but this data is not included in the total number of issued decisions. Pursuant to the General Product Safety Act, it is possible to issue different decisions, which often combine different categories – e.g. decisions to discontinue proceedings and impose a penalty or simply discontinuing the proceedings, decisions imposing obligations with or without a financial penalty, decisions imposing only a financial penalty.



» 2.4 «

Laboratories

UOKiK manages 3 laboratories performing tests on **liquid fuels, toys, textiles, and other non-food items**. The tests are performed primarily in connection with the inspection activities of the Trade Inspection and serve to withdraw products that do not meet requirements or pose a threat to consumers from the market. The laboratories are continuously developing their scope of accreditation and implementing new testing methods.



» 2.5 «

Out-of-court consumer dispute resolution system

The President of UOKiK supervises the out-of-court consumer dispute resolution system in Poland (also known as ADR – Alternative Dispute Resolution).³¹ It is made up of institutions conducting **amicable proceedings between consumers and undertakings** on matters falling within their competence. The Trade Inspection, as a horizontal institution, deals with matters for which no sector-specific entity has been established. The President of UOKiK conducts proceedings concerning entries into the register of ADR entities. In addition, he monitors the implementation of statutory obligations by authorised entities, among others, on the basis of annual reports. UOKiK operates an **ADR/ODR contact point**, which provides information on amicable proceedings and geoblocking and also offers assistance in filling out applications. ODR (Online Dispute Resolution) is a European platform for resolving disputes between consumers and undertakings which enables the filing of complaints about goods or services purchased online, both domestically and in all EU countries, Liechtenstein, and Norway.

ADR/ODR CONTACT POINT

1,480

pieces of advice given to consumers and undertakings, including:

- 315 concerning notifications submitted through the ODR platform
- 727 concerning e-mail notifications
- 431 concerning telephone notifications
- 7 concerning matters notified in another form

MOST FREQUENTLY REPORTED categories of cases

transport services – airlines – issues in case of flight delays, cancellations, and issues with booking or payment

consumer goods – clothing, including footwear – issues with refunds when withdrawing from the contract; rejection by the seller of complaints about defective products

consumer goods – furniture – issues with refunds when withdrawing from the contract; rejection by the seller of complaints about defective products

consumer goods – computer equipment – issues with returning refunds when withdrawing from the contract

31 The Act of 23 September 2016 on Alternative Consumer Dispute Resolution (Journal of Laws 2016, item 1823).

ADR ENTITIES IN POLAND

SECTOR ENTITIES

PUBLIC

financial and insurance services

The Financial Ombudsman;
The Court of Arbitration to the Polish Financial Supervision Authority

telecommunications and postal services

The President of the Office of Electronic Communications

energy services

The Negotiation Coordinator to the President of the Energy Regulatory Office

railway transport services

The Rail Passenger Rights Ombudsman to the President of the Office of Rail Transport

air transport services

The Passenger Rights Ombudsman to the President of the Civil Aviation Authority

NON-PUBLIC

services offered by banks

The Banking Arbitrator to the Polish Bank Association

sale of food products

The Centre for Alternative Resolution of Disputes Concerning Food at the Polish Federation of Food Industry Union of Employers

contractual services with undertakings that are participants in the financial market, insurance companies, mobile phone operators, cable TV operators, media providers and traders in receivables from contracts in the financial market, insurance, mobile phone, cable TV, and media supply

“Ultima Ratio” First Electronic Court of Arbitration to the Association of Notaries of the Republic of Poland in Warsaw

PUBLIC HORIZONTAL ENTITY

The Trade Inspection

sale of goods and services, in cases not covered by other specialised entities, including tourism, real estate development, education, and renovation and construction services

* As at 31 December 2023

»» 2.6 ««

Cooperation with consumer institutions

Cooperation with **municipal and district consumer ombudsmen** is an important part of UOKiK's efforts to effectively protect consumer interests. The Office organises and engages in training for ombudsmen, prepares, i.a., a special newsletter and provides free promotional materials related to consumer rights. The President of UOKiK is assisted by the National Council for Consumer Ombudsmen which acts as an opinion and counselling body.

The Office also cooperates with **consumer organisations** to exchange information on market infringements, review legal acts, and conduct information and educational campaigns. A special form of cooperation involves competitions for consumer organisations to carry out tasks aimed at providing free legal assistance to consumers – e-advice and consumer helpline – and the promulgation of consumer law³².

32 Grants are awarded by the President of UOKiK in accordance with the provisions of the Act of 24 April 2003 on Public Benefit Activities and Volunteering (Journal of Laws of 2023, item 571, Journal of Laws of 2024, item 834).



