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# The importance of agreements restricting economic competition of small and medium-sized enterprises and the compliance programmes in Hungary[**]

**ABSTRACT:** This study presents the economic role of small and medium-sized enterprises, their competitive culture, and the practices they typically employ to restrict economic competition, as well as the relevant Hungarian competition law and case law. In Hungary, compliance programmes with a focus on competition law play an important role in monitoring competitive practices, and it is crucial that small and medium-sized enterprises also implement and utilise them. Therefore, this papers also addresses the competition law and jurisprudential background underlying these compliance initiatives.

**KEYWORDS:** competition law. compliance, small and medium-sized enterprise, SME, compliance policy, agreements restricting economic competition.

## 1. Definition, economic importance and competition culture of small and medium-sized enterprises

Small and medium-sized enterprises (hereinafter: SMEs) are a key focus of EU policies due to their significant role in the economy.[1] To support them, a single definition was needed at the EU level, which is provided by

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[1] 99 percent of EU companies are SMEs. SMEs employ around 100 million people and are a vital source of entrepreneurship and innovation, which is key to the competitiveness of EU companies, [Online]. Available at: https://www.europarl.europa.eu/factsheets/en/sheet/63/small-and-medium-sized-enterprises; https://single-market-economy.ec.europa.eu/smes/sme-fundamentals/sme-definition_en (20 January 2025).

Commission Recommendation 2003/361/EC concerning the definition of micro, small and medium-sized enterprises (hereinafter: Recommendation).[2]

SMEs are highly diverse in terms of the form and size of their operations. It is not possible to provide a single definition; instead, they are defined in terms of economic parameters. Their categorisation depends on factors such as the number of employees, annual revenue (turnover) and annual balance sheet total. In addition, their relationship with other enterprises also plays an important role.[3]

Based on the Recommendation, the Hungarian legislator defined the concept of SMEs in Act XXXIV of 2004 on small and medium-sized enterprises and support for their development (hereinafter: SME Act).[4]
SMEs play a significant role in the Hungarian economy. In 2021, their number exceeded 850,000, employing more than 2 million people.[5] According to 2023 statistics, there are 893,692 SMEs and 57,381 self-employed individuals (without employees). The most enterprises are one-person enterprises with one employee (598,412), followed by micro enterprises with 2-9 employees (196,537), small enterprises (35,739) and medium-sized enterprises (5,623).[6]

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[2] ELI: http://data.europa.eu/eli/reco/2003/361/oj (20 January 2025).
[3] EC, 2020.
[4] Definition of Small and Medium-Sized Enterprises Section 3
(1) An enterprise is considered to be an SME
a) which employs fewer than 250 persons and
b) which has an annual turnover not exceeding the forint equivalent of EUR 50 million, and/or an annual balance sheet total not exceeding the forint equivalent of EUR 43 million.
(2) Within the SME category, a small enterprise is defined as an enterprise which
a) employs fewer than 50 persons and
b) whose annual turnover and/or annual balance sheet total does not exceed the forint equivalent of EUR 10 million.
(3) Within the SME category, a micro enterprise is defined as an enterprise which
a) employs fewer than 10 persons and
b) whose annual turnover and/or annual balance sheet total does not exceed the forint equivalent of EUR 2 million.
[5] Hungarian Central Statistical Office: 9.1.1.17. Business performance indicators by category of small and medium-sized enterprises, [Online]. Available at: https://www.ksh.hu/stadat_files/gsz/hu/gsz0018.html (20 January 2025) https://www.ksh.hu/sajtoszoba_kozlemenyek_tajekoztatok_2022_03_01 (20 January 2025).
[6] Hungarian Central Statistical Office: 9.1.1.17. Business performance indicators by category of small and medium-sized enterprises, [Online]. Available at: https://www.ksh.hu/stadat_files/gsz/hu/gsz0018.html (20 January 2025).

