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LAW

OF THE REPUBLIC OF ARMENIA

Adopted on 6 November 2000

ON PROTECTION OF ECONOMIC COMPETITION

CHAPTER 1

GENERAL PROVISIONS

Article 1. Objective of the Law

The objective of the Law is to protect and encourage free economic competition, ensure an appropriate environment for fair competition, promote development of entrepreneurship and protection of interests of consumers in the Republic of Armenia.

(Article 1 supplemented by HO-107-N of 22 February 2007)

Article 2. Scope of the Law

1. This Law shall apply to actions or conduct of economic entities, state bodies, as well as officials thereof, which lead or may lead to restriction, prevention, blocking of economic competition, or to an act of unfair competition, except as otherwise provided by law, or which may prejudice the interests of consumers.
2. This Law shall not apply to relationships pertaining to intellectual property rights, except as otherwise provided by this Law.
3. Where international agreements of the Republic of Armenia prescribe norms different from those provided for by this Law, the norms of the international agreements shall apply.
4. The State Commission for the Protection of Economic Competition of the Republic of Armenia (hereinafter referred to as "the Commission") shall perform its economic competition-related functions with regard to entities regulated or supervised by the Central Bank of the Republic of Armenia, as well as entities operating in regulated public service sectors, based on the principle of co-operation with the Central Bank of the Republic of Armenia or Public Services Regulatory Commission of the Republic of Armenia (hereinafter referred to as "Regulatory Bodies"), respectively.
5. Before adopting any secondary legal acts on the prevention of abuse of one's dominant position, prevention of anti-competitive agreements, or on concentrations, the Regulatory Bodies shall submit them to the Commission for an opinion.
6. The Commission shall inform the Regulatory Bodies of the issues of economic competition emerging in the sectors mentioned in this Article.
7. The Commission shall, except in the cases provided for by part 10 of this Article, refrain from any intervention in connection with any issue raised with regard to economic competition if the Regulatory Bodies provide the Commission with well-grounded information to the effect that due to regulatory objectives prescribed by law

the issue in question is reserved to the Regulatory Bodies, and the Regulatory Bodies perform functions prescribed by law.

The Commission may express its opinion as prescribed by this Article, but the final decision shall be adopted by the Regulatory Bodies.

8. When resorting to any measures, the Regulatory Bodies shall, within the scope prescribed by law, provide the Commission with an opportunity to express its opinion. The Regulatory Bodies shall mandatorily address all the issues raised and opinions expressed by the Commission, providing a rationale for agreeing or not agreeing with them.

The Regulatory Bodies shall address the opinion of the Commission in their final opinion or decision, and provide a relevant rationale in the case of not agreeing with the opinion of the Commission.

If the Commission does not submit its opinion as prescribed by this part, the decisions or opinions of the Regulatory Bodies shall be adopted without the opinion of the Commission.

9. The procedure prescribed by parts 5, 7 and 8 of this Article shall not apply in exceptional cases where the Central Bank of the Republic of Armenia aims to prevent or respond to a potential danger threatening the financial stability and price stability, declares a financial organisation insolvent or submits an application for bankruptcy to the court, enforces alienation of the shares or stocks of a financial organisation or of a participator thereof, carries out reorganisation, forced sale or liquidation of a financial organisation.

The Regulatory Bodies shall, following the adoption of the decisions provided for by this part, inform the Commission thereof, provided that they do not contain information constituting a bank secret or other secret protected by law.

10. Where the Commission finds that the information provided by the Public Services Regulatory Commission of the Republic of Armenia, described in part 7 of this Article, is not well-grounded, it may apply to the Prime Minister with a motion to include the issue in question in the agenda of the regular sitting of the Government. In the case provided for by this part, the Government shall, by adopting an individual legal act, determine the competent body that shall perform the economic competition-related functions with regard to the issue of economic competition raised.

(Article 2 edited by HO-107-N of 22 February 2007, amended by HO-137-N of 12 April 2011, supplemented by HO-249-N of 23 March 2018)

Article 3. Legislation on the protection of economic competition

The legislation on the protection of economic competition comprises the Constitution of the Republic of Armenia, the Civil Code of the Republic of Armenia, this Law and other legal acts.

Article 4. Main terms

1. The main terms used in this Law are the following:

economic competition or competition — economic activity aimed at ensuring the most favourable conditions for sale or acquisition of goods, as a result of which the possibility of each competitor to unilaterally influence the general conditions of circulation of goods in the goods market in question becomes objectively restricted;

good — any object of civil law, including property, work, service (including financial), which is designated for sale;

substitutes — goods which are comparable in terms of their intended use, application, qualitative, technical characteristics, price or other characteristics, in a way that the acquirer substitutes or is willing to substitute them with others;

goods market — a sector, determined upon the decision of the Commission, of circulation of a certain good and its substitutes within a certain territory the boundaries whereof are determined by the economic or other possibilities for and convenience of acquisition of the good by the buyer in that territory and the lack of such possibilities and convenience beyond the boundaries of that territory. A goods market is characterised by the range of goods, geographical boundaries, by the composition of its actors and its volume;

range of goods in a goods market — the entirety of a certain good and its substitutes, as defined upon the decision of the Commission;

geographical boundary of a goods market — a certain geographic territory (including road, air, water or overland route, etc.), defined upon the decision of the Commission, within the scope whereof the acquisition of a certain good and its substitutes is economically possible and convenient for the buyer and such possibility and convenience does not exist beyond that territory. The geographical boundary of a goods market may cover the entire territory of the Republic of Armenia or a part thereof, or the territory of the Republic of Armenia (or a part thereof) and that of another state (or a part thereof);

actors of a goods market — the seller (vendor, supplier, alienator, provider, executor) and the acquirer (buyer, recipient, acceptor, consumer) of a certain good and its substitutes;

volume of a goods market — the total volume of sale or acquisition of a certain good and its substitutes within the geographical boundary of a goods market, expressed in in-kind and/or pecuniary terms;

sale — vending, supply, alienation, provision, execution;

acquisition — purchase, receipt, acceptance;

state body — a state administration or local self-government body, a state or community institution, the Central Bank of the Republic of Armenia;

economic entity — a licence fee payer, an individual entrepreneur, a legal person, another organisation, a representative, representation or branch thereof, a group of persons. To the extent concerning concentrations defined by this Law, natural persons shall also be regarded as economic entities;

official of an economic entity — a person exercising the powers of the single-person executive body or a member of the collegial executive body of an economic entity, or a manager performing organisational, directive or administrative-economic functions;

trade facility — a property complex (land parcel, building, structure) which is used in sales to deliver goods to consumers;

trade network — a cluster of two or more trade facilities functioning under common management or operating under the same trademark or another identification mark;

economic conditions (factors) — expenses, taxes, duties, mandatory payments related to acquisition, production, sale of a good (delivery of a service, performance of a work);

unjustified price increase — increase, by an economic entity, of the price of a good and/or its substitutes within a certain period of time, not preconditioned by economic conditions (factors);

unjustified price decrease — decrease, by an economic entity, of the price of a good and/or its substitutes within a certain period of time, not preconditioned by economic conditions (factors);

unjustified price maintenance — maintenance, by an economic entity, within a certain period of time, of the price of a good and/or its substitutes (including up to five percent change in that price) in a situation when the existence of certain economic conditions (factors) might have led or should have led to setting a lower or higher price;

discriminatory conditions — conditions for entering the goods market, as well as for production, exchange, consumption, sale or transfer of a good in any other way, which create unequal competitive conditions or an unequal situation for an economic entity or consumer as compared to another economic entity or consumer;

indicators of restriction, prevention or blocking of competition — reduction in the number of economic entities that are not in a group of persons; increase or decrease in the price of a good, which is not related to relevant changes in the general conditions of circulation of goods in the goods market; refusal by economic entities that are not in a group of persons to act independently in the goods market; defining general conditions of circulation of goods in the goods market under anti-competitive agreements between economic entities or according to binding instructions given thereto by another entity or as a result of coordination of the actions of economic entities that are not in a group of persons; other circumstances enabling an economic entity to unilaterally influence the general conditions of circulation of goods in the goods market; as well as prescribing, by state bodies and/or officials thereof, of requirements not provided for by law with regard to goods or economic entities;

coordination of economic activity — coordination of the actions of economic entities by a natural person, economic entity, state body, or an official thereof, which is not included in a group of persons with any of said economic entities and is not engaged in the goods market where the coordination of the actions of the economic entities is being performed;

direct control — a legal or natural person's ability to predetermine the decisions of another legal person, which is manifested through performance of the functions of the executive body of the other legal person, through acquisition of the right to establish the conditions of the other legal person's entrepreneurial activities and/or through controlling more than 50 per cent of the total number of the votes attached to the stocks (shares) comprising the authorised capital (share capital) of the other legal person;

indirect control — a legal or natural person’s ability to predetermine the decisions of another legal person through a legal or natural person which has direct control over the other legal person;

(paragraph repealed by HO-249-N of 23 March 2018)

delivery of an administrative (legal) act or other document (hereinafter referred to in this paragraph as “correspondence”) — sending correspondence by registered mail to the address of the registered office, place of residence or place of business of the addressee, or postal or other address specified by the addressee, or handing it over in person, or transmitting by other means of communication ensuring the formulation of the message, or delivering it in any other appropriate manner. Correspondence sent (delivered) to the address of the place or postal address specified in this paragraph shall be deemed to be duly delivered to the addressee irrespective of to whom it was handed. The organisation providing the postal communication service shall bear the responsibility for the damage caused to the addressee due to incorrect delivery of the correspondence. If the addressee refuses to receive the correspondence sent to the address of the place or postal address specified in this paragraph or sign the document certifying the receipt of the correspondence, or the correspondence sent by the Commission through registered mail is returned due to absence of the addressee, the correspondence shall be deemed to be duly delivered to the addressee on the third day following the day on which the Commission posts an announcement on <http://www.azdarar.am> and/or its official website to the effect that the addressee has correspondence and that it is possible to familiarise oneself with its content;

value of an asset — balance sheet value of an asset;

unit share — right to participation (share, stock, other security) in the authorised capital (share capital) of a legal person;

monitoring — observation carried out in the place of business (including in the trade facility) of an economic entity for the purpose of revealing the price, quality, quantity,

other characteristics of goods sold or acquired by the economic entity, as well as the actual actions or conduct of the economic entity.

2. The terms defined in this Article shall be applied only within the meaning of this Law and other legal acts adopted on the basis of this Law.