UOKiK allocated

PLN 1.6 million

to tasks involving provision
of legal assistance to consumers
and education

SUMMARY OF GRANTS MADE TO CONSUMER ORGANISATIONS

project	organisation	grant amount	effects
Consumer counselling in 2022-2023 data for 2023	ProPublika Foundation	PLN 1.4 million	134,660 pieces of advice provided , including: 103 756 by phone 30 500 by e-mail 12 webinars and 12 podcasts on consumer rights
ABC of the Young Consumer in 2022-2023 data for 2023	The Foundation for the Development of Digital Education	nearly PLN 75 thousand	367 kindergartens 11,195 children attending classes 375 trained teachers 16 training courses
Youth with rights @ modern times in 2022-2023 data for 2023	LexCultura Foundation	PLN 125 thousand	67 schools 460 classes 10,745 students attending classes

»» 2.7 ««

European Consumer Centre

The European Consumer Centre Poland (ECC Poland) operates at UOKiK and is part of the European Consumer Centres Network (ECC-Net).³³ ECC Poland **provides free advice to consumers** regarding their rights in the EU single market and helps them **solve individual cross border problems in an out-of-court way**.

In addition, the Centre carries out activities promoting European consumer rights while supporting the EC's information activities. It also cooperates with consumer protection institutions as well as business and consumer organisations. The ECC provides UOKiK with information on potential infringements of collective consumer interests.

EXAMPLES OF EDUCATIONAL ACTIVITIES

action	subject matter
education and information campaign at Polskie Porty Lotnicze	asserting rights during European travels
ECC's "EduAkcja" project – classes with high school students	safe online shopping

COMPLAINTS AND INQUIRIES FILED TO ECC

7,929

notifications handled, including:

5,455 complaints, including 1,652 mediations conducted
2,474 inquiries

MOST FREQUENT categories of cases reported to ECC

air transport – delayed and cancelled flights, baggage damage
purchase of clothes – withdrawal from contract, non-delivery, defective goods or non-conformity with the contract
accommodation – misleading offers, inconsistency of accommodation conditions with the offer, payment issues

33 The ECC-Net network is co-financed by the European Commission. ECC-NET includes 30 centres in EU Member States and in Norway, Iceland, and Great Britain.

MARKET RESEARCH

DRAFTING OF LEGAL
REGULATIONS

INFORMATION AND
EDUCATIONAL ACTIVITIES

INTERNATIONAL
COOPERATION

common
section

»» 3

3.1

Market research

The President of UOKiK conducts market research aimed at **diagnosing the general market situation, selected sectors or a specific problem** affecting the situation of consumers or conditions in which business activity is pursued. Such analyses are carried out in the form of separate administrative proceedings³⁴ and their results may be used for the authority to undertake intervention activities. Market research is carried out, among others, **by asking questions to undertakings** operating in a particular industry. The analyses focus in particular on markets that are at greater risk of anti-competitive behaviour due to their existing structure or changes. They can be nationwide or local.

MARKET RESEARCH		
research	nationwide	local
new proceedings	10	6
closed proceedings	5	12

including: 7 proceedings concerning monitoring public tenders related to the disbursement of EU funds

34 Market research is conducted in the form of preliminary investigations, which are separate from concentration or competition and consumer protection proceedings. Some of the proceedings concerning local markets are linked to nationwide research projects coordinated by the UOKiK headquarters.

In addition, the Office **commissions social surveys to learn about consumer opinions on selected topics**. The 2023 research concerned **social attitudes toward downsizing**, a business practice involving reducing the weight or volume of a product while keeping the same price.

EXAMPLES OF MARKET RESEARCH

Household coal market research

Between 2022 and 2023, UOKiK conducted a study on the hard coal distribution market, particularly for small customers. The case was linked to a sharp rise in prices in Q1 2022 and a decline in the availability of this type of hard coal in Poland. The increase was due to very low coal stocks in the country, as well as the fact that large price increases had already begun in global markets a few months earlier.

As part of the research, inspectors audited **nearly 3.9 thousand coal depots, examining, i.a., the number of employees and sales volumes**. Based on the information collected, it was possible to assess the structure of the market for coal retailers in Poland. The study showed that the retail market for energy coal sales to minor customers is fragmented. In Poland, coal is sold mainly by small-sized companies with a small number of employees. As many as 90 percent of undertakings have one or at most 2 fuel depots. The inspectors **also examined the legality of the vendors' operations**. In addition, as part of the coal market research, contracts entered into by manufacturers and importers (concluded within their distribution network) with distributors/agents were analysed. In one case, it was discovered that Przedsiębiorstwo Wielobranżowe Atex Sp. z o.o., dealing with the import, distribution, and wholesale and

retail sale of hard coal, may have imposed prices on its trading partners at which they resold the coal. As a result of such practices, distributors working with Atex were not able to sell heating fuel to consumers cheaper than at pre-determined prices. In December of 2022, the President of UOKiK **instituted antitrust proceedings** against PW Atex Sp. z o.o. (more information: 1.1 Competition-restricting practices)..