SMEs are characterised by a strong regional concentration, with Central Hungary being the most important region. Micro enterprises are basically dominant.[7]

Like large companies, the fundamental goal of SMEs is economic growth, and this ambition is accompanied by sometimes fierce market competition. However, SMEs often lack the sophisticated legal and competition law culture – including compliance programmes – that large companies possess. Consequently, SMEs are more likely to commit competition law infringements.

The SME sector is less endowed with financial and human resources, has less sector-specific knowledge and typically does not require as extensive competition law expertise as large companies. Large companies invest more effort in acquiring competition law knowledge and prioritising compliance policies. The difference between the two sectors can also be observed in terms of motivation; large companies tend to be more concerned about the fines and potential reputational damage resulting from infringements. Competition compliance is more effective in large companies because they have the resources to implement, maintain and update the compliance programme. What is more, subsidiaries can benefit from support provided by their parent companies. In contrast, SMEs usually lack the capacity and resources to maintain adequate and up-to-date knowledge in this area.[8]

Research conducted in 2012 with the support of the Hungarian Competition Authority showed that, although SMEs are active participants in economic competition, they have a low level of compliance with competition rules. A possible reason is that a significant proportion of SMEs have limited direct exposure to competition law and little or no direct understading of its operation and importance. The results of the research showed that the majority of the participating companies did not have a clear idea of how to comply with competition rules. Only a small proportion of them (typically around 10-20 percent) have made active efforts to comply with competition rules. Among the four main competition law compliance tools (competition law education, internal rules, audit and employee reporting), reporting and internal rules were the most commonly adopted measures.[9]

[7] Vertesy, 2018, pp. 4-5.
[8] Kelecsenyi, 2016, pp. 16-17.
[9] Nagy and Salgó, 2012.

In the area of improving competitive culture, the Hungarian Competition Authority's priority is to increase SMEs' awareness of competition.

Data from a 2015 survey commissioned by the Hungarian Competition Authority indicate a slight improvement in knowledge. In a 2012 survey, 22 percent of SME managers had not heard of competition law; while this figure remained unchanged for small businesses in 2015, it improved to 16 percent among medium-sized enterprises. The survey also revealed that businesses, especially SMEs, are generally unaware of the concept of cartels, the associated legal sanctions (criminal, public procurement, competition and civil) and other negative consequences (e.g. damage to the company's reputation). The capacity of the Hungarian Competition Authority alone lacks the capacity to address the issue of limited awareness of competition among SMEs.[10]

According to the Hungarian Competition Authority, between 2002 and 2013, 71.5 percent of the companies involved in cartel cases were SMEs, while 28.5 percent were large companies.[11]

The lack of knowledge of competition law among SMEs is also reflected in the Hungarian Competition Authority's lash Report 2021, which shows that 75 percent of the companies affected by the Hungarian Competition Authority's decisions in the first half of 2021 (including both competition and consumer protection decisions) belonged to the domestic SME sector.[12]

This is despite the fact that the 2022 Eurobarometer on EU competition policy indicates that a significant majority of respondents, including Hungarian SMEs, consider competition to be necessary and beneficial, believing that it promotes innovation, and increased choice.[13]

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[10] 2025 Annual Report of Hungarian Competition Authority tot he Hungarian Parliament, p. 12. [Online]. Available at: https://www.ort.hu/wp-content/uploads/2019/02/gvh_ogy_pb_2015.pdf (20 January 2025).

[11] 2025 Annual Report of Hungarian Competition Authority tot he Hungarian Parliament, p. 13. [Online]. Available at: https://www.ort.hu/wp-content/uploads/2019/02/gvh_ogy_pb_2015.pdf (20 January 2025).

[12] Flash Report on the activities of the Hungarian Competition Authority in 2021 - 2021/1., p. 34. [Online]. Available at: https://gvh.hu/pfile/file?path=/gvh/gyorsjelentesek/gvh_gyorsjelentes_2021_i&inline=true (20 January 2025).

