

Competition law guidelines for Gasgrid Finland and its market forums

Introduction

- Gasgrid Finland's operations are guided by its Code of conduct and Corporate Governance Policy that all employees are required to follow.
 - Accordingly, Gasgrid Finland complies **strictly** with the applicable Finnish and EU **competition laws and principles**.
- **Ensuring compliance** with the **competition rules** is particularly important, in the context of Gasgrid Finland's **market forums** as they comprise representatives of a number of companies that compete with each other.
 - If a prohibited restriction of competition is committed in one of Gasgrid Finland's market forums, Gasgrid Finland may also be considered to have been involved in anti-competitive activities.
- **Failure to comply** with competition rules may lead to significant financial penalties, business disruptions or bad publicity.
- Competition authorities and markets are **particularly vigilant** with activities in opening markets, where there has traditionally been limited competition.
- These guidelines **summarize** the key principles and rules of competition law, the observance of which is the responsibility of everyone working for Gasgrid Finland and participating in its market forums.

Competition law at a glance

- To comply with competition law you need to know **two prohibitions**:
 - Prohibition against anti-competitive agreements (art 101 TFEU and s.5 Competition Act); and
 - Prohibition against abuse of a dominant market position (art 102 TFEU and s.7 Competition Act).
- EU and Finnish national competition laws are applied in parallel.
- Competition law infringements may result in sanctions, such as significant **fin**es and **damages**.
- Not all restrictions of competition are automatically unlawful – an arrangement may be **exempted** if it fulfills **all** of the following so-called efficiency requirements:
 1. it contributes to improving the production or distribution of goods or to promoting technical or economic progress,
 2. it allows consumers a fair share of the resulting benefit
 3. it does not impose on the undertakings concerned restrictions which are not indispensable to the attainment of these objectives;
 4. it does not afford such undertakings the possibility of eliminating competition in respect of a substantial part of the products in question.

Prohibited restrictions of competition

- Generally speaking, all **agreements, decisions** and **other arrangements** which have as their **object** or **effect** the **prevention, restriction** or **distortion** of competition are prohibited.
- In particular, those which:
 1. directly or indirectly fix purchase or selling prices or any other trading conditions;
 2. limit or control production, markets, technical development, or investment;
 3. share markets or sources of supply;
 4. apply dissimilar conditions to equivalent transactions with other trading parties, thereby placing them at a competitive disadvantage
- This so-called the cartel prohibition requires, inter alia, that **competitors do not exchange**, directly or indirectly, **confidential** or **sensitive information** which may have an effect on the future competitive and market behavior of the companies.
- However, general cooperation and lobbying to **enhance the functioning of the market** (e.g. joint market research, joint preparation of general rules of the game affecting the functioning of the market) may be allowed under certain conditions.

Competitively sensitive information

- Generally, information that **is not available** from public sources is considered sensitive, such as:
 - purchasing areas, sales areas;
 - market share information;
 - sales volumes;
 - cost structures;
 - information about customers and their purchases;
 - information relating to tenders; and
 - customer-specific discounts or discount policies.
 - The more **detailed, company-specific**, and **up-to-date** the information, the more likely the information is to be **considered sensitive**.
- In the **context** of Gasgrid Finland's market forums:
 - Unpublished information, such as:
 - gas sales and purchase prices or information from which prices can be deduced;
 - gas production volumes, production plans, maintenance, etc. decommissioning plans, investment plans, plant decommissioning plans;
 - gas consumption plans, expansion / reduction plans affecting consumption;
 - Gas import / export plans;
 - Gas transmission disruptions, planned outages not announced to the market, network construction plans.

Guidelines for the market forum meetings

1. The meeting materials sent in advance must clearly indicate both the matters for which discussion and the participation of the participants are expected, as well as matters that are for information only.
2. Meeting agenda is adopted by the participants as the rules of procedure of the meeting and is maintained throughout the meeting.
3. Meeting materials are published on Gasgrid Finland's [website](#) simultaneously for members of market forums and all stakeholders.
4. Meetings and meeting materials are to be carefully planned so that they do not deal with non-public or sensitive information.
5. Competition guidelines for meetings are reviewed at regular intervals in market forums, in particular when new members and / or representatives join.
6. No sensitive information is discussed at meetings, nor the accuracy of information provided to the market by others speculated about.
7. No more detailed information on Gasgrid Finland's financials than what is publicly available is provided (interim reports and financial statements).
8. Statistical summaries and market reviews do not contain any comments, analyzes or observations that may be used to infer company specific information on future prices or market developments.
9. The meeting will be adjourned, if the conversation moves to a prohibited subject/area.
10. Names of the participants and the topics discussed in the meeting will be recorded in the meeting minutes in a factual and clear manner.

Ensuring compliance with the guidelines



Guidelines are reviewed in the market forums



New members must always familiarize themselves with the guidelines



Compliance is supervised, in particular, by the chairmen of the market forum and the Gasgrid Finland staff participating in the meetings

Useful links

- Key legislation
 - [Treaty on European Union and the Treaty on the Functioning of the European Union](#)
 - [Finnish Competition Act \(948/2011\)](#)
- Other useful links and guidance
 - [The Finnish Competition and Consumer Authority's guidance regarding competition matters](#)
 - [EU competition legislation and Commission notices](#)