Photovoltaic market research

The share of photovoltaic installations in Poland's total electricity production has been growing rapidly for several years. In 2021, the power of panels sold in Poland amounted to over 2.8 billion Wp (Watopics) and increased more than twenty times compared to 2018. Regulations allowing advantageous settlement between prosumers and operators of the power grid, which were introduced during the period under review, as well as fiscal and financial solutions encouraged more energy consumers to instal photovoltaic panels.

The aim of the research was to **determine the structure of the market for marketing photovoltaic panels** in Poland. The research covered Polish panel manufacturers and Polish undertakings engaged in the import and distribution of panels of foreign brands. It was found that photovoltaic panels offered for sale in Poland in 2021 were mostly (more than 96 percent) manufactured abroad. Just over 3 percent of this production is organised on behalf of and under the brand name of Polish manufacturers. Meanwhile, less than 4 percent of the panels sold were manufactured at production facilities located in Poland. According to estimates, at least 1.1 thousand models were sold in Poland during the period under review. In the Polish market for the sale of photovoltaic panels between 2018 and 2021, there were **10 manufacturers and 39 distributors** involved in the marketing of foreign-made panels. The market structure has been determined based on the capacity of panels sold by individual entities. Observing the structure of the market for the sale of photovoltaic panels throughout the research period showed that **a steadily increasing number of entities were involved in introducing panels into circulation**. In addition, the study analysed public

procurement proceedings concerning the installation of photovoltaic systems organised by municipalities in the Lubelskie and Podkarpackie voivodeships. Overall, the study found that there were more than 9 thousand undertakings whose activity involved the installation of photovoltaic systems from 2018 to 2021.

Lime market research

The main goal of the market research conducted by UOKiK was to **assess the risk of threats to the competition in the covered markets**. The lime market research covered the following markets: ground lime, lump lime, and hydrated lime. The research covered the years 2015-2021.

The markets for marketing lime products are characterised by low levels of imports and exports in relation to the total sales of the examined entities, suggesting that these markets have a national geographic scope. In Poland, in the markets for individual lime products, there are mainly 2 entities involved in the marketing of lump and ground lime, as well as hydrated lime. These are companies from the LHOIST group and Trzuskawica S.A., which together account for about 80-90 percent of total sales during the period under review. The study **determined, among others, the geographic and product scope of the market, analysed the behaviour of both suppliers and customers of burnt lime products, changes in the level of average prices over the period under review, and the ownership structure of individual markets**.

3.2

Drafting of legal regulations

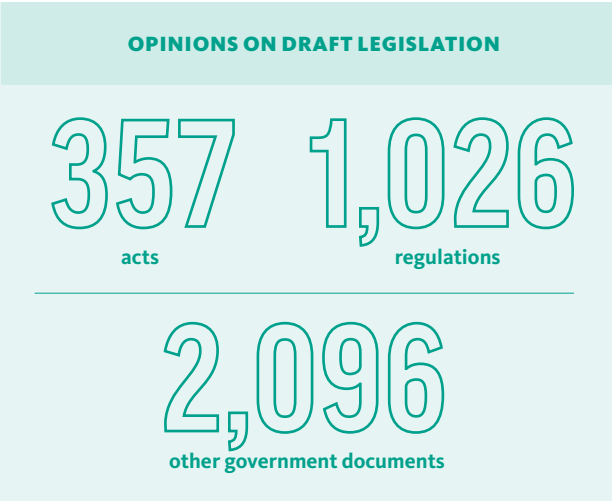
The President of UOKiK is committed to drafting legal regulations that **effectively protect consumer interests and support competition development**. He prepares legal solutions and analyses draft acts and regulations in terms of their potential impact on competition and the situation of consumers. The President is also involved in the development of international legal solutions applicable in the EU.

The Office regularly monitors the judicial decisions of the Court of Justice of the European Union (CJEU). In particular, it analyses **preliminary ruling** proceedings, i.e. those in which the CJEU interprets EU regulations at request of a national court. UOKiK analyses them in terms of whether it is justifiable to join them, if the relevant judgment could affect Polish case law.

LEGAL CHANGES – EXAMPLES

Amendments to the Competition and Consumer Protection Act – implementation of the ECN+ Directive

The amendment of the Competition and Consumer Protection Act was related to the implementation of Directive 2019/1 of the European Parliament and of the Council – the so-called ECN+ Directive. The Act aims to unify the competences of national competition authorities and equip them with procedural instruments for effective detection of infringements of competition law, among other things, it also changed the method of imposing fines on entrepreneurs who do not cooperate with the UOKiK at the stage of collecting evidence or provide false information and commit infringements related to



inspections and searches. Under the amended law, the penalty is now up to 3% of the turnover achieved in the preceding year before the decision is issued. Periodic fines were introduced. They amount to up to 5% of the average daily turnover of the undertaking in the year preceding their imposition. Such penalties may be imposed, among others, for each day of delay in the implementation of the Office's decision or related judicial decisions. Changes have also been introduced to **the leniency programme**. One of them involves the exclusion of criminal liability for

participating in a tender collusion for undertakings which apply for a reduction or waiver of penalty.