[13] Competition: Eurobarometer surveys show strong support among EU citizens and SMEs for competition policy, [Online]. Available at: https://ec.europa.eu/commission/presscorner/detail/en/ip_22_6374 (20 January

## 2. Relevant practices restricting competition and the legal consequences in cases of SMEs

Hungarian Act LVII of 1996 on the Prohibition of Unfair Trading Practices and Unfair Competition (hereinafter: Unfair Competitive Act) regulates the illegal practices that restrict economic competition. Notably it is the so-called agreements that restrict economic competition which are often committed by SMEs. Due to their smaller market share, abuses of dominant positions are uncommon in the SME sector.

The prohibition of agreements restricting economic competition is set forth in Section 11 (1) of the Unfair Competitive Act, which states:

> Agreements and concerted practices between companies, as well as the decisions of the organizations of companies established based on the right of association, their public bodies, associations and other similar organizations (hereinafter referred to collectively as "association of companies") (hereinafter referred to collectively as "agreements"), which are aimed at the prevention, restriction or distortion of economic competition, or which may display or in fact displays such an effect, are prohibited.

The Act also provides an exemplary list of agreements considered restrictive of competition, such as agreements fixing purchase or selling prices, restricting production, distribution, technical development or investment; allocating supply or markets, or excluding entities from sales, among others.

Section 12 of the Unfair Competitive Act defines a cartel separately as *an agreement or concerted practice between competitors* that aims to restrict, prevent, or distort of competition, particularly by fixing purchase or selling prices or other trading conditions (either directly or indirectly), limiting production or distribution, dividing markets, including collusion, or restricting imports or exports.[14]

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2025).SMEs' expectations for an effective competition policy, [Online]. Available at: https://europa.eu/eurobarometer/surveys/detail/2655 (20 January 2025).

[14] The concept of a cartel was introduced by transposing the Directive on damages actions for breach of the EC antitrust rules. According to the explanatory memorandum of the

According to Section 13 of the Unfair Competitive Act, *agreements* of minor importance are exempt from prohibition. An agreement is *concered minor*:

- in the case of *agreements between competitors*[15], if the combined share of the parties to the agreement, including any companies not independent from those parties, does not exceed ten percent in any *relevant market*[16],
- in the case of *agreements between non-competitors*, if the combined market share of each party to the agreement, including any companies not independent from those parties, does not individually exceed fifteen percent in any relevant market.

These market share thresholds must be maintained throughout the duration of the agreement, and for each calendar year if the agreement lasts longer than one year.

Thus, the law utilises market share thresholds to quantify what constitutes a non noticeable restriction of competition.

Section 13 of the Unfair Competitive Act takes into account both Commission Notice (2001/C 368/07) on agreements of minor importance which do not appreciably restrict competition (de minimis) under Article 81(1) of the Treaty establishing the European Community and the Commission Notice (2014/C 291/01) on agreements of minor importance which do not appreciably restrict competition (de minimis) under Article 101(1) of the Treaty on the Functioning of the European Union.[17]

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legislator: 'The transposition of the Directive, in line with it, justifies the inclusion of the concept of cartel in the Unfair Competitive Act.'

[15] Based on Unfair Competitive Act Section 13(2a), competitor agreement means an agreement between undertakings which are actual or potential competitors on any of the relevant markets.

[16] Unfair Competitive Act Section 14 defines relevant market-in connection of the goods which are subject and the geographic area of the agreement.

In addition to the goods which are the subject of the agreement, account must be taken of goods which are reasonable substitutes for the goods in terms of purpose, price, quality and conditions of performance (demand substitutability) and supply substitutability.

A geographical area is the area outside which

a) the customer cannot obtain the goods or can obtain them only on significantly less favourable terms, or

b) the seller of the goods cannot sell the goods or can sell them only on significantly less favourable terms.

[17] The Hungarian legislator took the content of the two notices into account, despite the fact that the communications are not binding even in the application of the law.