3. Other terms used in this Law shall be applied in accordance with their meanings defined by the Civil Code of the Republic of Armenia, other laws and other legal acts.

(Article 4 supplemented by HO-29-N of 25 December 2003, edited by HO-107-N of 22 February 2007, HO-227-N of 26 December 2008, supplemented, amended, edited by HO-137-N of 12 April 2011, HO-249-N of 23 March 2018)

Article 4.1. Group of persons

1. Within the meaning of this Law, a group of persons is a group of legal and/or natural persons between which there is actual interrelatedness or control and which meet at least one of the following conditions;

(1) in the case of an organisation and a natural or legal person, the natural or legal person has, based on participation thereof in the organisation and/or on a contract, the right to directly or indirectly control (including through purchase and sale, trust management, joint activity contract, commission or other transactions) more than half of the authorised capital or unit share of the organisation as prescribed by the legislation;

(2) in the case organisations, the same natural or legal person has, based on participation thereof in the organisations and/or a contract, the right to directly or indirectly control (including through purchase and sale, trust management, joint activity contract, commission or other transactions) more than half of the authorised capital or unit share of the organisations as prescribed by the legislation;

(3) in the case of an organisation and a natural or legal person, the natural or legal person has, based on the founding documents of the organisation or a contract or otherwise, the ability to predetermine the decisions (including conditions of conducting entrepreneurial activities) adopted by the organisation and/or to give binding instructions to the organisation;

(4) in the case of organisations, the same natural or legal person has, based on the founding documents of the organisation or a contract or otherwise, the ability to predetermine the decisions (including conditions of conducting entrepreneurial activities) adopted by the organisations and/or to give binding instructions to the organisations;

(5) in the case of an organisation and a natural or legal person, the single-person executive body and/or more than half of the members of the collegial executive body of the organisation have been elected or appointed, and/or more than half of the members of the management body of the organisation have been elected, upon recommendation of the natural or legal person;

(6) in the case of organisations, the single-person executive bodies and/or more than half of the members of the collegial executive bodies of the organisations have been elected or appointed, and/or more than half of the members of the management bodies of the organisations have been elected, upon recommendation of the same natural or legal person;

(7) in the case of an organisation and a natural or legal person, the natural or legal person has been exercising the powers of the single-person executive body of the organisation for at least one year;

(8) in the case of organisations, the same natural or legal person has been exercising the powers of the single-person executive bodies of the organisations for at least one year;

(9) organisations wherein more than half of the members of the collegial executive bodies are the same natural persons;

(10) natural and/or legal persons the trade facilities operated whereby are under common management or function under the same trademark or other identification mark;

(11) a natural person, his or her spouse, parent, child, brother, sister;

(12) natural and/or legal persons each of which is considered to be in a group of persons with the same person on one of the grounds mentioned in this part, as well as other persons who are considered to be in a group of persons with one of the natural and/or legal persons on one of the grounds mentioned in this part;

(13) an organisation, a natural and/or legal person, who are considered to be in a group of persons on one of the grounds mentioned in this part, provided that these persons have, based on their participation in the organisation and/or on a contract, the right to directly or indirectly control (including through purchase and sale, trust management, joint activity contract, commission or other transactions) more than half of the authorised capital or unit share of the organisation as prescribed by the legislation.

(Article 4.1 supplemented by HO-249-N of 23 March 2018)

CHAPTER 2

ANTI-COMPETITIVE AGREEMENTS

Article 5. Anti-competitive agreements, prohibition thereof

1. Within the meaning of this Law, anti-competitive agreements shall be deemed to be transactions concluded between economic entities, their agreements, directly or indirectly coordinated actions or conduct, decisions adopted by unions of economic

entities (hereinafter referred to as “agreements”), which directly or indirectly lead or may lead to restriction, prevention or blocking of competition, except for the cases provided for by part 7 of this Article.

2. Anti-competitive agreements are concluded (reached):

(1) between economic entities operating in the same goods market who are potential or actual competitors (horizontal agreement);

(2) between economic entities operating in different but somehow interrelated goods markets (sellers and acquirers or potential sellers or acquirers of a certain good and/or its substitutes who are not competitors) (vertical agreement);

(3) ***(point repealed by HO-249-N of 23 March 2018)***

3. Horizontal anti-competitive agreements may particularly relate to:

(1) distribution or division of the market or supply sources according to the volume of sale or acquisition or assortment of the goods or groups of sellers or acquirers or territorial principle or otherwise;

(2) obstructing (restricting) entry of other economic entities into the market, or ousting them from the market;

(3) unjustified increase, decrease or maintenance of the prices of goods;

(4) agreed direct or indirect setting, changing or maintenance of sale or purchase prices, rates, discounts, surplus, privileges or other terms of trade;

(5) restriction of or control over a product, supply, technical development or modernisation, import, trade or investment;

(6) import or unjustified decrease in or termination of production of goods to the detriment of the interests of consumers or creation or maintenance of deficit in a goods market by means of retaining, spoiling or destroying goods;

- (7) arrangements with regard to the conditions or results of public procurement or tenders or auctions or falsification (distortion) of the results thereof or unjustified increase, decrease or maintenance of the prices of goods;
- (8) an arrangement to organise one's commercial activities with a certain economic entity without a grounded reason;
- (9) offering or applying unequal conditions for the same goods, which lead or may lead to restriction, prevention or blocking of economic competition;
- (10) forcing additional obligations on a party to a contract, including on trade facilities, which are not justified economically or technologically and are unfavourable for the party, or where they are not related to the main subject of the contract in their nature or in terms of their fulfilment;
- (10.1) compelling not to enter into contractual relations, or compelling to terminate or suspend contractual relations with certain sellers or acquirers;
- (11) other conditions or conduct, which lead or may lead to restriction, prevention or blocking of economic competition.

4. Vertical anti-competitive agreements may particularly relate to:

- (1) restrictions on sale of goods in terms of territory, price or other characteristics;
- (2) unjustified increase, decrease or maintenance of the prices of goods;
- (3) refusal to acquire (sell) goods from (to) other economic entities;
- (4) offering or applying unequal conditions for the same goods, which lead or may lead to restriction, prevention or blocking of economic competition;
- (5) establishment of such a clause (clauses) in transactions which is (are) not economically or technologically justified and is (are) unfavourable for a party, or which in its (their) nature or in terms of implementation is (are) not related to the main subject of the transaction;

- (5.1) compelling not to enter into contractual relations, or compelling to terminate or to suspend contractual relations with certain sellers or acquirers;
- (6) other conditions or conduct, which lead or may lead to restriction, prevention or blocking of economic competition.
5. An anti-competitive agreement shall be deemed to be proved as such where:
- (1) there is factual data (including any written document or other written evidence, video or audio recording), or any other evidence not prohibited by law, attesting to such agreement;
- (2) it is evidenced by the economic entities' actions or conduct referred to in parts 3 and 4 of this Article.
6. Concluding (reaching) anti-competitive agreements is prohibited.
7. The following shall not be deemed to be anti-competitive agreements:
- (1) vertical agreements of economic entities if the share of each of the parties to the agreement in question does not exceed 20 per cent in the relevant goods market;
- (2) agreements concluded by economic entities included in a group of persons if one of the economic entities has directly or indirectly established control over the other economic entity, and where the economic entities are under the direct or indirect control of one person, except for the agreements concluded by economic entities that perform such types of activities the simultaneous performance whereof by several economic entities included in a group of persons is proscribed by law.
8. Before concluding (reaching) an agreement, economic entities may apply to the Commission to receive its opinion.

(Article 5 edited by HO-107-N of 22 February 2007, HO-137-N of 12 April 2011, supplemented, amended, edited by HO-249-N of 23 March 2018)

Article 5.1. Grounds and procedure for permitting anti-competitive agreements

1. Vertical anti-competitive agreements that are qualifiable as anti-competitive agreements shall be permitted upon the decision of the Commission if they do not establish, with regard to economic entities, restrictions that are not necessary for fulfilling the objectives of these agreements and do not create a possibility for restriction, prevention and/or blocking of competition in the relevant goods market and if the economic entities prove that such agreements contribute or may contribute to:

(1) improvement of the production (sale) of goods or promotion of technical (economic) progress or increase in the competitiveness of goods produced in global goods market member states;

(2) consumers receiving an appropriate part of the advantages (benefits) gained as a result of the above-mentioned actions undertaken by the relevant entities.

2. The Commission shall be entitled to prescribe binding instructions and/or conditions along with permitting, upon its decision, vertical anti-competitive agreements of economic entities.

3. The Commission shall be entitled to declare a decision on permitting vertical anti-competitive agreements of economic entities revoked if it is confirmed by the evidence obtained later by the Commission that the decision was adopted based on inaccurate information or if the economic entity has failed to carry out the instructions or comply with the conditions prescribed by the decision of the Commission.

(Article 5.1 supplemented by HO-249-N of 23 March 2018)

Article 5.2. Coordination of economic activities

It is prohibited to carry out coordination of economic activities that leads and/or may lead to:

- (1) application or maintenance of prices (tariffs), discounts, supplements (additional payments), mark-ups;
- (2) increase, reduction in or maintenance of prices during auctions, biddings, procurements or tenders;
- (3) division of the goods market according to the territorial principle, volume of sale or acquisition of goods, assortment of sold goods or composition of vendors, buyers or clients;
- (4) reduction in or termination of the production of goods;
- (5) refusal to conclude contracts with specific vendors, buyers or customers;
- (6) setting a resale price of a good, except for cases where the vendor sets for the buyer the maximum price at which the good may be resold;
- (7) the buyer's obligation not to sell the goods of an economic entity which is a competitor for the vendor. This prohibition does not extend to agreements reached with regard to organisation, by the buyer, of sale of goods bearing the trademark or any other identification mark of the vendor or producer;
- (8) restriction, prevention or blocking of competition by other means.