According to the amendment to the Act, **everyone is currently obliged to provide UOKiK with the requested information or documents**. It used to be the case that only undertakings or their unions were obliged to do so.

The implementation of the ECN+ Directive allows for more effective cooperation between national authorities. The amendments to the Act provide, among others, **for UOKiK's assistance in conducting proceedings by the antitrust authorities of other EU Member States**. For example, a competition authority may request a witness or, in justified cases, request a hearing with a court in a case pending in another country. Antitrust authorities in other countries may verify the implementation of the decisions of the President of UOKiK on their territory; similarly the Polish Authority, at the request of its counterpart from another country, may verify the implementation of the latter's decision.

One of the aims of the directive is to increase the independence of individuals acting in the capacity of anti-trust authorities. To this end, the amendment introduced **a term of office for the President of UOKiK** who will be elected for 5 years.

The amended Act entered into force on 20 May 2023.

Changes in pursuing claims

UOKiK continued work on the draft act,³⁵ aimed at implementing EU Directive 2020/1828 on representative actions. **The regulation will enable authorised entities to bring actions in relation to practices infringing general consumer interests**. Authorised entities will be able to request the cessation of practices infringing the interests of a consumer group and the application of remedies, such as compensation or price reduction. The changes provide for new competences of the President of UOKiK, including the examination of applications concerning the designation of an authorised entity in this regard. In November 2023, the draft act was approved by the European Affairs Committee.

35 Draft Act amending the Act on the Investigation of Claims in Group Proceedings and Certain Other Acts (UC 139).

Work on EU payment gridlock regulations

Within the framework of cooperation with the Ministry of Development and Technology, UOKiK participated in legislative work on a draft regulation of the European Parliament and the Council on combating late payment in commercial transactions. The regulation is intended to replace Directive 2011/7/EU of the European Parliament and of the Council of 16 February 2011 on combating late payment in commercial transactions, which was implemented into the Polish legal system by the Act of 8 March 2013 on Counteracting Excessive Delays in Commercial Transactions. UOKiK co-created the Polish government's draft position on the regulation by assessing individual provisions of the legislative proposal.

Expansion of fuel quality monitoring and control system – consultations

The fuel industry submitted a proposal to the Ministry of Climate and Environment regarding the expansion of the fuel quality monitoring and control system to include **the railway fuel segment**. In 2023, working consultations on this matter began. The proposed change is prompted by the risk of illegal trading in liquid fuels and the use of this market segment to supply fuels that do not meet quality requirements, including in terms of various tax frauds (such as using fuel mixtures containing heating oils or lubricating oils as transport fuel).

EU LEGISLATION – examples of UOKiK’s involvement

development of a new directive on the **right to repair**

- ▶ promoting the repair of goods and preventing the premature disposal of consumer goods suitable for repair to strengthen sustainable consumption

development of a new directive on **green claims** and a directive to **strengthen consumers’ position in the environmental transition** through better protection against unfair practices

- ▶ countering inappropriate and misleading environmental labelling that has an adverse effect on consumer decisions at various stages of consumption: when advertising, purchasing, or using products
- ▶ basing the justification of clear green claims on recognised scientific data and the latest technical knowledge

amendments to the acts on **alternative dispute resolution for consumer disputes** (amendment of the ADR Directive and repeal of the ODR Regulation)

- ▶ adapting the ADR framework to digital markets, taking into account EU consumer rights
- ▶ increasing the effectiveness of existing solutions by, among others, using ADR in cross-border disputes and simplifying ADR proceedings

3.3

Information and educational activities

UOKiK informs and educates various groups of recipients through: its website and social media, cooperation with media and institutions, public awareness campaigns, webinars and podcasts, themed web portals, interactive on-line tools, publications, contests, and funding for projects carried out by consumer organisation

CONSUMER RIGHTS

#ConsumerRights2023

Since the beginning of the year, UOKiK has launched an information campaign related to regulatory changes. #ConsumerRights2023 are **new rules** for: complaints, information about price reductions, verifying reviews, placing offers online, and contracts concluded at trade shows and tours.