De minimis agreements that do not appreciably restrict competition are, as a general rule, not considered infringements. Accordingly, an agreement falls outside the scope of the prohibition if, considering the weak market position of the parties involved, it has only an insignificant effect on the relevant market.

SMEs can enter into agreements that restrict economic competition with companies of any size. However, it should be noted that agreements between SMEs are mostly considered to be of minor importance and thus the exemption rule for such agreements may be particularly relevant in this context. [18]

However, agreements of minor importance may also be prohibited under Section 13 (3) of the Unfair Competitive Act, which states that: *an agreement between competitors which* has as its object the restriction, prevention or distortion of competition – particularly through fixing purchase or selling prices or other trading conditions, or dividing markets, including collusion in the competitive process – is prohibited.

The text of Section 13 (3) was amended as of 10 May 2024; however, the original text still includes the phrase "the agreement restricting compatition *between competitors"*. According to the explanatory notes accompanying the amendment, Section 13 (3) applies to all three cases covered by the definition of agreements under Section 11 (1) – namely, agreements and concerted practices between enterprises, as well as

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See C-226/11, *Expedia Inc. v Autorité de la concurrence and Others,* 13 December 2012, Points 26., 27., 28., also the Point 24 of the Judgment:
The Court of Justice of the European Union (CJEU) has already ruled in several cases that Commission communications in the field of European competition law do not have binding legal effects on national authorities and courts. This also applies to de minimis communications.
It also follows from the wording of the de minimis notice that it merely expresses the Commission's legal position and is 'not binding' on the authorities and courts of the Member States.By issuing de minimis notice, the Commission has merely sought to make transparent its administrative practice in applying Article 81 EC and to provide guidance with useful interpretative references for undertakings operating in the internal market and for the authorities and courts of the Member States.

[18] For years, the Unfair Competitive Act provided for the possibility for undertakings to request an examination of their agreements and a finding that they do not fall under prohibition ont he basis of Section 13.
This legal possibility was abolished from 14 July 2005. Until then, undertakings made use of the negative finding in a number of cases, requesting a finding that their agreement was of minor importance and not restrictive of competition, e.g. cases 31/2000 VJ, 74/1998 VJ, 153/1998 VJ, 86/2000 VJ, 195/2001 VJ.

decisions of associations, public bodies, mergers and other similar organisations formed under the law of association – and the amendment was intended to clarify this. However the amending law does not fully align with the provisions of the Section 13 (3), and the term "agreement between enterprises" has been replaced by "agreement between competitors".

It should be stressed that targeted restrictions of competition are inherently harmful to the proper functioning of a competitive market and therefore constitute infringements of significant gravity. In any event, enterprises entering into an agreement with an anti-competitive object have as their object an appreciable restriction of competition, regardless of their market share or turnover. This is why restrictions based on the object of the agreement are prohibited, irrespective of the market share of the parties, and are excluded from the exemption. The Act does not list all anti-competitive agreements, but – similar to the de minimis notice – it provides examples.

It should be noted that the Commission's failure to apply the de minimis market share thresholds to anti-competitive agreements

> is not only of legal importance, but also of importance from a competition policy perspective: market share thresholds such as those in the de minimis notice are intended to create legal certainty. They create a safe harbour within which undertakings party to an agreement do not have to fear infringing antitrust rules. A similar favourable treatment is unlikely to be granted to undertakings that enter into agreements for anti competitive purposes. Otherwise, undertakings with market shares below the thresholds of the de minimis notice would be directly encouraged to refrain from effective competition between themselves and to form cartels in violation of the principles of the internal market.[19]

To sum up, an agreement restricting competition between SMEs, if it is caught by the Act Section 13 (3), it constitutes prohibited conduct.[20] The

[19] See C-226/11, *Expedia Inc. v Autorité de la concurrence and Others,* 13 December 2012, Point V. 52.

