



MEO fined in €84 million by the Portuguese Competition Authority

The Portuguese Competition Authority (AdC) fined MEO in €84 million for pricing strategies and market sharing, the highest sanction ever imposed on a single company in Portugal for violation of competition rules.

The Portuguese Competition Authority (AdC) imposed their highest sanction ever applied on a single company for violation of competition rules. MEO, the Altice group incumbent telecom company in Portugal, was sentenced to pay a €84 million fine for engaging in pricing strategies and market sharing with Nowo regarding mobile and fixed communication services. In addition to the fine, and as an ancillary penalty, AdC also publish an excerpt from the condemnatory decision.

AdC reported that MEO and Nowo made an anti-competitive arrangement after entering into a MVNO (Mobile Virtual Network Operator) contract. Through this arrangement, Nowo "*committed itself not to launch mobile services outside the geographical areas where it provided fixed services, in order to not compete with MEO in Lisbon and Oporto*", causing an increase in prices and a decrease in the service quality provided, as well as restrictions on the geographical availability of services, which affected Portuguese consumers negatively.

Nowo also agreed not to provide mobile services at €5 or less or at prices lower than the ones charged for similar market offers. In return, MEO would provide better conditions in the MVNO contract with Nowo, especially in regard to its prices, infrastructure use and solving of operational problems.

This agreement prevailed at least from the beginning of January until the end of November 2018, when Nowo reported the situation and AdC carried out a search and seizure procedure at both companies' facilities. As a consequence, Nowo was waived from the payment of any fine thanks to the leniency application it filed. Portuguese leniency rules allow a waiver or reduction of fines in cartel cases, with the first company to report a cartel in which it has participated becomes eligible for a waiver, and the next reporting ones may benefit from a reduction of the fine.

It is likely that MEO will appeal from this decision. AdC's decisions are appealable to the Competition, Regulation and Supervision Court.

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