UOKiK educated consumers and consumer protection institutions. It also made it easier for undertakings to navigate the new regulations through **special publications with practical knowledge** – tips and examples:

- “Information about price reduction. Clarifications by the President of UOKiK”
- “Consumer Revolution 2023 – A Guide to Changes in Consumer Law” (in cooperation with LexCultura Foundation)

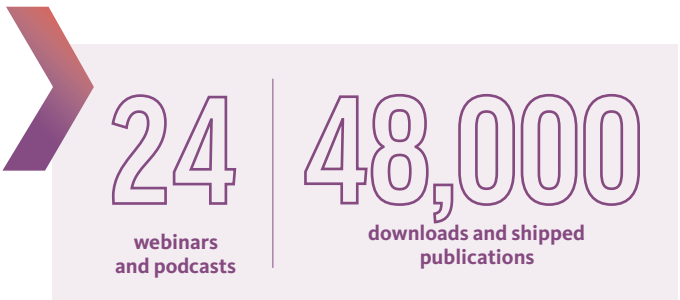
World Consumer Rights Day

UOKiK celebrated this day under the slogan: **“Consumer Rights – get to know, use and share information!”**. The website prawakonsumenta.uokik.gov.pl has received updated content and a new graphic design. It serves as a comprehensive virtual guide to consumer regulations. In addition to concise knowledge, it includes ready-made letter templates, webinars and podcasts, infographics and brochures, and contact details of helpful institutions.



#OnHoliday, #WinterHolidays, #HolidaysAreComing

UOKiK, together with the European Consumer Centre, conducted **workshops on consumer rights when travelling and during peak shopping seasons**. It reminded consumers of their rights to: complaints, contract withdrawal, and clear and complete information about prices. It also urged consumers to compare offers, carefully read terms and conditions, and make reasonable financial decisions.





SAFE FINANCE

Website and calculators

Finanse.uokik.gov.pl is a website with practical information about **alternative investments, unauthorised transactions, consumer loans, and mortgage loans**. In addition to news and an FAQ section, it offers useful web tools, contact details of helpful institutions, and consumer alerts.

UOKiK **urged thoughtful financial decisions and warned against risks** associated with pyramid-type incentive schemes, cryptocurrencies, investment promissory notes, and investments in apart- and condo hotels.

The website features **2 calculators**: one for changes in mortgage interest rates and another for refunds due to early repayment of a consumer loan. In addition, a special form allows consumers to obtain preliminary information whether they are eligible for the Borrower Support Fund.



Modern financial education

Each year, UOKiK participates in the OECD’s international campaign Global Money Week, which is coordinated in Poland by the Polish Financial Supervision Authority. It is also actively involved in Financial Education Day (Dzień Edukacji Finansowej), organised by the Stock Exchange Foundation as part of its World Investor Week campaign. This time, UOKiK presented lectures titled **“Consumer Lesson in Assertiveness – Just Say NO!”** and **“Interactive Education – Youth with Rights @ Modern Times”**. The events were attended by 76 thousand people.

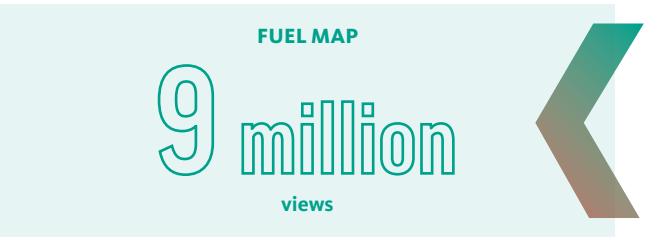
PRODUCT SAFETY

#Safety – Inspections of the Trade Inspection

The Office published **25 inspection reports** from the Trade Inspection regarding the safety and quality of products – **toys, electronic devices, household appliances, and clothing**. The materials included advices for consumers and undertakings, such as how to recognise a proper CE marking and what to do with a dangerous product. UOKiK also cooperates with the National Revenue Administration. Public awareness campaigns focused on customs inspections of **carbon monoxide detectors, sunglasses, barbecues, and pyrotechnic products**.

Fuel map

UOKiK publishes the results of inspections of liquid fuel and LPG quality conducted by the Trade Inspection. The data is regularly updated and presented on **a virtual map**. This makes it easy to see which stations offer high-quality fuels. The inspection results are widely used, e.g. by driver portals and navigation app.



INFLUENCER MARKETING

UOKiK continued its **#ITagAds** efforts to enhance transparency in the tagging of advertising materials on social media. It educated consumers, online content creators, and advertisers about cases when an influencer becomes an undertaking, how to properly tag sponsored content, and who is responsible for concealing the commercial nature of a post. Office experts also shared their knowledge and practical tips during industry webinars and conferences.

