

PRESS RELEASE

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The Investigation and Prosecution Service of the BCA adopts a settlement decision for imposing maximum discount levels on a network of dealers and imposes a fine amounting to 98.000 EUR

The Investigation and Prosecution Service of the Belgian Competition Authority (BCA) sanctions the company HM Products Benelux that fixed maximum discount levels which could be granted by its distributors in Belgium and imposes a fine amounting to 98.000 EUR.

Description of the infringement

HM Products Benelux imports and distributes infrared cabins of the brand HealthMate in the Benelux. Infrared cabins among other things alleviate muscle and joint pains and at the same time act as a wellness center at home.

HM Products Benelux sets list prices for its products. These prices are listed in the brochures it sends to its distributors.

HM Products Benelux further fixed a maximum discount level that could be granted by its distributors to their clients (*resale price maintenance*). Compliance with the maximum discount levels on the catalog prices of HM Products Benelux was an explicit condition to be able to join the dealer network. This practice of resale price maintenance was accompanied by a form of price monitoring and possible sanctions.

Sanction

As part of the transaction, HM Products Benelux has acknowledged its involvement in the infringement as set out in the decision, and has accepted the sanction imposed on it. For that reason it has benefited from a 10% reduction of the fine.

Procedural background

In the course of 2016 the Investigation and Prosecution Service received information about alleged behavior restrictive of competition by HM Products Benelux with regard to its prices and distribution policy. As a result of this, the Competition Prosecutor General of the Belgian Competition Authority launched an ex officio investigation and in October 2016 the Investigation and Prosecution Service carried out an inspection at the premises of HM Products Benelux.

After thorough examination, discussions with HM Products Benelux in view of a settlement started in July 2018. These discussions ultimately led to the aforementioned settlement decision.

The settlement decision cannot be appealed.

The settlement decision is available on the website of the BCA (www.belgiancompetition.be).

For more information you may contact:

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The Belgian Competition Authority (BCA) is an independent administrative authority that contributes to the definition and implementation of competition policy in Belgium. Concretely, the BCA pursues anti-competitive practices, such as cartels and abuses of a dominant position, and reviews the main merger operations. The BCA cooperates with the other competition authorities of the member states of the European Union and the European Commission within the European Competition Network (ECN)