Promoting competition and protecting the market from concentration risks or any form of anticompetitive practices through ...

Subjecting economic concentration processes to prior approval by authorities concerned with competition: Economic concentration refers to any act resulting in a full or partial transfer of a property or usufruct rights of properties or shares or obligations from one company to another company by a merger or an acquisition or any other form.

Example:

• **Merger, through:**

- The joining of a company to another company, that is, the merging of a company with another existing company, which results in the termination of the merged company and its corporate personality permanently, while the merging company remains the existing company and owns the legal personality. This type of merger is the most common.
- The termination of all companies involved in the merger and their corporate personalities, and a new company emerges that did not exist before.

• **Acquisition, through:**

- When each of the board of directors of the concerned companies jointly work towards mutual understanding and benefit.
- When the takeover takes place against the will of the board of directors of the target company. This happens when the acquiring company is strong and successful in the market and decides to take control over a struggling or weak company.

What are the risks of violating the Competition Protection and Antimonopoly Law?

Whoever violates the provisions of this law shall be fined no less than one hundred thousand Qatari riyals and not more than five million Qatari riyals.

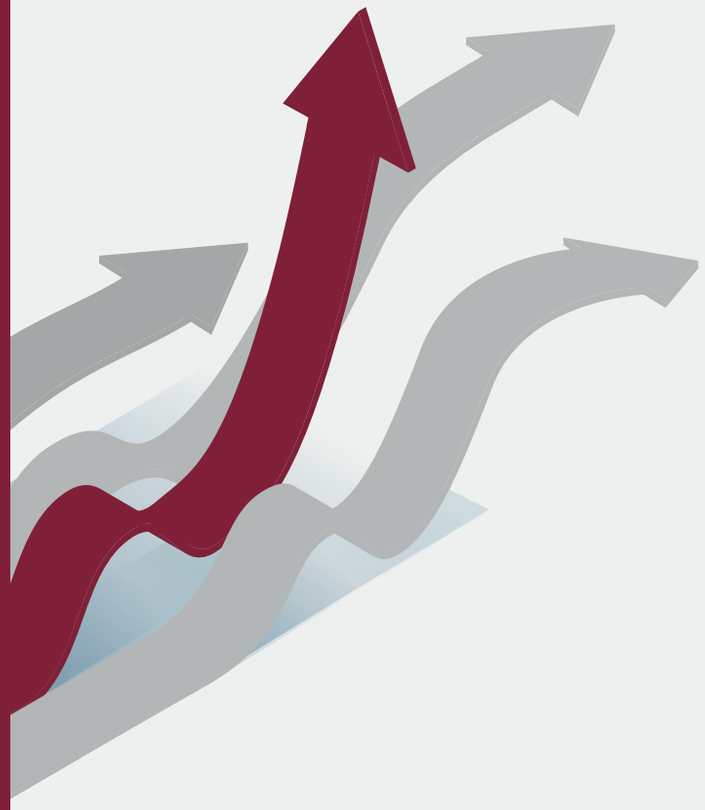
In all cases, the court shall order the confiscation of the profits obtained as a result of violating activity and other things that the violator obtained as a result of the unfair competition.

The person responsible for the actual management of the legal personality in violation shall be subject to the same penalties as those prescribed for acts committed in violation of the provisions of the law, if it is proven that he is aware of it, and the breach of his duties as imposed by that administration contributed to the crime.

The legal person shall be jointly liable for the fulfillment of the financial penalties and compensation assigned to him, if the violations were committed by one of his employees or in his name or on his behalf.

وزارة التجـــــــارة والصناعـــــــة
Ministry of Commerce and Industry
State of Qatar • دولـــة قطـــر

GET TO KNOW THE
COMPETITION RULES



Does the Competition Protection and Antimonopoly Law Apply to you?

Yes, if you are:

• An investor or business owner, engaging in an economic activity that is commercial, or spurred by production, or the provision of services inside the State of Qatar.

• As an investor or business owner, engaging in an economic activity outside the State of Qatar that resulted in impacting the competition in the local market.

• As a decision maker or a legal executive at a company, or as a legal advisor or a corporate lawyer, who is allowed in accordance with the law, to file a grievance if the company you represent has been exposed to anti competition practices.

• As a decision maker or government official, you must work according to the provisions of the law when regulating an activity or proposing a legislation in relation to competition.

What is Applicable to You in the Competition Protection and Antimonopoly Law?

Ensuring fair competition through:

Prohibition of anticompetitive agreements: The agreement refers to the coordination between a group of competing companies to align their business activities and behavior in different ways to violate the rules of competition in the market and avoid intense competition in it.

Examples:

• Price fixing agreement among competitors, whether to raise, lower, or stabilize prices, is considered a prohibited practice that would damage competition, and deprive consumers of their right to choose and access low and competitive prices.

• Agreement among one or more merchants with one or more suppliers to refrain from supplying a competitor in the market with a specific product is considered an anticompetitive practice.

• The provision of a sudden abundance of goods in the market that leads to trading at prices that do not reflect the real cost and in a manner that affects the rest of competitors in the market is considered a practice that violates competition.

• Agreement to publish incorrect information about goods or their prices, knowing that it would violate the rules of competition in the market.

• Colluding in government tenders and influencing prices is a punishable violation by law.

• Sharing markets and clients between competing companies is considered a wrongful practice according to the competition protection and antimonopoly law.

The abuse of a dominant position in a way that damages competition in the market.

Dominant position refers to the ability of a person or group of people working together to control the market of goods and have an effective influence on the prices or the volume of supply while their competitors don't have the ability to limit it.

Examples of abuse of dominant position in the market:

• Imposing unreasonably high prices and making monopolistic profit by using the dominant position of the organization in the market is punishable under the competition protection and antimonopoly law.

• One of the prohibited acts outlined by the competition protection and antimonopoly law is when a dominant company in a specific market refrains from concluding buying or selling deals or stops dealing with any person.

• Obliging a supplier not to deal with a competitor by virtue of a company being in a dominant position in the market is considered a violation punishable by law.

• One of the anticompetition violations is imposing unfair commercial conditions through conditional selling, such as the dominant company linking the sale of a good or providing a specific service with the purchase of a good or obtaining another service.

• Selling a commodity at a price less than its marginal cost in order to inflict losses on competitors and push them out of the market is a punishable violation by law.