The Office initiated and organised a roundtable discussion focused on **the faster and more effective elimination of legally restricted or completely banned advertisements** for medical devices, dietary supplements, medicines, gambling or alcohol. Participants included representatives from government institutions, social media platforms, the advertising industry, and academia.³⁶

36 The UOKiK roundtable discussion was attended by representatives of: Facebook and Instagram (Meta), YouTube (Google), and TikTok; the Office for Registration of Medicinal Products, Medical Devices and Biocidal Products; the Chief Sanitary Inspectorate; the Chief Pharmaceutical Inspectorate and the National Revenue Administration; IAB Poland and the Advertising Council; the University of Warsaw and the Adam Mickiewicz University

Awards for UOKiK

The #ITagAds campaign was **recognised for modern creator education** at Influencers Live Wrocław – one of the largest events for internet creators in Europe, as well as a **Bronze Paperclip in the category fighting disinformation** in the “Gold Paperclip” competition – the largest PR contest in Poland.

Black Friday Woollen polyester?!

The lowest price in the last 30 days before the

#ConsumerRights

CE marking Bans at shows

Playground or ground for concern?

#Education Cryptocurrencies

#Security Dropshipping

Unauthorised transactions

Dark patterns Chemicals in toys

Deferred payments **#Finance**

Alternative investments

Check your fuel **Pyramid schemes**

More than **50 thousand** people following UOKiK profiles, including more than **16 thousand** new followers

More than **1.8 thousand** publications viewed more than **5 million** times by over **3.3 million** users





EDUCATION OF CHILDREN AND YOUNG PEOPLE

ABC of the Young Consumer

UOKiK has completed a two-year project for preschoolers and their teachers, educators, and parents. The youngest consumers learned about **basic consumer concepts and principles of thoughtful purchases**. Trained teachers gave classes based on the Office’s expert materials concerning:

- the definition of a consumer,
- receipts and complaints,
- thoughtful purchases.

The project was funded by UOKiK and carried out by the Foundation for the Development of Digital Education. As part of the project, children created 76 consumer-themed works for 2 art contests.



Youth with rights @ modern times

UOKiK’s two-year educational project for high school students has come to an end. Students learned about **safe shopping and online finance** and tested their skills on the simulator konsument.edu.pl.

The project was funded by UOKiK and carried out by LexCultura Foundation.



SIMULATOR

Konsument.edu.pl is a social media simulator with 10 traps, including shopping scam, BLIK code phishing, alternative investments, pyramid scheme.

1.3 million page views

ONLINE GAMES

“Sklepowe memo” and “Na zakupach” games are available at malykonsument.uokik.gov.pl. These games educate, entertain, and improve memory and perceptiveness.

62 thousand page views

STUDENT COMPETITIONS

Master’s theses

The 14th edition of the competition for the best master’s theses in the field of competition protection and the 12th edition in the field of consumer protection took place. A total of 22 theses were submitted. **Awards and honourable mentions were awarded to the authors of 7 works.** The best theses were published as part of the “UOKiK Library” publishing series.

WINNERS

Pursuing damages for violation of competition law in the case law of the Court of Justice of the European Union

Łucja Olszewska
the Faculty of Law and Administration,
University of Warsaw

Consumer right to withdraw from a credit agreement in light of the principle of contractual balance between the parties in European Union law

Jakub Jasiński
the Faculty of Law and Administration,
University of Warsaw

Summer Camp Workshop



The **first edition** of UOKiK’s Summer Camp, a five-day workshop on competition law, took place. 24 students from all over Poland learned about the inner workings of the Office, including: unfair practices, abuse of a dominant position, concentration control, open-source intelligence, computer forensics, and mystery shopper. The project aims to educate future antitrust experts.

AWARD FOR UOKIK

Summer Camp '23 received **an award for its modern and engaging format in the Competition Advocacy Contest 2024** held by the International Competition Network and World Bank Group.

UOKiK FOR SENIOR CITIZENS

The Office introduced new consumer regulations that **increased protection for seniors**: extending the withdrawal period to 30 days for contracts concluded during an unsolicited visit to the consumer’s home or during a trip; banning the conclusion of financial contracts during show or trips; and prohibiting the acceptance of payments before the withdrawal period for such contracts expires.

Educational campaigns also focused on **psychological and behavioural factors** – how to set boundaries and defend your rights, how to protect yourself from marketing ploys, pressure, and other practices of dishonest vendors.

Every year, UOKiK participates in **Senior Citizen’s Day** celebrations in cooperation with the Social Insurance Institution (Zakład Ubezpieczeń Społecznych - ZUS). An article in the magazine “ZUS dla Seniora” covered new regulations and trade shows organised under the pretext of free health checks.

