COLLUSION IN SELLING MONITORING EQUIPMENT - PRESIDENT OF UOKIK HAS IMPOSED MORE THAN PLN 37 MILLION FINE

* **One of the country's largest manufacturers of electronic monitoring equipment, Dahua Technology Poland, has entered into collusion restricting competition with its distributors.**
* **Entreprenenurs set prices and divided the market among themselves.**
* **President of UOKiK has imposed fines on the companies and seven individuals directly responsible for the prohibited agreement, totaling more than PLN 37 million.**

 **[Warsaw, 21 December 2023]** Dahua Technology Poland (Dahua) is an exclusive importer and wholesale distributor of the Dahua brand - a well-known global manufacturer of electronic monitoring equipment (including IP and HDCVI cameras, DVRs, video intercoms or gate and doorman stations). The company sells these products to its distributors who deal with further wholesale or retail resale in on-site stores and on the Internet. The investigation showed that Dahua Technology Poland entered into an anti-competitive agreement with distributors of its products. President of UOKiK imposed fines on six of them, namely: Alpol, Alkam Security, Eltrox (formerly: E-commerce Partners), Delta - Opti and Techglobal. Seven managers (two from Dahua Technology Poland, Alpol and Eltrox, and one from Alkam Security) who violated the law were directly responsible for the unauthorized arrangements.

*- The entrepreneurs set prices for product sales and divided the market among themselves by assigning customers to certain entities. This meant that consumers, companies or institutions were deprived of the opportunity to buy electronic monitoring equipment more cheaply than at top-down rates. They also lost the opportunity to buy from traders who could have offered a better deal* - says President of UOKiK, Tomasz Chróstny.

**Price Collusion**

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 by 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 the framework of promotions it organized. Price fixing may also have taken place at a lower level of the distribution system. Dahua asked distributors to apply their channel partners to set resale prices. In addition, the importer monitored compliance with the findings. The distributors themselves also asked 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.

**Market Sharing**

The second anti-competitive practice was market sharing. In the case of a large-amount deal for product installation, Dahua would grant the first distributor to report such a deal a higher discount, as well as so-called project protection. 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.

Thus, the customer could only use the Dahua distributor that presented them with an offer first, even if another was willing and able to offer a more favorable proposal.

**Sanctions**

The fines imposed on companies and their managers amounted to PLN 37,015,616.96.

Fines imposed on companies:

* Dahua Technology Poland - PLN 22,191,472.31
* Alkam Security from Jablonne- PLN 1,750,168.85
* "Alpol" from Katowice - PLN 1,880,340.62
* Eltrox from Częstochowa - PLN 6,716,275.63
* Delta - Opti Monika Matysiak from Poznań - PLN 2,746,100.63
* TECHGLOBAL Marcin Gradzewicz **(partner in a civil partnership)** from Gdansk - PLN 496,066.96
* TECHGLOBAL Michał Gałęzowski **(partner in a civil partnership)** from Gdansk - PLN 496,066.97

Penalized individuals:

* Artur Prusinowski - PLN 245,000.00
* Andrzej Jarzyna - PLN 75,000
* Dariusz Kondraciuk - PLN 100,000
* Piotr Bąchorek - PLN 85,000
* Paweł Zemła - PLN 42,500
* Zbigniew Dąbrowski - PLN 148,750
* Mateusz Kurowski - PLN 42,875.

The issued decision is not final and biding and may be appealed against to the court.

The maximum penalty for participation in an anti-competitive agreement is 10 percent of turnover for the entrepreneur and PLN 2 million for managers.

Severe sanctions can be avoided by taking advantage of the [leniency scheme](https://konkurencja.uokik.gov.pl/program-lagodzenia-kar/).It offers to entrepreneurs involved in an illegal agreement and to managers responsible for collusion an opportunity to reduce a fine or, in some cases, avoid it altogether. It is applicable to those who agree to cooperate with the President of UOKiK as a “crown witness” and provide evidence or information on the illegal agreement. We encourage the parties interested in the leniency scheme to contact the Authority. By calling a dedicated number: 22 55 60 555, you will be able to talk to UOKiK lawyers, who will answer all of your questions related to leniency applications - including those asked anonymously.

We also remind you that we conduct a program to obtain information from anonymous whistleblowers. Do you wish to inform UOKiK about competition restricting practices? Visit <https://uokik.whiblo.pl/> or scan the QR code below and use the simple form. The pan-European system we rely on ensures full anonymity, also towards the Office itself.

QR code for the whistleblower platform:

