

# Vladimir Regional Arbitration Court: the antimonopoly office lawfully fined “Lukoil-Volganefteproduct” Ltd. three million Rubles

13 августа 2010, 16:33

On 11th August 2010, Vladimir Regional Arbitration Court supported the Office of the Federal Antimonopoly Service in Vladimir region (OFAS Russia), which had found that “Lukoil-Volganefteproduct” Ltd. had violated Part 1 Article 10 of the Federal Law “On Protection of Competition” by fixing and maintaining monopolistically high retail prices for motor petrol (grade AI-95). The Court also dismissed the claim of “Lukoil-Volganefteproduct” Ltd. on invalidating the decision of Vladimir OFAS Russia.

In April 2009, the Office of FAS Russia in Vladimir region initiated a case against “Lukoil-Volganefteproduct” Ltd., which fixed high prices for motor petrol (grade AI-95). Increased priced enabled the company to gain considerable income (even with growing purchasing prices for this grade of motor petrol and incurred costs), which infringed the rights of general public.

On 13th January 2010, the Commission of Vladimir OFAS Russia recognized the fact of “Lukoil-Volganefteproduct” Ltd. violating Part 1 Article 10 of the Federal Law “On Protection of Competition”. Having dominant position on the retail market of motor petrol (grade AI-95) in Vladimir, from October 2008 to March 2009 the company’s sales profit from motor petrol was five times higher than the average monthly profit in the previous period and 4.5 times higher than in the subsequent period.

On 2nd March 2010, Vladimir OFAS Russia fined “Lukoil-Volganefteproduct” Ltd. around three million Rubles for violating the antimonopoly law.

On 7th April 2010, “Lukoil-Volganefteproduct” Ltd. filed a lawsuit to the Vladimir Regional Arbitration Court requesting to invalidate the decision of Vladimir OFAS Russia as it was contrary to the antimonopoly legislation of the Russian Federation.

The Vladimir Regional Arbitration Court supported the position of the antimonopoly office and pronounced legitimacy of the decision of Vladimir OFAS Russia regarding “Lukoil-Volganefteproduct” Ltd.

According to the Head of Vladimir OFAS Russia Vadim Solovyov, “the ruling of the Arbitration Court, which is sort of a precedent in the Vladimir region, is the outcome of methodical efforts undertaken by the Antimonopoly Office for nearly a year. It is yet another step towards developing a favourable competitive environment on the regional fuel market and suppressing possible abuses and violations in this field”.

*Reference:*

*Part 1 Article 10 of the Federal Law “On Protection of Competition” prohibits actions (omissions) of economic entities dominating the market, which lead or can lead to preventing, restricting or*

*eliminating competition and (or) infringing the interests of other persons, including the following actions (omissions): fixing and maintaining monopolistically high or low prices.*