EXAMPLES OF ACTIVITIES

Webinar:

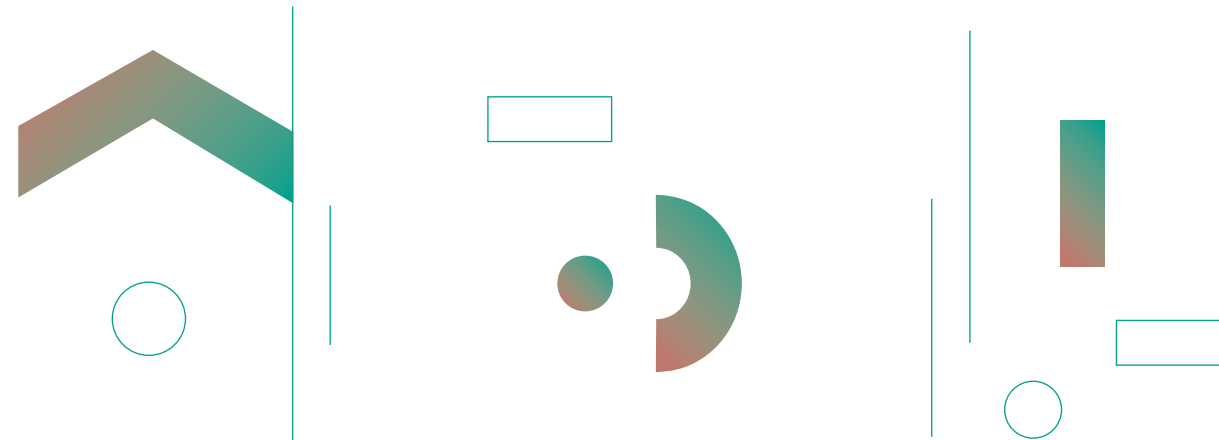
Health checks as a show – tricks of dishonest undertakings

Podcast:

The world’s most expensive pots, or senior citizens at a trade show

Actions:

Bans at trade shows, Advertisements for magic medicines and pseudomedical products



International cooperation

The President of UOKiK undertakes numerous international activities, including initiating and cooperating with other institutions within the framework of bilateral and multilateral contacts. Representatives of the Office participate in the work of the European Union institutions, taking an active part in the working groups of the EU Council (e.g. WP COMP and WP CONSOM) and contributing to the drafting of EU legislation. Office experts also participate in non-legislative initiatives (such as joint letters). International cooperation also includes the implementation of projects from EU funds and within the framework of Polish development cooperation.

UOKiK’S PARTICIPATION IN INTERNATIONAL NETWORKS AND ORGANISATIONS – examples

<div>■ CPN</div> <div>Consumer Policy Network</div>	<div>■ CPC</div> <div>Consumer Protection Cooperation</div>	<div>■ ICPEN</div> <div>International Consumer Protection and Enforcement Network</div>	<div>■ UNCTAD</div> <div>United Nations Conference on Trade and Development</div>
<div>■ OECD</div> <div>Organization for Economic Co-operation and Development</div>	<div>■ ECN</div> <div>European Competition Network</div>	<div>■ ICN</div> <div>International Competition Network</div>	<div>■ CSN</div> <div>Consumer Safety Network</div>
<div>■ EUPCN</div> <div>European Union Product Compliance Network</div>	<div>■ AdCos</div> <div>Administrative Cooperation Groups</div>	<div>■ SAM WG</div> <div>State Aid Modernisation Working Group</div>	<div>■ TSG</div> <div>Transparency Steering Group</div>
<div>■ consumers</div>	<div>■ competition</div>	<div>■ product safety and market surveillance</div>	<div>■ state aid</div>

EXAMPLES OF INTERNATIONAL COOPERATION

Presidency of ICPEN

In July of 2023, UOKiK assumed the **presidency of the International Consumer Protection and Enforcement Network (ICPEN)**, directing its activities and inspiring global efforts to protect consumers. As part of this role, the Office organises 2 conferences for network members – the first was held in October 2023 in Warsaw, and the second is scheduled for May 2024 in Gdańsk. The events are co-financed by EU funds.



The guiding theme and goal of the Polish presidency is to **empower responsible consumer choices**, which is particularly important in the context of the current economic situation and the associated risk of fraudulent business activities. Important topics include online marketing, including influencer marketing and transparency in the tagging of advertising content and dark patterns, which constitute unfair practices that are based on knowledge of consumer behaviour to influence consumer decisions, and AI solutions to facilitate the detection of prohibited contract clauses. In addition, the Office is the leader of the projects titled **“Consumer Protection on the Internet – Finance of the Future: Services and Scams”** and **“Online Marketing”**.

UOKiK also conducts intensive efforts to **expand ICPEN**. During the Polish presidency, consumer protection authorities from Armenia, Georgia, and Romania joined the network.

Memorandum of Regional Understanding

In April of 2023, the President of UOKiK, together with 9 competition authorities (from the Czech Republic,

Estonia, Latvia, Lithuania, Moldova, Romania, Slovakia, Ukraine, and Hungary), signed **an agreement on cooperation for Central and Eastern European**. In December, the Austrian Federal Competition Authority joined the initiative. The most important goal of the agreement is to **work together on the development of competition law**, including, in particular, supporting 2 EU candidate countries – Moldova and Ukraine – in their membership efforts. The participants will exchange their experience and best practices in a form of working groups, study visits, workshops, and informal meetings regarding, among others, pending market proceedings and research. The rotating presidency oversees the activities – in 2023, this role was held by UOKiK. The activities were carried out within the framework of the Polish Aid project funded by the Ministry of Foreign Affairs of the Republic of Poland.

