

Class: UP/I 034-03/20-01/015

Reg.no. 580-09/63-2020-015

Zagreb, 9 November 2020

**CCA vs. Croatia osiguranje d.d., Zagreb**  
**- Alleged distortion of competition – prohibited agreement**

**Decision on acceptance of commitments**

**Case summary:**

On 15 June 2020 the Croatian Competition Agency (CCA) initiated an ex officio proceeding against the undertaking Croatia osiguranje d.o.o., insurance company with its seat in Zagreb, regarding the commercial lease agreement that Croatia osiguranje concluded as a lessee, containing certain provisions that imposed restrictions on the lessor in dealing with other undertakings, competing undertakings of Croatia osiguranje. Therefore, the objective of the CCA investigation was to establish whether the restrictions concerned constituted a prohibited agreement in the sense of Article 8 of the Competition Act, OG 79/09 and 80/13.

In the course of the proceeding Croatia osiguranje inspected all its business property commercial lease agreements and found that a similar restrictive provision was included in four commercial lease agreements where Croatia osiguranje had been a lessee and in one commercial lease agreement where Croatia osiguranje had been a lessor.

Croatia osiguranje cooperated with the CCA, made necessary efforts to bring the provisions under the stated agreements in compliance with competition rules and proposed the remedies at an early stage of the proceeding.

At the early stage of the proceeding Croatia osiguranje proposed the remedies on its own initiative and committed itself to the conclusion of a new standard commercial lease agreement with its business partners where Croatia osiguranje is a lessee. The new commercial lease agreement would not contain restrictive provisions that would impose any obligations on the lessor regarding the conclusion of a commercial lease agreement with any other insurance company.

Also, at the early stage of the proceeding Croatia osiguranje committed itself to send to its business partners new proposals for the agreements and provide a 60-day-deadline for them to decide whether to enter a new commercial lease agreement. Should the business partners not accept the conclusion of a new commercial lease agreement, Croatia osiguranje would provide a waiver giving up any further business deals that would be attached to the proposal for the new commercial lease agreement respecting the subsidiarity principle.

In addition, immediately after the receipt of the CCA decision, a revocation statement will be issued by Croatia osiguranje that would clearly and undoubtedly waive any possible right arising from the stated provisions contained in the concluded commercial lease agreements.

Croatia osiguranje committed itself to inform the CCA about the implemented measures and their results within the following three months.

The commitments proposed by Croatia osiguranje were published by the CCA on its web site inviting all interested parties to submit any written comments, observations and opinions within 20 days from the publishing date of the request for information. No replies have been received regarding the matter concerned.

On 9 November 2020 the CCA accepted the commitments proposed by Croatia osiguranje. It found them binding and sufficient to eliminate the possible competition concerns and to restore effective competition in the market. At the same time, the CCA ordered Croatia osiguranje to submit the evidence that it had acted in line with the proposed commitments and within the deadlines imposed by the CCA for the implementation of the remedies concerned.

The CCA notes that the commitments undertaken in the sense of Article 49 of the Competition Act do not mean that there had been an infringement of competition rules and that none has been found within the proceeding concerned.

At the same time, the act of undertaking the commitments does not constitute a settlement or admitting to the infringement.

However, should the monitoring procedure with respect to the implementation of the commitments indicate that the undertaking concerned should act contrary to its commitments, such behaviour would constitute an infringement of the Competition Act and the CCA would issue a separate decision establishing the infringement and imposing the fine for the infringement concerned in line with the provisions of the Competition Act.

Consequently, the CCA found that there were no legal grounds to carry on with the infringement proceeding against Croatia osiguranje.