[20] See: Hungarian Competition Authority's Decision VJ-21/2005/117 and the Supreme Court Kfv.37.258/2009/8 Decision, which reviewed the decision at second instance. The conduct of the undertakings concerned the fixing of prices and the allocation of the market in-tendering procedures. And Hungarian Competition Authority's Decision VJ-21/2005/47 and the Supreme Court Kfv.37.236/2009/11 Decision, which reviewed the decision at

legal consequences of such an agreement can vary, including fines[21], damages, nullity of the agreement, criminal sanctions in the case of a public procurement cartel [22], or exclusion from public procurement [23].

In terms of applying fines, the Unfair Competition Act favours SMEs. Since 2015, Section 78 (8) of the Act states that for a first offense committed by SMEs, the regulatory authorities may issue a warning instead of a fine, if the company's conduct suggests that such a measure will ensure that the company will obey the law and refrain from committing other infringement in the future. However, Section 78 (9) does not permit the

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second instance. SMEs have agreed their bids and prices through a public procurement procedure. Also, Hungarian Competition Authority's Decision VJ-41-191/2016 and the Supreme Court Kfv.39.962/2020/4 Decision. The SMEs involved in the case were bidding for energy efficiency tenders and colluded by matching bids.

Hungarian Competition Authority's Decision VJ-69/2008.538 and the Supreme Court Kfv.II.37.672/2015/28 Decision. The SME mills negotiated on the price of some wheat flour in the wheat flour market and divided the market among themselves.

In the meantime, a practice has developed within the Hungarian Competition Authority and the courts, according to which, if an agreement restricting economic competition aims at price determination or market division, if the restriction of competition is intentional, it cannot be exempted from the prohibition even in cases of minor significance; and the minor significance is not examined.

In several case decisions, the Supreme Court has indicated (e.g., Kfv.IV.37.258/2009/8., Kfv.IV.37.236/2009/11.) that in the case of price-fixing or market-sharing cartels, neither the determination of market share nor the definition of the relevant market is of particular relevance. The geographical and product-based definition of the relevant market is specifically regulated by the Unfair Competition Act in terms of determining the insignificance of the agreement. If the agreement is aimed at price-fixing or market allocation, even if the agreement is of minor significance, it falls under the prohibition of anti competitive agreements. A precise, comprehensive market definition is not necessary in the procedure of the Hungarian Competition Authority.

All this resonates with the case law of the CJEU, see C-226/11, *Expedia Inc. v Autorité de la concurrence and Others*, 13 December 2012, Point V. 53. and 57.

[21] Unfair Competitve Act Section 78 (1) The adjudicating competition council may impose a fine on anyone who engages in unlawful conduct within the jurisdiction of the Hungarian Competition Authority.

[22] See Hungarian Criminal Code Section 420. Agreement in Restraint of Competition in Public Procurement and Concession Procedure and Miskolczi Bodnár, 2019, p. 169.

[23] Act CXLIII of 2015 on Public Procurement not only contains relevant sections among the exclusion grounds, but also obliges the issuer to report any competition violations they observe to the Hungarian Competition Authority.

waiver of fines if the infringement involves an agreement aimed at price-fixing or market division in the context of a public procurement procedure.[24]

During competition supervision proceeding the enterprise must demonstrate and substantiate that it qualifies as an SME.

According to Section 36 (6) of the Unfair Competitive Act, the Hungarian Competition Authority, together with the President of the Competition Council is entitled to issue a directive outlining the judicial principles previously applied by the Hungarian Competition Authority and those intended for future application.

Based on this statutory authorization, the 1/2020 announcement issued by the President of the Hungarian Competition Authority and the President of the Competition Council serves, among other things, as guidance for determining the amount of fines in cases involving agreements that restrict economic competition (hereinafter: Fine Announcement).

As specified Section 78 (3) of the Unfair Competitive Act, the amount of the fine must be determined in consideration of all relevant circumstances, particularly the severity and duration of the violation, the benefits derived from such conduct, the infringer's market position, the degree of responsibility and cooperation during the investigation, and the recurrence and frequency of the infringing behaviour.