(Article 5.2 supplemented by HO-249-N of 23 March 2018)

(Chapter edited by HO-107-N of 22 February 2007)

CHAPTER 3

MONOPOLISTIC OR DOMINANT POSITION

Article 6. Monopolistic or dominant position

1. Within the meaning of this Law, an economic entity shall be deemed to have a monopolistic position in the goods market if it has no competitor as a seller or acquirer.
2. An economic entity shall be deemed to have a dominant position in a goods market if:
 - (1) it has a market power in the goods market, in particular, if it does not encounter any significant competition as a seller or acquirer, and/or based on its financial standing or other qualities has the ability to have a decisive influence on the general conditions of circulation of goods in that goods market and/or oust other economic entities from the goods market and/or obstruct their entry into the goods market; or
 - (2) as a seller or acquirer it captures at least one third of the market in terms of sale or acquisition volumes; or
 - (3) each of the two economic entities having the largest sale or acquisition volumes in a goods market shall be deemed to have a dominant position in the goods market if they jointly capture, as sellers or acquirers, at least one third of the market in terms of sale or acquisition volumes; or
 - (4) each of the three economic entities having the largest sale or acquisition volumes in a goods market shall be deemed to have a dominant position in the goods market if they jointly capture, as sellers or acquirers, at least two thirds of the market in terms of sale or acquisition volumes.
3. The issue of whether or not an economic entity (economic entities) has (have) a dominant position according to any of the grounds provided for by points 2, 3 or 4 of

part 2 of this Article shall be considered in light of the specific aspects of the structure of the goods market concerned, in terms of distribution of the operating economic entities' shares in that market.

An economic entity (economic entities) may not be deemed to have a dominant position according to any of the grounds provided for by points 3 or 4 of part 2 of this Article if as a seller (sellers) or acquirer (acquirers) it (they) does (do) not capture more than one tenth of the market in terms of sale or acquisition volumes. An economic entity (economic entities) referred to in this Article may provide evidence negating the existence of its (their) dominant position in the goods market concerned.

4. The procedure and criteria for determining the monopolistic or dominant position, including the market power, of an economic entity shall be prescribed by the Commission.

5. An economic entity shall be deemed to have a dominant position if:

(1) four or more trade facilities (a trade network) the annual sales turnover whereof exceeds the total sum of AMD 1.5 billion are (is) under the common management of that economic entity, or

(2) four or more trade facilities (a trade network) the annual sales turnover whereof exceeds the total sum of AMD 1.5 billion operate under the same trademark or other identification mark owned or used by that economic entity.

6. ***(part repealed by HO-249-N of 23 March 2018)***

7. An economic entity having a monopolistic or dominant position may not be liquidated (removed from state record-registration) without a statement of information issued by the Commission to the effect that it has no objection to the liquidation (removal from state record-registration) of the economic entity.

(Article 6 supplemented by HO-398-N of 28 June 2002, edited by HO-107-N of 22 February 2007, HO-137-N of 12 April 2011, HO-253-N of 8 December 2017, edited, amended by HO-249-N of 23 March 2018)

Article 7. Abuse of one’s monopolistic or dominant position

1. It is prohibited for economic entities to abuse their monopolistic or dominant position (hereinafter referred to as “dominant position”).
2. The following shall be deemed to be abuse of one’s dominant position:
 - (a) setting or applying unjustified, discriminatory sale or acquisition prices or directly or indirectly forcing other trade conditions contradicting the legislation;
 - (a.1) directly or indirectly forcing or applying conditions contradicting the legislation of or business practices accepted in the Republic of Armenia, as a result whereof unequal competitive conditions are or may be created;
 - (b) restricting trade or modernisation of production or investments of another economic entity;
 - (c) unjustified decrease in or termination of import or production of goods to the detriment of the interests of consumers or creation or maintenance of deficit in a goods market by means of retaining, spoiling or destroying goods;
 - (d) establishing or applying discriminatory conditions (including prices) with regard to other economic entities or consumers in otherwise equal conditions;
 - (e) forcing on a party to a contract or a person willing to conclude a contract, including on trade facilities, economically and/or technologically unjustified conditions not favourable for them or not related to the subject of the contract;
 - (f) compelling economic entities to reorganise, undergo liquidation or disrupt economic ties;
 - (g) an action or conduct aimed at obstructing (restricting) entry of another economic entity into the market, or ousting them from the market, as a result whereof the other economic entity failed to enter the market or was ousted from the market or incurred additional expenses in order not to be ousted from the market, or as a result whereof the other economic entity might have failed to

enter the market or might have been ousted from the market or might have incurred additional expenses in order not to be ousted from the market;

(h) offering or applying conditions that create or may create unequal competitive conditions, unless similar conditions have been offered to the other economic entities operating in the same goods market;

(i) setting, changing or maintaining discounted sale or acquisition prices or privileges, where they are aimed at restriction, prevention or blocking of competition;

(j) unjustified increase, decrease or maintenance of the price of a good;

(k) setting and/or applying unjustifiably high or unjustifiably low prices;

(l) refusal or avoidance, for economically and/or technologically unjustified reasons, to conclude a contract with an acquirer of goods or with an entity willing to acquire goods, provided that it is possible to produce and/or sell these goods;

(m) establishing or applying other conditions or conduct, which lead or may lead to restriction, prevention or blocking of economic competition.

3. In addition to the actions (conduct) prescribed by part 2 of this Article, the following shall also be deemed to be abuse of one's dominant position in the case of trade networks:

(1) forcing on a party to a contract conditions imposing:

(a) prohibition of concluding a contract with another economic entity;

(b) provision of information on a contract (contracts) being concluded with another economic entity;

(c) collection of an additional payment from or forcing another condition on an economic entity if supplies will also be made to a new trade facility entering the same trade network;

(d) collection of an additional payment from or forcing another condition on an economic entity in connection with changes in the assortment of the supplied goods;

(e) on an economic entity compensation for damages in the case of spoilage, damage, loss or destruction of supplied goods deemed to be the property of the trade network, except when it has happened due to the fault of that economic entity;

(f) on an economic entity compensation for expenses that are not connected with the execution of a contract on supply of goods or further sale of goods;

(g) an obligation to return goods that have not been sold for a certain period of time, except when the requirement to return the goods is prescribed by the legislation of the Republic of Armenia;

(h) other circumstances that contain essential elements of conditions prescribed by this point;

(2) forcing to make a supply without concluding a written contract.

(Article 7 supplemented by HO-29-N of 25 December 2003, HO-91-N of 4 May 2005, edited by HO-107-N of 22 February 2007, amended, supplemented by HO-137-N of 12 April 2011, supplemented, edited by HO-249-N of 23 March 2018)

Article 7.1. Unjustifiably high price

1. A sale or acquisition price set by an economic entity having a dominant position, which is higher than the sum of the expenses and profit of production and sale of the good in question, as well as higher than the price formed in competitive conditions in a goods market which is comparable in terms of its composition of acquirers or sellers of goods, conditions of circulation of goods, conditions of accessibility of the goods

market, state regulation, including tax and customs regulation, (hereinafter referred to as "comparable goods market") shall be deemed to be an unjustifiably high price, provided that such comparable market exists in the territory of the Republic of Armenia or outside the territory of the Republic of Armenia, except as otherwise provided by this Law.

2. A price of a good shall not be deemed to be unjustifiably high if it:

(1) has been set within the limits of tariffs prescribed by the legislation of the Republic of Armenia by economic entities operating in a public service sector;

(2) has been set as a result of an innovative activity, i.e. an activity which leads to creation of a new non-substitutable good, or of a new substitute, provided that the costs of production of the substitute have been reduced or the quality of the substitute has been improved.

3. When considering whether a price is unjustifiably high as described in part 1 of this Article, the Commission shall, based on the specific aspects of each case, take into consideration the exchange and non-exchange price indicators established in the relevant global goods markets.

(Article 7.1 supplemented by HO-249-N of 23 March 2018)

Article 7.2. Unjustifiably low price

1. A sale or acquisition price set by an economic entity having a dominant position, which is lower than the sum of the expenses and profit of production and sale of the good in question, as well as lower than the price formed in competitive conditions in a comparable goods market, shall be deemed to be an unjustifiably low price, provided that such comparable market exists in the territory of the Republic of Armenia or outside the territory of the Republic of Armenia, except as otherwise provided by this Law.

2. A price of a good shall not be deemed to be unjustifiably low if:
 - (1) it has been set within the limits of tariffs prescribed by the legislation of the Republic of Armenia by economic entities operating in a public service sector;
 - (2) the price set has not led or could not have led to restriction of competition due to reduction in the number of economic entities not forming a group of persons with the sellers and acquirers of the good in the goods market.

(Article 7.2 supplemented by HO-249-N of 23 March 2018)

(Chapter edited by HO-107-N of 22 February 2007)

CHAPTER 4

CONCENTRATION

Article 8. Definition of concentration of economic entities

1. The following shall be deemed to be concentration of economic entities:
 - (1) absorption between economic entities registered in the Republic of Armenia;
 - (2) consolidation of economic entities registered in the Republic of Armenia;
 - (3) acquisition by an economic entity of the assets of another economic entity registered in the Republic of Armenia, provided that their value *per se* or together with the value of the assets already owned by the acquirer constitutes 20 percent or more of the assets of such economic entity;
 - (4) acquisition by an economic entity of the unit share of another economic entity registered in the Republic of Armenia, provided that it *per se* or together

with the value of the unit share already owned by the acquirer constitutes 20 percent or more of the authorised capital (share capital) of such economic entity;

(5) any transaction, action, reorganisation or conduct of economic entities, due to which the economic entity will directly or indirectly influence the decisions made by or the competitiveness of another economic entity, or may directly or indirectly influence the decisions made by or the competitiveness of others.

2. The parties to an absorption are the economic entities being reorganised through absorption.

3. The parties to a consolidation are the economic entities being consolidated.

4. In the case of acquisition of assets, the parties to the concentration are the economic entities selling and acquiring the assets.

5. In the case of acquisition of a unit share, the parties to the concentration are the economic entity acquiring the unit share, and the economic entity from the authorised capital (share capital) whereof the unit share is being acquired.

6. In the case of point 5 of part 1 of this Article, the parties to the concentration are the economic entities participating in the legal relationship in question.

7. Within the meaning of this Law, a concentration may be formed:

(1) in the same goods market (horizontal concentration);

(2) in different goods markets having certain interrelation (vertical concentration);

(3) in different goods markets (mixed concentration).

8. Reorganisations, actions or transactions between economic entities, referred to in part 1 of this Article, that take place between economic entities forming a group of

persons within the meaning of Article 4.1 of this Law shall not be deemed to be a concentration.

(Article 8 edited by HO-107-N of 22 February 2007, HO-137-N of 12 April 2011, supplemented, amended, edited by HO-249-N of 23 March 2018)

Article 9. Declaration of concentration

1. A concentration of economic entities shall be subject to declaration before being executed if:

(1) the total value (amount) of the assets or revenues of the parties to the concentration or the value (amount) of the assets or revenues of at least one of the parties has exceeded, during the last financial year preceding the formation of the concentration, the value (amount) of the assets or revenues prescribed by the decision of the Commission;

(2) at least one of the parties to the concentration has a dominant position in any goods market.

