contrast



But,... that doesn't apply to me, I'm an SME...

Imagine…

You work at an SME. Like every working day, you begin your morning with a review of the most important economic news. One story immediately jumps out at you: a number of companies trading in North-Sea shrimp in the Dutch coastal province of Zeeland were hit with very stiff fines for making price agreements and exchanging commercially sensitive information. You furrow your eyebrows and a frown spreads across your face . . . after all, these are all *SME's*. Recently you've been noting more and more newspaper headlines in which large companies are linked to a "cartel", an "abuse of dominant position" or some other "competition-law violations". The high fines always prominently featured in these stories have also ceased to be a surprise for you. Moreover, you don't actually find it altogether unjust that such high fines are imposed on the big boys. You've experienced up close and personal how multinationals can make the life of an SME like the one you work for very difficult. But the notion that even SME's from Zeeland have to dig deep into their pockets is a whole different kettle of ... shrimp.

A brief clarification…

Contrary to what SME's often think, they are anything but immune from being found guilty of violating the competition law and suffering the attendant consequences. *Every* company, large or small, has to comply with the competition law. Even if they rarely make the front pages, fines for SME's are far from being an exception to the rule. SME's might even be *more* sensitive for competition law violations than are multinationals, because they’re less likely to have their own legal department or “compliance officers”.

In order to help SME's keep on the right side of the competition law, the Belgian Competition Authority has published a brochure entitled "Competition rules: a guide for SME's".

This brochure explains the basic competition law rules and offers a concise list of the leading “don’ts”.

The brochure also examines the potential consequences of competition law violations, including fines on companies (up to 10% of the group's annual income), fines on individuals (up to 10,000 euros in Belgium, much higher in neighbouring countries), claims for compensation from customers and the unenforceability of prohibited contractual agreements. One can add to this the harm to the SME's image, costs associated with legal consultants and economic advisors, and the waste of management time.

Finally, the brochure gives practical tips about measures that SME's can take in order to avoid violations and how they can set up a custom-tailored “competition compliance” programme.

Concretely…

The risk of sanctions in case of failure to comply with the competition law isn’t the privilege of large multinationals. SME's too find themselves confronted with competition law investigations. It makes no sense to stick your head in the sand, so be sure to read the brochure of the Belgian Competition Authority and:

- consider what the important points of attention are for your SME : which playing rules are the most relevant, and where are the primary risks situated?
- as a function of these points, set up a competition compliance programme in order to prevent violations;
- always ask for specialized advice if something isn't clear.

Want to know more?

The guide for SME´s can be found on the website of the Belgian Competition Authority.

Also reread our In the Picture “Competition compliance programmes: an ounce of prevention is worth a pound of fines”