The Fine Announcement reviews these factors and clarifies their content and significance. It specifically takes SMEs into account: according to Point 20 of the Fine Announcement, the Hungarian Competition Authority pays particular attention to recognizing SMEs, and according to Point 31, depending on the severity of the infringement and the size of the enterprise, SMEs that do not qualify for under Section 78 (8) may receive an additional fine reduction of up to 10 percent.

## 3. The significance of compliance programs

Since 2018, Section 76 (1) of the Unfair Competitive Act has stipulated that if the Hungarian Competition Authority issues a warning to a SME under Section 78 (8) of the Unfair Competitive Act, the SME must implement a compliance program aimed at preventing competition law violations.

[24] A significant portion of the anti competitive agreements of SMEs come before the Hungarian Competion Authority because prices were fixed or markets were divided during public procurement procedures, which is why it is rare for fines to be waived. See, for example, cases VJ 19/2020, VJ 41/2020, VJ 29/2021, VJ 39/2021.

Since 2017, the Hungarian Competition Authority has also encouraged the adoption of corporate competition law compliance programs through various initiatives.

The aforementioned Section 78 (3) of the Unfair Competitive Act provides an exemplary list of factors to be considered when imposing a fine (such as the severity of the infringement, the benefit derived from the violation, the market position of the infringer, culpability, cooperation, etc.). As this list in is not exhaustive, the Hungarian Competition Authority may consider other additional factors. Since 2017, the Fine Announcement has specified that the fine amount may be reduced if a company has implemented a compliance programme.

According to the Fine Announcement: 'The Hungarian Competition Authority considers it a priority to promote voluntary compliance, and one tool to achieve this is to encourage the development and implementation of compliance programmmes aimed at preventing, detecting, and addressing violations.'

Both preliminary and subsequent compliance efforts may be taken into account when reducing fines, although preliminary measures are weighted more heavily.

However, the mere existence of compliance programmes cannot serve as a mitigating factor on its own; the company must provide evidence for [25]:

- its appropriate compliance efforts,
- following the detection of the infringement, the company ceased the infringement,
- it must be proven that the cessation of the infringement occurred due to the compliance programme,

[25] In the case VJ 43/2015 one of the affected companies had a compliance program, and therefore requested a reduction in the fine. During the proceedings the Hungarian Competition Authority emphasized that it is essential for the reduction of the fine that the infringement was ceased due to the compliance program. The company argued that it would then undertake the further development of its compliance program and, therefore, requested a reduction in the fine in light of its subsequent compliance efforts. However, the Hungarian Competition Authority only granted a 2 percent fine reduction instead of the 5 percent requested.

In the case VJ 103/2014 Husqvarna Hungary Ltd. had compliance program but the additional conditions specified in the Fine Announcement were not met. The company undertook to significantly improve its compliance program and organize competition law training for both its employees and distributors to avoid future competition law violations. In this regard, as a post-compliance effort, it received a 5 percent of fine reduction.

- must be proven that the company's executives were not involved in the violation.

The Hungarian Competition Authority may reduce the fine by up to 7 percent in recognition of the preliminary compliance programme, and if significant additional evidence is provided, the reduction may be increased to up to 10 percent.

Subsequent compliance programmes serve primarily to promote future law-abiding behavior. Consequently, if a company undertakes to develop a post-compliance programme, the fine may be reduced by up to 5 percent, provided the company also fulfils additional obligations or assists in the proceedings (e.g., by issuing a statement of cooperation or participating in a settlement procedure.)[26]

The Hungarian Competition Authority mandates the implementation of a compliance programme as a condition in its final decision and may verify its fulfillment through a follow-up inspections.[27]

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[26] In case VJ 110/2015 the Hungarian Competition Authority ignored the post-compliance program of one of the enterprises, no fine discount was provided because the company did not admit the viloation of the law; it did not participate in the settlement procedure.

[27] See e.g. case VJ 77/2016.