2. A declaration of concentration shall specify the type and objective of the concentration, as well as the following information about each of the parties:

(1) name, place of residence (registered office) and place of business;

(2) annual business financial statements as of the end of the financial year preceding the declaration and, if mandatory audit of financial statements is required by law, also the audit opinion thereon. If any of the parties to the concentration has started its business in the current year, its financial statements and the audit opinions thereon shall be submitted as of the end of the month preceding the declaration. In the cases provided for by the decision of the Commission, financial statement as of another term may be submitted by the economic entity;

(3) volumes of goods sold during the preceding year per assortment, as well as a description of production capacities;

(4) other documents and information prescribed by the decision of the Commission on approving the procedure for declaration of concentration and the form of declaration.

3. The procedure for declaration of concentration and the form of declaration shall be prescribed by the Commission.

(Article 9 amended by HO-74-N of 23 May 2006, edited by HO-107-N of 22 February 2007, HO-137-N of 12 April 2011, supplemented by HO-249-N of 23 March 2018)

Article 10. State regulation of concentration

1. A concentration subject to declaration shall be permitted or prohibited upon the decision of the Commission, which may also contain binding conditions and obligations for a party (parties) to the concentration.

2. While assessing a concentration subject to declaration, the Commission shall take into consideration the circumstances obstructing economic competition, including leading to or strengthening one's dominant position or prejudicing competitive conditions.

3. The Commission shall permit a concentration subject to declaration also when the economic entity proves that the concentration in question will ensure competitive conditions in the goods market.

4. It is prohibited to execute a concentration subject to declaration:

(1) before a decision has been rendered by the Commission (undeclared concentration);

(2) where the Commission has rendered a decision on prohibiting the concentration (prohibited concentration).

5. A concentration being executed but prohibited upon the decision of the Commission shall be subject to liquidation (rescission, termination) upon the decision of the Commission as prescribed by the legislation.

(Article 10 edited by HO-107-N of 22 February 2007, amended, edited by HO-137-N of 12 April 2011, edited by HO-249-N of 23 March 2018)

(Chapter edited by HO-107-N of 22 February 2007)

CHAPTER 5

UNFAIR COMPETITION

Article 11. Unfair competition

1. Any action or conduct of an economic entity contradicting this Law, other laws, legal acts or customary business practices, violating the principles of fairness, i.e. honesty, equity, truthfulness and/or impartiality, among competitors or between competitors and consumers shall be deemed to be unfair competition.

2. Unfair competition is prohibited.

3. Any stakeholder, including consumer, who has suffered damages as a result of unfair competition has the right to file a claim with the court to terminate the unfair competition. Organisations authorised to protect the economic interests of stakeholders also have this right.

4. The cases listed in Articles 12-15, 15.1 and 16 of this Law, as well as any other actions falling within part 1 of this Article, shall be considered as acts of unfair competition.

(Article 11 amended by HO-168-N of 30 September 2008, amended, supplemented by HO-249-N of 23 March 2018)

Article 12. Creating confusion regarding an economic entity or its business

1. Any action or conduct of an economic entity, which creates or may create confusion regarding another economic entity, its business or goods offered by it, shall be deemed to be an act of unfair competition.

2. Within the meaning of this Article, the following shall be deemed as creating confusion:

(1) use of an unregistered trademark or service mark or industrial design confusingly similar to a registered trademark or service mark or industrial design;

(2) use of an unregistered trademark or service mark or industrial design confusingly similar to an unregistered trademark or service mark or industrial design used earlier;

(3) use of a trademark or service mark or industrial design identical to a registered trademark or service mark or industrial design without the consent of the rightholder;

(4) use of a trade name confusingly similar to a trade name or illegal use of a trade name;

(5) actions or conduct creating confusion regarding the appearance of a good, e.g. packaging, colour or other non-functional characteristics of the good;

(6) actions or conduct creating confusion regarding participants of the civil circulation, goods, other identification marks, e.g. business symbols, signs or letters substituting words, slogans;

(7) actions or conduct creating confusion regarding types of introduction of goods, including advertisement, uniform, style of delivery of goods;

(8) use of names of distinguished persons, popular figures in the field of literature, art or sport, names, other information, images of other popular persons, full or partial reproduction, copying or use, in any other way, of works, or titles, texts or images from works, without a relevant consent (permission).

(Article 12 edited by HO-137-N of 12 April 2011, amended by HO-249-N of 23 March 2018)

Article 13. Defaming an economic entity or its business

1. Any false or unjustified statement which defames or may defame an economic entity, its business or goods offered by it, shall be deemed to be an act of unfair competition.

2. Within the meaning of this Article, defamation may take place in the course of implementation of measures contributing to the advertising or promotion of goods, and in particular concern the following as regards the goods:

- production process;
- their suitability for a certain purpose;
- quality, quantity or other characteristics;
- offer and delivery conditions;
- price or price calculation method.

(Article 13 amended by HO-249-N of 23 March 2018)

Article 14. Misleading the public

1. Any action or conduct that misleads or may mislead the public about an economic entity, its business or goods offered by it shall be deemed to be an act of unfair competition.

2. Within the meaning of this Article, misleading may take place in the course of implementation of measures contributing to the advertising or promotion of goods, and in particular concern the geographic origin of goods, as well as the characteristics listed in part 2 of Article 13 of this Law. Any unjustified exaggeration of the quality of goods, any failure to mention due information on the quality, quantity or other characteristics when such failure may lead to a false impression (misinformation), as well as any fraud regarding the advertiser's personality, shall be deemed to be misleading acts. Absence of notes in Armenian about the production or expiry dates of the good, name or address of the economic entity manufacturing or importing the good or about any other information or conditions required by the legislation, or existence of notes contradicting the legislation, or providing deficient, fraudulent or incomplete details (information) in an advertisement (when advertising), or absence of details (information) that prevent (prevents) the consumer from forming an overall understanding of the sold or advertised goods, as well as any advertisement contradicting the law, shall also be deemed to be acts misleading the public.

3. The issue of whether or not an act misleading the public has taken place shall be decided by the Commission.

(Article 14 amended by HO-107-N of 22 February 2007, supplemented by HO-137-N of 12 April 2011, amended, supplemented by HO-249-N of 23 March 2018)

Article 15. Harm caused to the reputation and goodwill of an economic entity

1. Any action or conduct which — irrespective of whether or not it creates any confusion — harms or may harm the reputation or goodwill (intangible assets) of an economic entity shall be deemed to be an act of unfair competition.

2. Within the meaning of this Article, a harm caused to the reputation or goodwill of an economic entity may, as a general rule, result from impairment of one's reputation or goodwill associated with the objects listed in part 2 of Article 12 of this Law.

Impairment of one's reputation or goodwill is the diminution of distinguishing features or advertising merits (significance) listed in part 2 of Article 12 of this Law, particularly by using a mark similar or identical to a registered or well-known trademark of certain goods for completely different goods.

(Article 15 amended by HO-107-N of 22 February 2007, HO-249-N of 23 March 2018)

Article 15.1. Making inappropriate comparisons

Making an inappropriate, i.e. inadequate, improper, comparison by an economic entity between the goods produced or sold by it and goods produced or sold by other economic entities shall be deemed to be an act of unfair competition.

(Article 15.1 supplemented by HO-249-N of 23 March 2018)

Article 16. Unfair competition with regard to non-disclosable information

1. Within the meaning of this Article, technical, organisational or commercial information, including production secrets (know-how), shall be deemed to be non-disclosable where:

- (a) they, as a whole or due to the specific internal arrangement and integrity of their parts, are completely unknown or not easily accessible to persons usually dealing with such information;
- (b) they have a certain actual or possible commercial value by virtue of being unknown to third parties, but there are no lawful grounds for their free accessibility;
- (c) reasonable measures to retain the secrecy of the information under the existing circumstances have been taken by the natural or legal person who is in lawful control of that information; said measures might have been expressed in the form of concluding a relevant contract and/or taking measures to ensure compliance with its conditions or other preventive measures, such as storing it on identification data carriers in the form of documents, computer files, video and audio tapes, items embodying such information, etc.

The subject matter of non-disclosable information may be production methods, chemical formulas, designs, test samples, methods of sale and distribution of goods, contract forms, business plans, details of contract prices, professional activities (profiles) of consumers, advertising strategies, lists of suppliers or clients, computer software, databases, etc.

Materials and information collected through administrative observations enclosed in reports shall not be deemed to be non-disclosable information.

2. Any action or conduct which leads to obtainment, use or disclosure of non-disclosable information without the consent of its lawful holder or which contradicts customary business practices shall be deemed to be an act of unfair competition.
3. The rights referred to in part 3 of Article 11 of this Law shall arise irrespective of whether or not any formal measures (registration, receiving of a certificate, etc.) have been taken with respect to the non-disclosable information and shall be effective as long as the conditions provided for by part 1 of this Article persist.

4. Within the meaning of this Article, the methods of obtainment, use or disclosure of non-disclosable information contradicting customary business practices are the following:

- (a) industrial, commercial espionage or forcing into such espionage;
- (b) breach, rescission of a contract related to non-disclosable information or forcing into such breach or rescission;
- (c) breach of confidentiality or forcing into such breach;
- (d) obtainment of non-disclosable information by a third party who was aware or could have been aware that such obtainment would require commission of acts mentioned in the preceding points.

5. The use of non-disclosable information is its application in entrepreneurial activities or the introduction into the economic circulation of goods that have been created or processed (reprocessed) by applying such information.

6. The disclosure of non-disclosable information is its divulgence or its transfer to any other person who, by keeping it secret, may gain a tangible or another benefit.

7. Any action or conduct shall be deemed to be an act of unfair competition if it constitutes or is followed by:

- (a) unfair commercial use of data from a test or other non-disclosable data submitted to an authorised body for approval of pharmaceutical or agricultural chemical products created using a new chemical mixture, composition or compound, provided that the test required considerable efforts;
- (b) disclosure of data referred to in point “a” of this part, except when it is necessary for the protection of public interests or when data protection safeguards against unfair commercial use of data are already in place.

Within the meaning of this part, unfair commercial use of data is their sale to other persons, their usage with the purpose of producing identical or similar products, etc.

8. Where a person unlawfully using non-disclosable information has obtained it from a person having the right to disseminate (divulge) it, whereof the user was unaware or was not obliged to be aware of (*bona fide* obtainer), the lawful holder of the non-disclosable information has the right to claim compensation, from the *bona fide* obtainer, for damages caused to the lawful holder as a consequence of using the non-disclosable information starting from the moment when the *bona fide* obtainer becomes aware that the use of such information is illegal.

