

Portuguese Competition Authority applies the accessory sanction of disqualification of participation in public tenders for the first time

The Portuguese Competition Authority (AdC) concluded on the 4th March 2020 an investigation started in 2016, in the railway maintenance sector. For the first time the AdC applied the accessory sanction of disqualification of participation in public tenders referring to the products and services on which the infringement decision was based.

Within this case, in which the five undertakings allegedly manipulated for their benefit the proposals presented in the tenders, the AdC:

- a) condemned five undertakings and five board members or directors for “*bid-rigging*” (participation in a cartel in public tenders);
- b) imposed fines amounting to 3,4 million euros; and
- c) applied for the first time, and for a period of two years, the **accessory sanction of disqualification of participation in public tenders** referring to the products and services on which the infringement decision was based.

The five companies allegedly agreed to make the tenders void due to the lack of participants so that new tenders could be launched with a higher base price, and then divided the market in the next tender procedure, placing a higher price.

The AdC justified the application of the accessory sanction with the significance of the infractions and the need of prevention.

The AdC concluded an investigation in the railway maintenance sector, condemning 5 undertakings and 5 board members or directors and imposing fines up to 3,4 million euros.

For the first time, the AdC also applied the accessory sanction of disqualification of participation in public tenders.

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