In the competition supervision procedure concerning public procurement, three limited liability companies participated in a settlement procedure and additionally undertook to develop a subsequent compliance program. In light of this, they requested further reduction of the fine. In this case, the companies without a compliance program undertook to develop, implement, operate, and regularly review a comprehensive compliance program meeting international standards. In this regard, the Hungarian Competition Authority reduced the fine by an additional 5 percent.

Case VJ 39/2021

Three SMEs colluded in public procurement procedures, coordinating prices. They participated in a settlement procedure and, in addition, undertook to develop a subsequent compliance program. In light of this, they requested further reduction of the fine and received a 5 percent fine reduction.

Case VJ 19/2017

The Hungarian Competition Authority found that GE Hungary Ltd. and Silver Wood – IT Ltd. had committed a competition law infringement in the course of purchasing the radiology IT products of St. John Hospital and North Buda Joined Hospitals, as the concerned undertakings had entered into an agreement which determined the winning bidder of the tender process in May 2015, with the undertakings coordinating their prices accordingly. However, during the proceeding both undertakings cooperated with the Hungarian Competition Authority, and therefore a total fine reduction of more than ten million forints (cca. 31 thousand EUR) was granted.

The significant total fine reduction of more than ten million forints was partly a result of the fact that GE Hungary Ltd. had submitted a leniency application in which it acknowledged

Between 2016 and 2020, the Hungarian Competition Authority granted penalty discounts totaling at least 540 million forints to businesses in recognition of their compliance efforts.[28]

In 2020, the Hungarian Competition Authority permitted in eight cases that companies under investigation had developed a compliance programme, and in this context, granted approximately 200 million forints in fine discounts.

## 4. Summary

The legal cases presented indicate that a significant portion of the identified anti-competitive agreements are related to tendering or public procurement procedures and involve collusion among competitors. There are also competition-restricting agreements between non competitors.

In most cases, SMEs are also involved, or SMEs are the primary actors. Almost all competition-restricting agreements involve price-fixing or market-sharing, which means that typical competition law benefits for SMEs (such as exemptions due to negligible significance, warning instead of a fine, and the requirement to implement a compliance programme) cannot be applied. In the majority of the examined competition law

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that it had committed a competition law infringement, also attaching evidence supporting the establishment of an infringement. On the other hand, Silver Wood – IT Kft. acknowledged the statement of facts established by the Hungarian Competition Authority and forfeited its right of appeal in the framework of a settlement procedure; consequently, the Hungarian Competition Authority reduced the fine imposed on Silver Wood – IT Kft. by 30 percent. A further reduction of 5 percent was granted because the undertaking elaborated a post-compliance programme and undertook to verify the implementation of it in a detailed manner.
https://www.gvh.hu/en/press_room/press_releases/press_releases_2018/substantial_reduction_of_fine_thanks_to_cooperatio
Case VJ 29/2021
The SMEs colluded and coordinated prices in the public procurement procedure for the Danube passenger transport service. They applied for leniency and undertook to develop a subsequent compliance program. In light of this, they received an additional 5 percent reduction in the fine.

[28] Trends and Result of the Decisions of the Hungarian Competition Authority 2010-2020., pp. 9-10. [Online]. Available at: https://www.gvh.hu/pfile/file?path=/gvh/kiadvanyok/tematikus-kiadvanyok/Tematikus_kiadvanyok_Dontesi_trendek_210630.pdf1&inline=true (20 January 2025).

violations committed by SMEs, the enterprises did not have a competition law compliance programme.

In Hungary, thanks to the Fine Announcement, compliance programmes are considered when imposing fines in competition law proceedings. The commitment to implement a post-compliance programme—subject to certain conditions—can lead to a reduction of the fine. Consequently, companies that are able to take advantage of this opportunity do so. This approach effectively promotes the adoption of competition law compliance programmes, improves the competition law culture, and prevents future violations.

The implementation and operation of compliance programmes are significantly less expensive than the fines imposed for antitrust violations, as well as the associated costs and losses incurred.

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