

Competition Authority imposes an ISK 65 million administrative fine on Skífan for repeated violations of Competition Act

In a new decision of the Competition Authority Skífan (now Dagur Group) was found guilty of abusing its dominant position and thereby violating the prohibitive provisions of the Competition Act. This was done by means of agreements with Hagkaup (a retailer) on the sale of music CDs and computer games in 2003 and 2004 respectively, both of which involve exclusive purchasing agreements and anticompetitive discounts. Exclusive purchase in this context refers to the fact that Hagkaup undertook to buy wholesale a certain high proportion of all the goods in question exclusively from Skífan. By the agreement Skífan's competitors in the market for the goods in question were virtually excluded from business with Hagkaup, which is, among other things, a large retailer of music CDs. The conclusion of these agreements constituted a repeated offence, as Skífan was in 2001 ordered to pay a fine of ISK 12 million for a similar offence. In addition, the agreements violated the earlier decision of the competition authorities.

The Competition Authority ordered Skífan (now Dagur Group) to pay an administrative fine of ISK 65 million to the State Treasury.