

Class: UP/I 034-03/15-01/041
Reg.no: 580-10/63-2016-004
Zagreb, 27 January 2016

CCA vs. HBOR (Croatian Bank for Reconstruction and Development)

- alleged distortion of competition

Decision: Initiative dismissed due to lack of grounds for the initiation of the proceeding

Case summary:

After the Croatian Competition Agency (CCA) carried out a preliminary market investigation in the case concerned it dismissed the initiative made by an undertaking for the initiation of the proceeding against the Croatian Bank for Reconstruction and Development (HBOR).

In short, the complainant – client of the bank – stated in the initiative that it got the loan but when it wanted to use the loan that had been granted to it on two different accounts, one for the purchase an outboard engine of a Croatian supplier, and the other for the purchase of a vessel from a Danish supplier, HABOR made the full payment to for the invoice of the supplier from Croatia, yet it refused to settle the full payment for the Danish supplier explaining that the settlement of the Danish account was considered as advance payment where any payment by the bank that exceeds 30 % cap amount under the HBOR terms of business must be accompanied by a bank guarantee issued by the supplier as to ensure the repayment. In the view of the complainant, since the bank did not ask for any guarantees from the Croatian supplier, it meant additional cost for the supplier from Denmark or the client, the client – complainant filed the complaint with the CCA accusing HBOR of different treatment of the business entities within the EU and, consequently, of engaging in an anticompetitive practice.

The results of the preliminary market investigation carried out by the CCA showed that the reason for different treatment of business entities regarding the payment of loans by HABOR was not their place of establishment in different member states but the fact that in the first case, where the supplier was from Croatia, the outboard engine concerned was in stock and immediately available for delivery and the sum paid by HBOR in this case did not exceed

100,000 Kuna, whereas in the latter case the vessel of the Danish supplier was still under construction and was worth more than 100,000 Kuna. It was established that HAVOR acted in line with the Loan Agreement concluded with the client – complainant and HAVOR general loan terms.