

**EUROPEAN COMMISSION** 

**P**RESS RELEASE

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## Antitrust: Commission welcomes Parliament vote to facilitate damages claims by victims of antitrust violations



The European Parliament has approved a proposal for a Directive which will help citizens and companies claim damages if they are victims of infringements of the EU antitrust rules, such as cartels and abuses of dominant market positions. The Directive is based on a proposal by the Commission of June 2013 (see IP/13/525 and MEMO/13/531), and aims to remove a number of practical difficulties which victims frequently face when they try to obtain compensation for the harm they have suffered. In particular, it will give victims easier access to evidence they need to prove the damage and more time to make their claims. At the same time it ensures that the effectiveness of the tools used by competition authorities to enforce antitrust rules, in particular leniency and settlement programmes, is preserved. The proposal is now sent to the EU Council of Ministers for final approval. See also MEMO/14/310.

Commission Vice President in charge of competition policy Joaquín Almunia said, "The vote by the European Parliament is great news for European citizens and businesses harmed by antitrust violations. The Directive will help to make the right to full compensation a reality in the EU, by removing the practical obstacles that victims face today. When the Directive is adopted and implemented, obtaining redress will become easier for them, especially after a competition authority has found and sanctioned an infringement."



The EU Court of Justice has recognised the right for victims of antitrust infringements to be compensated for the harm suffered. However, due to national procedural obstacles and legal uncertainty, only few victims actually obtain compensation. Moreover, national rules are widely diverging across Europe and, as a result, the chances of victims to obtain compensation greatly depend on which Member State they happen to live in. The Directive aims to remove these obstacles. Main improvements include:

- National courts can order companies to **disclose evidence** when victims claim compensation. The courts will ensure that such disclosure orders are proportionate and that confidential information is duly protected.
- A final decision of a national competition authority finding an infringement will automatically constitute **proof before courts** of the same Member State in which the infringement occurred.
- Victims will have **at least 1 year to claim damages** once an infringement decision by a competition authority has become final.
- If an infringement has caused price increases and these have been "passed on" along the distribution chain, those who suffered the harm in the end will be the ones entitled to claim compensation.
- Consensual settlements between victims and infringing companies will be made easier by clarifying their interplay with court actions. This will allow a faster and less costly resolution of disputes.

Private damages actions before courts and public enforcement of antitrust rules by competition authorities (whether the Commission or national authorities) are complementary tools. Through the Directive they will reinforce each other, on the one hand to achieve full compensation for victims (including lost profits and interest) and, on the other, to enhance the key role of competition authorities in investigating and sanctioning infringements, thus achieving deterrence. In particular, cooperation between companies and competition authorities under so-called "leniency" programmes plays a key role in the detection and sanctioning of infringements of competition rules. Without such cooperation, many infringements would never be discovered in the first place, and in many cases, it is therefore the successful enforcement of competition rules by a public authority that will enable victims to subsequently seek and obtain compensation. As a result, the Directive contains a number of safeguards to ensure that facilitating damages actions does not diminish the incentives for companies to cooperate with competition authorities (see MEMO/14/310).

## Next Steps

Today's plenary vote in first reading was the European Parliament's final step in the procedure. Approval by the Council will complete the legislative procedure. Once the Directive has been officially adopted, Member States will have two years to implement the provisions in their legal systems.

The full text of the Directive is available here:

http://ec.europa.eu/competition/antitrust/actionsdamages/documents.html

## Background

In June 2013, the Commission submitted its proposal to the European Parliament and the Council (see <u>IP/13/525</u> and <u>MEMO/13/531</u>). After both co-legislators discussed the proposal and suggested amendments, informal meetings between the three institutions (so-called trilogues) were launched in February to achieve a compromise text. Representatives of Member States' governments agreed to the final compromise text at the end of March.

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