9. Taking into consideration the expenses incurred by a *bona fide* obtainer in connection with the use of non-disclosable information, the court may permit its further use until compensation of the incurred expenses.

10. A person who has independently and lawfully obtained information containing non-disclosable information has the right to use it irrespective of the rights of the holder of the relevant non-disclosable information and shall not bear any responsibility before the holder for its use.

11. A person in lawful control of non-disclosable information may, based on an appropriate contract, wholly or partially provide pieces of information constituting its content to another person.

12. A person in control of non-disclosable information shall, based on an appropriate contract, be obliged to take proper measures to keep it secret and, as such, has, on equal terms with the lawful holder of the non-disclosable information, the right to protect it from unlawful use by third parties. Unless otherwise provided for by the agreement, the person in control of the non-disclosable information shall be obliged to keep said information secret also after the termination of the licence agreement, provided that the information continues to be considered non-disclosable.

(Article 16 edited by HO-398-N of 28 June 2002, HO-86-N of 26 May 2004, amended by HO-107-N of 22 February 2007, HO-249-N of 23 March 2018)

CHAPTER 5¹

STATE SUPPORT AND EXPERT EXAMINATION OF LEGAL ACTS AND SIGNED CONTRACTS; ANTI-COMPETITIVE ACTIONS OF STATE BODIES AND OFFICIALS THEREOF

*(title edited by HO-168-N of 30 September 2008,
supplemented by HO-137-N of 12 April 2011)*

Article 16¹. State support and prohibition thereof

1. Within the meaning of this Law, state support is any support (including financial means, such as aid, credit, loan, property, privileges or other conditions) provided by a state body or its official to a specific economic entity or a certain group of economic entities.
2. State support which directly or indirectly leads or may lead to restriction, prevention or blocking of competition in a goods market, or prejudices or may prejudice consumer interests, is prohibited, except when said support is provided for by law.
3. This Article does not extend to the state support aimed at environmental protection, solution of social issues, compensation for damages caused by natural disasters or other exceptional occurrences, or at fulfilment of obligations provided for by law or an international agreement.
4. The body (organisation) initiating the provision of state support and the economic entity applying for it have the right to apply to the Commission for an opinion prior to providing the state support or applying for it, respectively.
5. An economic entity having received prohibited state support shall be obliged to return it within the time limits prescribed by the Commission.

(Article 16¹ supplemented by HO-107-N of 22 February 2007, amended by HO-137-N of 12 April 2011)

Article 16². Expert examination of legal acts and signed contracts

The Commission shall conduct expert examination of legal acts adopted and contracts signed by state bodies in terms of their compliance with the legislation on the protection of economic competition. The expert examination shall be conducted by the Commission on its own initiative or at the request of any natural or legal person or of the body adopting the legal act or signing the contract. With a view to receiving a positive opinion, such bodies may apply to the Commission with a request to conduct expert examination prior to adopting the legal act or signing the contract.

The Commission shall submit the opinion on the results of the expert examination of the legal act or contract within ten days following the day on which the request was received. Where the state body disagrees with the expert opinion of the Commission on a legal act, whereas, according to the opinion of the Commission, the legal act is likely to have a negative effect on the economic competition in a goods market, the body initiating the adoption of the legal act shall be obliged to also submit a rationale for its position to the body authorised to adopt the respective legal act.

(Article 16² supplemented by HO-168-N of 30 September 2008, amended, supplemented by HO-137-N of 12 April 2011)

Article 16³. Prohibition of anti-competitive actions or conduct of state bodies and officials thereof

1. A state body's or its official's actions or conduct or legal acts restricting, preventing or blocking economic competition shall be prohibited.

2. The following shall be considered as a state body's or its official's action or conduct restricting, preventing or blocking economic competition:

- (1) establishing and/or applying discriminatory conditions with respect to an economic entity (economic entities);

- (2) prohibiting or restricting entrepreneurial activities, except as otherwise provided by law;
 - (3) imposing on economic entities directives, assignments, instructions, recommendations or orders in relation to the implementation of their entrepreneurial activities (regarding goods, transactions concluded or other matters), except as otherwise provided by law;
 - (4) imposing on consumers an obligation restricting their right to free choice of goods;
 - (5) anti-competitive agreements with other state bodies or economic entities or officials thereof, including transactions, agreements, directly or indirectly coordinated actions or conduct, which directly or indirectly lead or may lead to restriction, prevention or blocking of competition.
3. A state body's or its official's actions or conduct falling within part 1 of this Article but performed within the scope of that body's or official's powers and pursuing legitimate purposes shall not be deemed to be anti-competitive, except when the same purpose may be achieved by another, legally not prohibited, method which is less restricting for the economic competition.

(Article 16³ supplemented by HO-137-N of 12 April 2011, HO-249-N of 23 March 2018)

CHAPTER 6

THE STATE BODY FOR THE PROTECTION OF ECONOMIC COMPETITION

Article 17. The state body for the protection of economic competition of the Republic of Armenia

1. The protection of economic competition shall be carried out by the Commission.

2. The Commission shall be an autonomous body.
3. The Commission shall have a seal, stamp, form and other means of individualisation. The seal of the Commission shall bear the image of the Coat of Arms of the Republic of Armenia and the words "State Commission for the Protection of Economic Competition of the Republic of Armenia". The Commission shall be located in the city of Yerevan.
4. The Commission may, within the scope of its competence, on behalf of the Republic of Armenia, acquire and exercise property and personal non-property rights, bear responsibilities, act as a plaintiff or respondent in courts, as well as possess, use and manage the attached property in compliance with the objectives of its activity and the designation of that property.
5. The Commission shall be established as prescribed by this Law, operate based on the Constitution of the Republic of Armenia, this Law, other legal acts and its Charter, and shall act independently within the boundaries of its competence.

(Article 17 amended by HO-107-N of 22 February 2007, edited by HO-249-N of 23 March 2018)

Article 18. Tasks and functions of the Commission

1. The tasks of the Commission shall be:
 - (a) protection and encouragement of economic competition in pursuance of development of the entrepreneurship and protection of the interests of consumers;
 - (b) ensuring the necessary environment for fair and free competition;
 - (c) prevention, restriction of and warning on anti-competitive practices;
 - (d) supervision over the protection of economic competition.

2. For the fulfilment of its tasks, the Commission shall perform the following main functions:

- exercise supervision over the compliance with the legislation on the protection of economic competition;
- consider the cases of violation of the legislation on the protection of economic competition and adopt decisions;
- ***(paragraph repealed by HO-137-N of 12 April 2011)***
- take the cases of violation of the legislation on the protection of economic competition to court;
- participate in the development and submission, in the manner prescribed, of legal acts regulating the development of economic competition and the state policy in this field;
- participate in the conclusion of interstate agreements concerning matters falling within its competence;
- cooperate with state bodies and non-governmental organisations of the Republic of Armenia and those of foreign states, as well as with international organisations, sign with them memoranda on matters falling within its competence, other agreements on cooperation, involve, where appropriate, specialists and experts from said bodies and organisations in the activities conducted by the Commission, provided that the heads of these bodies and organisations have given their consent in writing;
- develop and implement measures preventing the violations of the legislation on the protection of economic competition;
- summarise the application of the legislation on the protection of economic competition and develop recommendations on its improvement;
- ensure publicity of its activities;

- implement measures aimed at raising public awareness of the issues relating to the economic competition, including provisions of this Law;
- perform other actions falling within its competence.

(Article 18 supplemented, amended by HO-107-N of 22 February 2007, amended, supplemented, edited by HO-137-N of 12 April 2011, amended by HO-249-N of 23 March 2018)

Article 19. Powers of the Commission

1. The Commission shall be entitled to:

(a) adopt decisions on:

- possible or actual violations of this Law;
- studies of goods markets;
- initiating administrative proceedings, conducting inspections, studies;
- boundaries of goods markets, whether an economic entity holds a dominant position in that market, as well as on implementation of measures dictated by that fact;
- disaggregation (division, separation, alienation of unit shares or assets) of economic entities abusing their dominant position two or more times within a year;
- termination of violations of this Law being committed by economic entities, state bodies and their officials, or elimination of the consequences of such violations, restitutions, amendment or rescission of contracts contradicting this Law, signing contracts with other economic entities;
- issuing opinions on whether legal acts, other documents (decisions on, records of organised tenders, etc.) adopted by state bodies or their officials

comply with the legislation on the protection of economic competition, opinions on agreements being concluded, state supports, as well as concentrations;

- suspension, dissolution (rescission, termination) of a concentration or state support, anti-competitive actions or conduct of state bodies, economic entities or officials thereof, declaring legal acts unlawful and revoked;
- imposing liability on economic entities and officials thereof, officials of state bodies, for violations of this Law;
- issuing warnings on possible violations of this Law to economic entities, state bodies or officials thereof;
- approving advisory guidelines, other documents, on how the provisions of this Law shall be applied by the Commission, other state bodies and officials thereof, as well as economic entities;

(b) exercise supervision over the execution of (compliance with) the decisions of the Commission;

(c) conduct inspections, studies (including test purchases) and/or monitoring for the purpose of determining the reliability of a piece of information submitted by an economic entity, revealing the actual business conducted by an economic entity or exercising supervision over the execution of a decision of the Commission;

(d) take violations of this Law to court, alleging, inter alia, that legal acts adopted by state bodies or their officials, contracts concluded by economic entities in violation of this Law, shall be declared fully or partially invalid, as well as that said contracts shall be amended or rescinded;

(e) apply to the Government of the Republic of Armenia with a motion to terminate actions or conduct of state bodies or officials thereof contradicting this Law;

(f) issue a warning with an instruction to eliminate existing and/or exclude further violations, impose a fine with an instruction to eliminate existing and/or exclude further violations and to pay the fine, prescribing a time limit for execution of the instructions;

(g) adopt relevant procedures related to anti-competitive agreements, dominant positions, determination of unjustifiably high prices and unjustifiably low prices, concentrations, unfair competition, state support, monitoring, management of goods acquired by test purchases, as well as determination of goods markets;

(h) give clarifications on matters related to the application of the legislation on the protection of economic competition;

(i) exercise other powers provided for by the legislation.

1¹. The Commission's decisions on disaggregation, provided for by point (a) of part 1 of this Article, shall be executed by the economic entities not later than within six months.