Polish Aid – Moldova and Ukraine

“Polish Aid” is a kind of development cooperation implemented by the Ministry of Foreign Affairs of the Republic of Poland. Under funds from this programme, from April to December 2023, UOKiK led the project “Institutional Assistance for Antitrust Authorities in Ukraine and Moldova” for the benefit of 2 beneficiaries – the Moldovan Competition Council (CC) and the Antimonopoly Committee of Ukraine (AMCU). Its primary purpose was to **provide expert assistance to the two institutions on competition law and state aid** in the context of their future EU membership. The following activities were carried out as part of the project:

- **April** (Warsaw) – **meeting** at the level of presidents of antitrust authorities – in addition to signing a regional cooperation agreement, a workshop was held on issues of institutional management, human resources development, methods of identifying and setting priorities in the enforcement of competition law, and methods of communication with the institution’s environment (advocacy);
- **May, June** (Chişinău) and **November** (Warsaw) – **workshops** with experts from antitrust authorities – signatories to the regional agreement; topics of the meetings included practical aspects of competition law enforcement, including detection of cartels and tender collusion searches, contractual advantage,

- proceedings in digital markets, market research, legislation, and issues of state aid and communications;
- **September** (Poznań, Bydgoszcz) – **expert internship** at UOKiK branch offices in the form of job shadowing, involving consultations and analysis of specific cases from the practice of AMCU and UOKiK; the topics of the meetings included practical aspects of market research and contractual advantage;
- **December** (Chişinău) – **study visit** – consultations with experts from the Moldovan CC focused on ways to prevent tender collusion and unfair trade practices and legislative issues.

Twinning – Serbia, Morocco, and Georgia

Twinning is a European Union assistance instrument consisting of providing expert support to public institutions in EU candidates and countries covered by the European Neighbourhood Policy and partnership by the public administrations of EU Member States.

In 2023, UOKiK implemented **3 twinning projects**, funded by the EU:

- a project aimed at **reinforcing the consumer protection system in Serbia**, carried out within the framework of the Slovakia-Germany-Poland consortium. Its purpose is to prepare the Serbian Ministry of Trade, Tourism and Telecommunications for legal and institutional changes resulting from Serbia’s EU membership in the future. Project implementation period: June 2021 – May 2023.
- a project aimed at **reinforcing the institutional capacity of the Competition Authority in Morocco**, carried out in cooperation with antitrust authorities from Greece and Italy. The measures were aimed at providing expert support to the Moroccan antitrust authority and to enhance the economic competitiveness and development of the private sector in Morocco. An important aspect of the measures was to promote the approximation of Morocco’s legislation to EU regulation and the implementation of best international practices. Project implementation period: December 2021 – December 2023.
- a project aimed at **providing institutional support in the area of market surveillance in Georgia**, implemented in consortium with Lithuania and Germany. Its goal is to assist the Georgian Market Surveillance

Agency in developing a package of legislative changes, bringing the country’s regulations closer to EU standards, and implementing appropriate institutional solutions to enhance consumer protection in Georgia. Project implementation period: October 2023 – June 2025.

TAIEX projects – Moldova, Libya, and Armenia

TAIEX is the Technical Assistance and Information Exchange instrument of the European Commission. TAIEX supports public administrations with regard to the approximation, application and enforcement of EU legislation as well as facilitating the sharing of EU best practices.

In 2023, UOKiK CARRIED OUT THE FOLLOWING EU-FUNDED TAIEX PROJECTS:

- ▶ a **peer-review mission** on state aid to the Moldovan Competition Council;
- ▶ a **competition protection expert mission** to the Libya’s Competition and Monopoly Prevention Council (the mission took place in Tunisia);
- ▶ a **study visit** by representatives of the Armenian Ministry of Economy to Warsaw regarding the consumer protection system.

UOKiK’s activity in the European Competition Network (ECN)

In 2023, UOKiK initiated the activities of the ECN International group, aimed at:

- providing a platform for national competition authorities of the EU and the Directorate-General for Competition (DG COMP) to coordinate cooperation, exchange information, and provide technical support in international activities;
- expanding cooperation with international partners from Europe and worldwide.

Meetings under this initiative are held twice a year. In 2023, during meetings in June and December, experts from EU antitrust authorities and DG COMP presented their initiatives and planned activities in the area of international cooperation.

REPORT ON UOKIK ACTIVITIES IN 2023



ENGLISH VERSION



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POLISH VERSION



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