

The Court confirmed: concerted actions on the market of potassium chloride are unacceptable

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On 26th August 2010, the Moscow Arbitration Court confirmed validity of the decisions and determinations of the Federal Antimonopoly Service (FAS Russia) regarding “Silvinit” OJSC, “Mineral Trading” Ltd. and “Uralkalii” OJSC.

On 21st December 2009, FAS Russia found that “Silvinit” OJSC, “Mineral Trading” Ltd. and “Uralkalii” OJSC violated Part 1 Article 11 of the Federal Law “On Protection of Competition” (competition-restricting concerted actions).

FAS Russia also established that the contract between “Silvinit” OJSC and “Mineral Trading” Ltd. is a “vertical” agreement prohibited under Clause 1 Part 1.2 Article 11 of the Federal Law “On Protection of Competition”. The agreement resulted in fixing resale price for potassium chloride.

“The decision made by the FAS Russia’s Commission and the determinations issued to “Silvinit” OJSC, “Mineral Trading” Ltd. and “Uralkalii” OJSC are aimed at stabilizing the situation, developing competition on the market of potassium chloride and, as a consequence, ensuring national food supply security”, pointed out the Head of the FAS Russia’s Department for Control over Chemical Industry and Agro-Industrial Complex, Mr. Teimuraz Kharitonashvili.

If the antimonopoly authority recognizes the facts of violating the Federal Law “On Protection of Competition”, it constitutes the grounds for imposing an administrative fine under Article 14.32 of the Code of the Russian Federation on Administrative Violations.

On 6th April 2010, the Federal Antimonopoly Service fined “Silvinit” OJSC and “Mineral Trading” Ltd. nearly RUB 143 millions and RUB 18 millions accordingly. “Uralkalii” OJSC was fined RUB103 millions.

Therefore, the total size of the administrative fines imposed by FAS Russia upon these economic entities exceeded RUB 264 millions.