1². Where an economic entity fails to submit, within the prescribed time limit, the documents and other information necessary for the consideration, proceedings, inspection, study and/or monitoring, or otherwise hinders the process thereof, or the documents and other information necessary for them are not available, the Commission shall be entitled to render decisions based on the documents and other information at its disposal. Adoption of decisions provided for by this part shall not exempt economic entities from the duty to submit documents and other information or from the liability prescribed for failure to submit them within the prescribed time limit or for hindering the exercise of the powers prescribed by this part.

1³. When considering matters of boundaries of goods markets in the field of electronic communication and of whether an economic entity has a dominant position in such a market, the Commission shall consult with the Public Services Regulatory Commission of the Republic of Armenia.

2. The Commission shall be independent of other state bodies in performing the tasks and functions prescribed by this Law.

(Article 19 edited by HO-398-N of 28 June 2002, amended, supplemented by HO-91-N of 4 May 2005, edited by HO-107-N of 22 February 2007, amended, supplemented, edited by HO-137-N of 12 April 2011, amended, supplemented by HO-249-N of 23 March 2018)

Article 19.1. Reviewing decisions due to newly emerged circumstances, as well as clarification of decisions, correction of misspellings, miscalculations and misprints

1. Decisions of the Commission may be reviewed due to newly emerged circumstances, on the initiative of the Commission or based on the application of the participants of the proceedings having preceded the adoption of the decision in question.

2. Newly emerged circumstances shall be a ground for reviewing a decision if these circumstances were not known and could not have been known to the Commission or the participants of the proceedings, or were known to the participants of the proceedings but were not submitted to the Commission for reasons beyond their control, and if these circumstances are of material significance to the settlement of the case.

3. An application for reviewing a decision of the Commission due to newly emerged circumstances may be submitted within three months from the moment when the person submitting the application gets to know or could have known that these circumstances have emerged.

4. If the time limit prescribed by part 3 of this Article for submitting an application has been missed, it may be restored by the Commission on the motion of the person

submitting the application, provided that said motion has been filed within six months from the moment when the applicant got to know or could have known that the new circumstances had emerged and provided that the Commission declares the circumstances indicated in said motion as valid.

5. An application submitted for reviewing a decision due to newly emerged circumstances, besides the general requisites, shall also contain:

- (1) the identification number of the decision to be reviewed, year, month and day of rendering thereof;
- (2) the applicant's claim along with a description of the newly emerged circumstances;
- (3) substantiations as to why the newly emerged circumstances are of material significance to the case.

All the pieces of evidence at the disposal of the applicant, which may be of material significance to the settlement of the issue, shall be attached to the application.

The question of whether or not the newly emerged circumstances are of material significance to the settlement of the case shall be decided by the Commission.

6. The Commission shall return the application where the requirements for the form and content of the application have not been observed or the time limit prescribed by part 3 of this Article has been missed and a motion to restore the missed time limit has not been submitted or has been submitted but rejected by the Commission.

7. On its own initiative or based on the application of persons participating in the proceedings, the Commission may clarify its decisions, correct any misspellings, miscalculations and misprints existing therein without changing the content of the decision.

(Article 19 supplemented by HO-249-N of 23 March 2018)

Article 20. Procedure for formation of the Commission and requirements for the members thereof

(title edited by HO-249-N of 23 March 2018)

1. The Commission shall be composed of seven members: a chairperson and six members. The positions of the members of the Commission shall be considered civil positions.
2. The Chairperson and other members of the Commission shall be appointed by the National Assembly, upon the proposal of the Prime Minister, as prescribed by the Constitutional Law of the Republic of Armenia "Rules of Procedure of the National Assembly", by a majority vote of all Deputies, for a term of office of five years, except as otherwise provided by this Law. In case a vacant position of a member of the Commission opens, the Chairperson of the Commission or, when he or she is absent or incapable of performing his or her official duties, the person provided for by part 2 of Article 23 of this Law shall apply to the Prime Minister, presenting the requirements prescribed by this Article for candidates for the position in question. The same person may be appointed as a member of the Commission established under this Law for a full term of office of five years not more than two times in a row.
3. Every person who is a citizen solely of the Republic of Armenia, has higher education, at least five years of work record (of which at least three in a position vested with functions of coordination of subdivisions or in a position of a head of a subdivision) and is fluent in Armenian may be appointed as a member of the Commission. At least one of the members of the Commission must have higher education in law and at least one — in economics.
4. A member of the Commission shall hold office until attaining the age of 65.
5. Members of the Commission may not engage in entrepreneurial activities, hold any state or local self-government position not conditioned by their status, any position in commercial organisations, or perform other paid work, except for scientific,

creative or pedagogical activities. A member of the Commission shall show political restraint in his or her public speeches.

6. In the case of premature automatic or imposed termination of the powers of a member of the Commission, a new member of the Commission shall be appointed for the remaining term of office through the procedure prescribed by this Article for appointing a member of the Commission. Where the remaining term of office is less than one year, the term of office of the new member of the Commission shall be five years plus the remaining period.

7. Where one of the members of the Commission is appointed as the Chairperson of the Commission, he or she shall hold this office until the expiry of his or her term of office as a member of the Commission. Where the remaining term of office is less than one year, the term of office of the Chairperson of the Commission shall be five years plus the remaining period.

8. A person may not be appointed as a member of the Commission if he or she:

- (1) does not meet the requirements prescribed by part 3 of this Article;
- (2) has been declared as having no or limited active legal capacity by a court's civil judgment having entered into force;
- (3) has been convicted for an intentionally committed crime by a court's criminal judgment having entered into force;
- (4) has been prohibited, as prescribed by law, from holding a certain position as prescribed by law;
- (5) has an illness included in the list of illnesses preventing a person from being appointed as a judge, this list being established by the Government of the Republic of Armenia.

(Article 20 edited by HO-249-N of 23 March 2018)

Article 21. Automatic and imposed termination of powers of members of the Commission

(title edited by HO-249-N of 23 March 2018)

1. The term of powers of a member of the Commission shall expire on the same day of the fifth year following the day of his or her appointment, except as otherwise provided by this Law.
2. Powers of a member of the Commission shall automatically terminate where:
 - (1) he or she has attained the maximum age of holding the office;
 - (2) he or she has ceased to be a citizen of the Republic of Armenia or has become a citizen of another state;
 - (3) he or she, informing the Prime Minister in advance, officially submits a written letter of resignation to the Chairperson of the National Assembly;
 - (4) he or she has been declared as having no active legal capacity, limited active legal capacity, missing, or dead, by a court's civil judgment having entered into force;
 - (5) a criminal judgment of conviction, having entered into force, has been rendered against him or her;
 - (6) he or she dies;
 - (7) he or she has been prohibited, as prescribed by law, from holding a certain position.
3. Powers of a member of the Commission may be imposingly terminated where:
 - (1) during his or her term of office he or she has acquired an illness preventing him or her from exercising his or her powers of a member of the Commission;

- (2) due to long-term incapacity for work or another valid reason he or she has been absent from at least half of the sittings of the Commission during one year;
- (3) he or she has had more than two inexcusable absences from the sittings of the Commission within one year;
- (4) he or she has violated the incompatibility requirements prescribed for a member of the Commission;
- (5) he or she failed to perform or improperly performed his or her official duties;
- (6) it is revealed during his or her term of office that at the moment of appointment he or she did not meet the requirements prescribed for a member of the Commission.

4. The Chairperson of the Commission or, when he or she is absent or incapable of performing his or her official duties, the person provided for by part 2 of Article 23 of this Law shall inform in writing the Chairperson of the National Assembly of the grounds provided for by this Article.

(Article 21 amended by HO-107-N of 22 February 2007, edited by HO-249-N of 23 March 2018)

Article 22. Staff of the Commission

1. The Commission shall organise its activities through its Staff, the Charter whereof shall be approved by the Commission.
2. The structure of the Staff, the functions of its structural subdivisions, the number of employees and other internal regulatory issues regarding the organisation of the activities of the Staff shall be regulated by decisions of the Commission. The number of employees of the Staff shall be agreed with the Prime Minister.

3. The Staff of the Commission shall be remunerated in compliance with the Law of the Republic of Armenia "On remuneration for persons holding state positions and state service positions".

(Article 22 edited by HO-107-N of 22 February 2007, HO-185-N of 12 December 2013, HO-249-N of 23 March 2018)

Article 23. Chairperson of the Commission

1. The Chairperson of the Commission shall:

(a) represent, within the scope of his or her competence, the Commission in the Republic of Armenia, other states and in international organisations;

(b) manage and coordinate the normal activities of the Commission, give assignments, for this purpose, to the members of the Commission and employees appointed by him or her, distribute the work duties among the members of the Commission;

(c) ***(point repealed by HO-257-N of 23 March 2018);***

(d) convene and preside over the sittings of the Commission, approve the sitting agendas;

(e) organise the execution of the decisions adopted by the Commission;

(f) sign the decisions and the minutes of the sittings of the Commission;

(g) approve the list of positions at the Staff of the Commission, act as employer's representative for the members of the Commission and employees appointed by him or her, hire and dismiss employees of the Staff of the Commission within the scope of his or her competences, act on behalf of the Commission in the court, issue letters of authorisation to act on behalf of the Commission, issue orders, including orders on conducting an inspection, a study

(including test purchase) or monitoring, exercise other powers vested in him or her by this Law, other legal acts and the Charter of the Commission.

2. When absent or incapable of performing his or her official duties, the Chairperson of the Commission shall be substituted by one of the members of the Commission as assigned by the Chairperson or, if said member, too, is absent or incapable of performing his or her official duties or if such assignment is impossible, by the member of the Commission having served in this position the longest.

(Article 23 edited, supplemented by HO-107-N of 22 February 2007, supplemented by HO-137-N of 12 April 2011, edited by HO-249-N of 23 March 2018, amended by HO-257-N of 23 March 2018)

Article 24. Conflict of interest

1. A member of the Commission having a personal interest in an issue being considered at a sitting of the Commission shall be obliged to inform the other members of his or her interest and its nature prior to the consideration, which must be recorded in the minutes of the sitting. After doing so, the mentioned member:

- (a) shall be obliged to renounce his or her participation in the sitting on the issue concerned;
- (b) must not be counted in the quorum of said sitting.

2. A person whose issue is being considered may recuse any member of the Commission who has a personal interest in the issue being considered.

Article 25. Declaration of incomes of members of the Commission

Members of the Commission shall submit declarations of their incomes as prescribed by law.

(Article 25 edited by HO-91-N of 4 May 2005)

Article 26. Charter of the Commission

1. The Charter of the Commission shall prescribe the rules of operation of the Commission.
2. The Charter of the Commission shall be approved by the Commission.

(Article 26 edited by HO-107-N of 22 February 2007)

Article 27. Annual plan and report

1. Each year, by 1 October, the Commission shall present in the National Assembly the Commission's annual activity plan for the next year, which shall contain summary information on the analysis of the situation of the economic competition and on the identification of existing fundamental issues, measures for the protection of economic competition and the schedule of their implementation, as well as on other necessary provisions prescribed by the Commission for the performance of the tasks and functions prescribed by this Law.
2. Each year, by 1 May, the Commission shall publish a report on the previous year's activities, which shall contain summary information on the activities of the Commission, on the analysis of the goods markets, on the implemented measures aimed at the protection of and supervision over the economic competition, on the process of implementation of the proposals aimed at improvement of the competitive situation, on the financial report on its activities and on the other measures.
3. The Commission's annual activity plan and report on the previous year's activities shall be approved upon the decision of the Commission.

(Article 27 edited by HO-436-N of 23 October 2002, supplemented by HO-137-N of 12 April 2011, edited by HO-249-N of 23 March 2018)

Article 28. Obligations of state bodies, economic entities in providing information to the Commission

(title edited by HO-137-N of 12 April 2011)

1. Based on a letter of the Chairperson of the Commission or a decision of the Commission or a requirement prescribed by the legislation, state bodies, as well as officials thereof, shall be obliged to submit, within the time limit prescribed, documents and other information required by law and necessary for the Commission to exercise its powers.
2. Based on a letter of the Chairperson of the Commission or a decision of the Commission or a requirement prescribed by the legislation, economic entities shall be obliged to submit, within the time limit prescribed, documents and other information required by law and necessary for the Commission to exercise its powers.
3. Where necessary documents and other information are requested by a letter of the Chairperson of the Commission or a decision of the Commission, the Commission shall inform the economic entity on the time limit for their submission, as well as on the legal consequences of the failure to submit the necessary documents and other information within the prescribed time limit or of submitting inaccurate or incomplete information.
4. Once every quarter, economic entities having a dominant position shall be obliged to submit to the Commission, in the manner and cases prescribed by the Commission, information on the monthly rates — expressed in in-kind and in monetary terms — of the stock on hand, acquisitions, production and sale of goods. The information shall be submitted to the Commission by the 30th day of the month following the quarter.

(Article 28 edited by HO-29-N of 25 December 2003, supplemented by HO-91-N of 4 May 2005, edited by HO-107-N of 22 February 2007, HO-137-N of 12 April 2011, supplemented, amended by HO-249-N of 23 March 2018)

Article 28.1. Conducting monitoring, impermissibility of hindering the exercise of rights and fulfilment of duties vested in the Commission

1. An order on conducting monitoring shall indicate the name of the body conducting the monitoring, the full name (names) of the economic entity (entities), the position, name, surname of the person (persons) conducting the monitoring, the purpose of monitoring, the monitoring period and the legal grounds for monitoring. A carbon copy of the order on conducting monitoring shall be served on the economic entity or the head (person substituting the head) of the economic entity or another competent person (hereinafter referred to as "representative of the economic entity") after conducting the monitoring. Where necessary and required by the representative of the Commission, the latter shall draw up a record, in the form prescribed by the Commission, of the results of the monitoring, which shall be signed by the representatives of the Commission and the economic entity. Photographs, documents, electronic media and/or other materials may be attached to the monitoring record, whereon a relevant note shall be made in the monitoring record. In the case of having an objection to the results of the monitoring, the representative of the economic entity shall make a note thereon in the record. Where the representative of the economic entity refuses to sign the record or otherwise hinders the conduct of the monitoring, the representative of the Commission shall make a note thereon in the record, wherein the name, surname and position of the representative of the economic entity having hindered the conduct of the monitoring shall also be indicated.

2. Hindering the conduct of monitoring or a study (including a test purchase) ordered by the Chairperson of the Commission or the conduct of an inspection decided by the Commission or ordered by the Chairperson of the Commission shall be viewed as hindering the exercise of rights or fulfilment of duties vested in the Commission and shall entail liability prescribed by this Law.

(Article 28.1 supplemented by HO-137-N of 12 April 2011, amended, supplemented by HO-249-N of 23 March 2018)

Article 29. Annual expenditures of the Commission

1. The Commission shall be financed from the State Budget funds. The Chairperson of the Commission shall, within the time limit prescribed on the basis of the Law of the Republic of Armenia "On budget system", submit the estimate of expenditures of the Commission (budget request) to the Government of the Republic of Armenia to be included in the draft State Budget.

The initial budget request, if accepted by the Government of the Republic of Armenia, or the amended budget request, if there were objections to the initial request, shall be included in the draft State Budget of the Republic of Armenia, along with which the request shall also be submitted to the National Assembly of the Republic of Armenia.

The Government of the Republic of Armenia shall also submit to the National Assembly of the Republic of Armenia the Government's rationale for the amendments made to the budget request.

2. The estimate of expenditures of the Commission shall ensure that the tasks and functions prescribed by this Law can be properly fulfilled and performed, including the representation in international organisations, as well as payment of salaries to the members of the Commission.

3. The official pay rates for the members of the Commission shall be prescribed by the Law of the Republic of Armenia "On remuneration for persons holding state positions".

(Article 29 edited by HO-107-N of 22 February 2007, supplemented by HO-185-N of 12 December 2013)

Article 30. Organisation of work

1. The Commission shall carry out its work through sittings.

2. A sitting of the Commission shall have quorum where it is attended by at least four members.

3. The Commission shall examine all matters in open sittings, except when it may prejudice the interests of stakeholders.
4. Sittings of the Commission shall be minuted. Brief information on the place, time, participants, agenda, speeches and voting results of the sitting shall be indicated in the minutes.
5. Sittings shall be convened at certain intervals or, at the request of any of the members of the Commission, *ad hoc*.
6. The Commission shall render a decision as a result of consideration.

In the case of consideration of procedural issues or in the event of failure to render a decision on the merits (including convocation of a closed sitting, removal of an issue from consideration, postponement of consideration, inclusion of an additional issue in the agenda, giving an instruction to the Staff, etc.), the Commission shall adopt a verbal (protocol) decision through a vote, whereon a note shall be made in the minutes.

At the sittings of the Commission, decisions shall be adopted by a majority vote of the members participating in the sitting. In the event of a tie, the vote of the Chairperson of the Commission or the person substituting him or her shall be decisive.

Refraining from voting or transfer of one's vote to another member shall not be permitted.

Failure by notified persons to attend shall not hinder the consideration from being held and decisions from being adopted.

7. Following the adoption of an administrative act, a carbon copy thereof shall be served on the addressee within five days.
8. An administrative act adopted by the Commission shall enter into force the next day after its carbon copy has been served on the addressee, unless a later time limit is prescribed by the same act. If an administrative act has more than one addressee,

the administrative act shall enter into force with respect to each of them and to the extent concerning the specific addressee the next day after a carbon copy of the administrative act in question has been served on the addressee concerned, unless a later time limit is prescribed by the same act.

Other individual legal acts adopted by the Commission shall enter into force as soon as they are adopted, unless later time limits are prescribed by the same acts.

9. An administrative act adopted by the Commission may be appealed against through administrative procedure within a period of 10 days following its entry into force. An administrative act adopted by the Commission may be appealed against through judicial procedure within a period of one month from the moment of entry into force of the decision on the administrative appeal in the case of disagreeing with the results of consideration of the appeal or within a period of one month upon entry into force of the administrative act adopted by the Commission if no administrative appeal was lodged.

10. The maximum time limit for the Commission to conduct administrative proceedings shall be 90 days.

11. The time limit for conducting the administrative proceedings may be suspended in the case of impossibility to deliver the correspondence provided for by this Law due to the absence of the economic entity, the official or other competent employee thereof, in the event of failure to submit documents or other information to the Commission or submission of inaccurate or incomplete information or otherwise hindering the proceedings from being conducted or in case other circumstances rendering the conduct of the administrative proceedings impossible exist. The administrative proceedings shall be resumed after the elimination of the circumstances mentioned in this part.

12. If administrative proceedings conducted by the Commission do not result in finding a violation of this Law or in case circumstances rendering adoption of an

administrative act impossible exist, the proceedings shall be dismissed upon the decision of the Commission.

(Article 30 edited, supplemented by HO-91-N of 4 May 2005, edited by HO-107-N of 22 February 2007, supplemented by HO-168-N of 30 September 2008, edited, supplemented by HO-137-N of 12 April 2011, amended, edited by HO-249-N of 23 March 2018)

Article 31. Competence of the Commission to impose sanctions, as well as give warnings, and the procedure for application thereof

(title edited by HO-137-N of 12 April 2011)

1. In case of violation of this Law, the Commission shall be entitled to give a warning or impose a fine upon its decision.

2. When imposing a sanction, the Commission shall take into account the nature, duration of the offence in question, the possible or actual impact of the offence on the competitive situation in the market or on the interests of consumers, whether the violations of this Law committed by the economic entity in question were repetitive, the extent of intentionality of the economic entity, the motives of the economic entity for committing the offence and the circumstances thereof, whether the economic entity accepts that it has committed an offence or cooperates with the Commission, the possible impact of the fine being imposed on the economic entity, the economic entity's business sector and/or the history of the economic entity.

When imposing a fine for an anti-competitive agreement, the Commission shall also take into account to which type provided for by part 2 of Article 5 of this Law (horizontal, vertical, mixed) the anti-competitive agreement belongs to.

3. Where the procedures and time limits provided by this Law for conducting administrative proceeding, adoption, entry into force of, appealing against or

compulsory enforcement of an administrative act are different from those provided for by other laws, the provisions of this Law shall apply.

4. For the purpose of prevention of potential violations of this Law, the Commission shall be entitled to give, upon its decision, a warning regarding the actions and/or conduct of economic entities, state bodies or their officials, that may lead to restriction, prevention or blocking of economic competition or an action of unfair competition or may prejudice the interests of consumers.

(Article 31 edited by HO-107-N of 22 February 2007, HO-137-N of 12 April 2011, supplemented by HO-249-N of 23 March 2018)

Article 32. Executive orders

(Article repealed by HO-107-N of 22 February 2007)

Article 33. Obligations of the Commission in keeping commercial, bank or official secrets

(title supplemented by HO-107-N of 22 February 2007)

1. Information constituting commercial, bank or official secret, which has been obtained while exercising powers provided for by this Law, shall be kept by the Commission as prescribed by law.

2. Members and employees of the Commission shall not have the right to divulge or otherwise disseminate, as well as use for personal mercenary purposes, any secret or official information obtained during the performance of their official duties.

3. In case of divulgence of information constituting commercial, bank or official secret, damages caused to an economic entity shall be compensated from the budget funds of the Republic, in the manner prescribed by the legislation.

(Article 33 supplemented by HO-107-N of 22 February 2007)

Article 34. Grounds on which the Commission may consider violations of this law

The Commission may adopt decisions based on applications and information submitted by state bodies, economic entities and consumers, mass media reports and other documents at its disposal, attesting to a violation of this Law.

(Article 34 amended by HO-137-N of 12 April 2011)

Article 35. Procedure for execution of decisions of the Commission

1. A decision of the Commission shall be subject to execution by economic entities, state bodies and their officials within the time limit indicated in the decision.
2. Where a decision of the Commission fails to be executed, the Commission may apply to court.
3. Appealing against a decision of the Commission shall not result in suspension of its effect (execution).

(Article 35 amended, supplemented, edited by HO-107-N of 22 February 2007, amended by HO-137-N of 12 April 2011)

CHAPTER 7

LIABILITY FOR VIOLATION OF THIS LAW

Article 36. Amounts of fines for offences in the field of economic competition

(title edited by HO-137-N of 12 April 2011)

1. Economic entities, state bodies and their officials shall be held liable, as prescribed by law, for violation of this Law.

2. The amount of a fine imposed for concluding (reaching, entering into) an anti-competitive agreement shall constitute up to 10 percent of the revenue of the economic entity party to the anti-competitive agreement for the year in which that agreement was concluded (reached, entered into). If during the preceding year the economic entity has been active for a period less than 12 months, the amount of the fine imposed for the offence stipulated in this part shall constitute up to 10 percent of the revenue of the economic entity party to the anti-competitive agreement for the period of its activities preceding the conclusion of (reaching, entering into) that agreement, said period being not longer than the preceding 12 months.

2.1. The amount of a fine imposed for prohibited coordination of economic activities shall constitute up to 10 percent of the revenue of the economic entity having committed the offence for the year preceding the offence. If during the preceding year the economic entity has been active for a period less than 12 months, the amount of the fine imposed for the offence stipulated in this part shall constitute up to 10 percent of the revenue for the period of its activities preceding the offence, said period being not longer than the preceding 12 months.

3. The amount of a fine imposed for abuse of one's dominant position shall constitute up to 10 percent of the revenue for the year preceding the offence. If during the preceding year the economic entity has been active for a period less than 12 months, the amount of the fine imposed for the offence stipulated in this part shall constitute up to 10 percent of the revenue of the economic entity for the period of its activities preceding the offence, said period being not longer than the preceding 12 months.

4. The amount of a fine imposed for executing a concentration prohibited by a decision of the Commission shall constitute up to 10 percent of the revenue of the economic entity for the year preceding the offence. If during the preceding year the economic entity has been active for a period less than 12 months, the amount of the fine imposed for the offence stipulated in this part shall constitute up to 10 percent of the revenue of the economic entity having committed the offence for the period of its

activities preceding the offence, said period being not longer than the preceding 12 months.

4.1. The amount of a fine imposed for failure to declare concentration shall constitute up to five million drams.

5. The amount of a fine imposed on an economic entity for an act of unfair competition shall constitute up to five percent of its revenue for the year preceding the offence in question. If during the preceding year the economic entity has been active for a period less than 12 months, the amount of the fine imposed for the offence stipulated in this part shall constitute up to five percent of the revenue of the economic entity for the period of its activities preceding the offence, said period being not longer than the preceding 12 months.

6. The amount of a fine imposed for receiving prohibited state support shall constitute up to five million drams.

7. The amount of a fine imposed for an economic entity's failure to submit, within the prescribed time limit, documents or other information required by a letter of the Chairperson of the Commission or by a decision of the Commission or by the legislation or for submitting inaccurate or incomplete information shall constitute up to five million drams.

8. The amount of a fine imposed for hindering the exercise of rights or fulfilment of duties legislatively vested in the Commission, a member or an employee of the Commission, shall constitute up to five million drams.

9. The amount of a fine imposed for an economic entity's failure to eliminate, within the prescribed time limit, the violations established by a decision of the Commission or to fulfil, within the prescribed time limit, the conditions, obligations or assignments established by such decision shall constitute up to five million drams.

(Article 36 supplemented, edited by HO-398-N of 28 June 2002, amended by HO-29-N of 25 December 2003, edited by HO-91-N of 4 May 2005, HO-107-N of

22 February 2007, HO-137-N of 12 April 2011, edited, supplemented, amended by HO-249-N of 23 March 2018)

Article 36.1. Exemption from a sanction

1. The Commission may adopt a decision on not imposing a sanction on an economic entity party to an anti-competitive agreement if the economic entity is the first to apply to the Commission on its own initiative, before the Commission adopts a decision on initiating administrative proceedings or the Chairperson of the Commission issues an order on conducting an inspection with regard to the agreement in question, and if the economic entity voluntarily undertakes the obligation to terminate its participation in the anti-competitive agreement (except when, in the opinion of the Commission, it is necessary for revealing the anti-competitive agreement) and exclude said participation in the future, while, at the same time, submitting such evidence regarding the anti-competitive agreement in question which, in the opinion of the Commission, is a sufficient ground for initiating administrative proceedings and/or conducting an inspection with regard to the anti-competitive agreement in question.

2. An economic entity shall be fully exempted from the liability provided for concluding (reaching, entering into) an anti-competitive agreement if it submits to the Commission the following evidence at its disposal or known to it:

- (1) the names of all the economic entities party (having been party) to the anti-competitive agreement;
- (2) detailed description of the anti-competitive agreement, including its purpose, manner of manifestation, the goods constituting the subject of the agreement, the date on which, the duration for which and the place where the anti-competitive agreement was concluded (reached), and other data;

(3) names, positions, addresses of all the persons who are involved, have been involved or may be involved in the process of concluding (reaching) the anti-competitive agreement;

(4) other evidence, at the disposal of the applicant, regarding the anti-competitive agreement.

3. The economic entity having applied to the Commission may not be exempted from the liability prescribed by this Article if it has failed to fulfil all or any of the following conditions:

(1) the economic entity fails to terminate its participation in the anti-competitive agreement immediately after submitting the application, except when in the opinion of the Commission it is necessary for revealing the anti-competitive agreement;

(2) the economic entity fails to co-operate — without reservations and continuously — with the Commission from the moment of submitting the information until the end of the administrative proceedings. Said co-operation implies that:

a. the economic entity immediately submits all the necessary information and evidence with regard to the alleged anti-competitive agreement that come at its disposal or become known to it;

b. responds, within the prescribed time limit, to all the enquiries of the Commission which may contribute to the establishment of facts regarding the alleged anti-competitive agreement;

c. ensures that current or, where possible, previous directors and employees of the economic entity party to the anti-competitive agreement can submit explanations;

d. does not destroy, forge or conceal information and evidence regarding the anti-competitive agreement, and

e. does not reveal the fact of submission and the content of a statement, application, information or evidence with regard to the alleged anti-competitive agreement before the Commission's decision on initiating administrative proceedings with regard to the possible anti-competitive agreement becomes effective or in other cases agreed with the Commission.

4. The Commission shall leave an application submitted simultaneously by two and/or more parties to an anti-competitive agreement without consideration.

5. The procedure for submitting applications for exemption from a sanction shall be prescribed by the Commission.

(Article 36.1 supplemented by HO-249-N of 23 March 2018)

Article 36.2. Deduction of the amount of the fine

1. An economic entity revealing its participation in an anti-competitive agreement, in the event of failure to meet the requirements of Article 36.1 of this Law, may submit an application for deduction of the amount of the fine.

2. To have the amount of the fine deducted, the economic entity must submit evidence to the Commission with regard to the possible offence described in Article 5 of this Law, provided that said evidence becomes of material significance for proving the offence.

3. The amount of the fine imposed on an economic entity who, as prescribed by this Article, is the first to report an anti-competitive agreement and submits evidence of material significance for revealing that agreement shall constitute up to 50 percent of the fine prescribed by part 2 of Article 36 of this Law. The amount of the fine imposed on the second economic entity submitting evidence of material significance shall constitute up to 70 percent of the fine prescribed by part 2 of Article 36 of this Law.

The amount of the fine imposed on the third economic entity submitting evidence of material significance shall constitute up to 85 percent of the fine prescribed by part 2 of Article 36 of this Law.

4. The procedure for deduction of the amount of the fine imposed on an economic entity shall be prescribed by the decision of the Commission.

5. Where, upon submitting an application for deduction of the amount of the fine, the economic entity is a party to another anti-competitive agreement and reports that anti-competitive agreement as well, that economic entity may, as prescribed by Article 36.1 of this Law, submit to the Commission an application for full exemption from the fine.

(Article 36.2 supplemented by HO-249-N of 23 March 2018)

Article 37. Failure to execute the decision of the Commission

(Article repealed by HO-137-N of 12 April 2011)

Article 38. Compensation of damages

Where damages have been caused to other economic entities or persons due to actions (omissions) of an economic entity in violation of this Law, they shall be compensated by the economic entity having committed the violation, as prescribed by the legislation.

Where damages have been caused to economic entities or other persons by a state body due to its unlawful decisions, actions or conduct, they shall be compensated as prescribed by the legislation.

(Article 38 edited by HO-91-N of 4 May 2005, amended by HO-107-N of 22 February 2007, HO-137-N of 12 April 2011)

Article 39. Liability of officials of the Commission

For violating this Law, an official of the Commission shall be held liable as prescribed by the legislation.

Article 40. Liability of officials for violating the requirements of this Law

For violating the requirements of this Law, officials shall be held liable as prescribed by the administrative legislation of the Republic of Armenia.

(title amended by HO-107-N of 22 February 2007)

(Article 40 amended by HO-107-N of 22 February 2007)

CHAPTER 8

FINAL PROVISIONS



three pages.

Կազմված է երեսունհինգ թղթից:

Article 41. Establishment of the Commission

The President of the Republic of Armenia shall appoint the Chairperson, Deputy Chairperson and members of the Commission within thirty days upon entry into force of this Law.

Article 42. Entry into force of the Law

This Law shall enter into force from the moment of its promulgation.

**President
of the Republic of Armenia**

Yerevan
5 December 2000
HO-112

R. Kocharyan