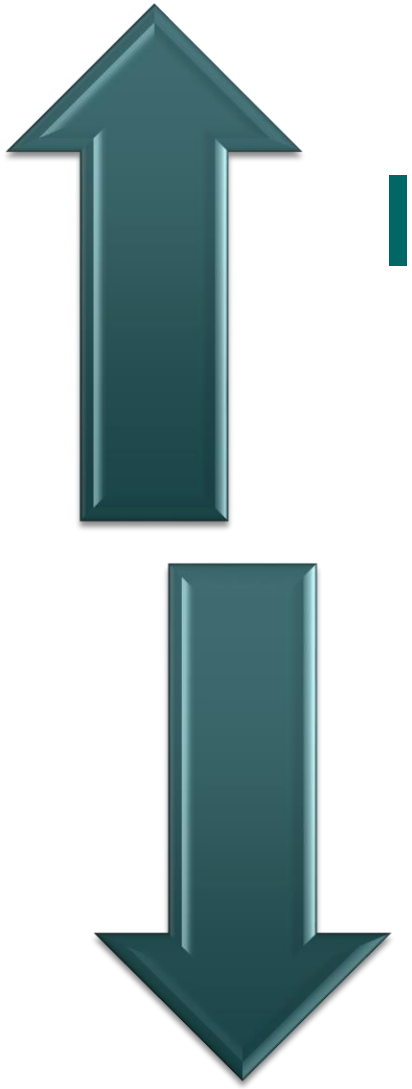


ФАС России

Cartels in the digital age: new challenges and new approaches

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legal

illegal

Digitalization is transforming the way cartels are formed and maintained: in the era of artificial intelligence, digital platforms and big data, companies increasingly use "legal" programs in order to optimize the implementation of anti-competitive agreements or create their own "illegal" products for these purposes.

Russian practice

Market

- **LG Electronic Rus**
- Setting recommended prices and controlling set prices of retailers
- Deviation to/from recommended prices
- Control over competitors' pricing

Auctions

- **"Digital" bid rigging**
- Bid rigging with the use of electronic auction robots
- In total, at about 2,000 auctions signs of violation of antimonopoly legislation implemented with the use of auction robots were identified

Software

- **Computer program as a means of coordinating the cartel and restricting market access**
- One that did not have access to the program, did not have access to the market
- computer program for tracking the life cycle of LSD control over prices, volumes, territory and customers
- On March 26, 2018, the FAS Russia recognized manufacturers of LSD and JSC "OCV " guilty of organizing and participating in a cartel in the LSD commodity market.

Competition Authorities **must counter** the technical progress of cartel members **using their own technical and analytical tools** to identify and prove cartels

FAS Russia response

Cartelization of competitive spheres of economic activity is one of the key challenges to the development of competition in the regions of Russia. In the context of the digitalization of the economy, the FAS Russia, as the regulatory authority, should use **the opportunities of digitalization** for a better and more systematic fight against cartels.



Cartel

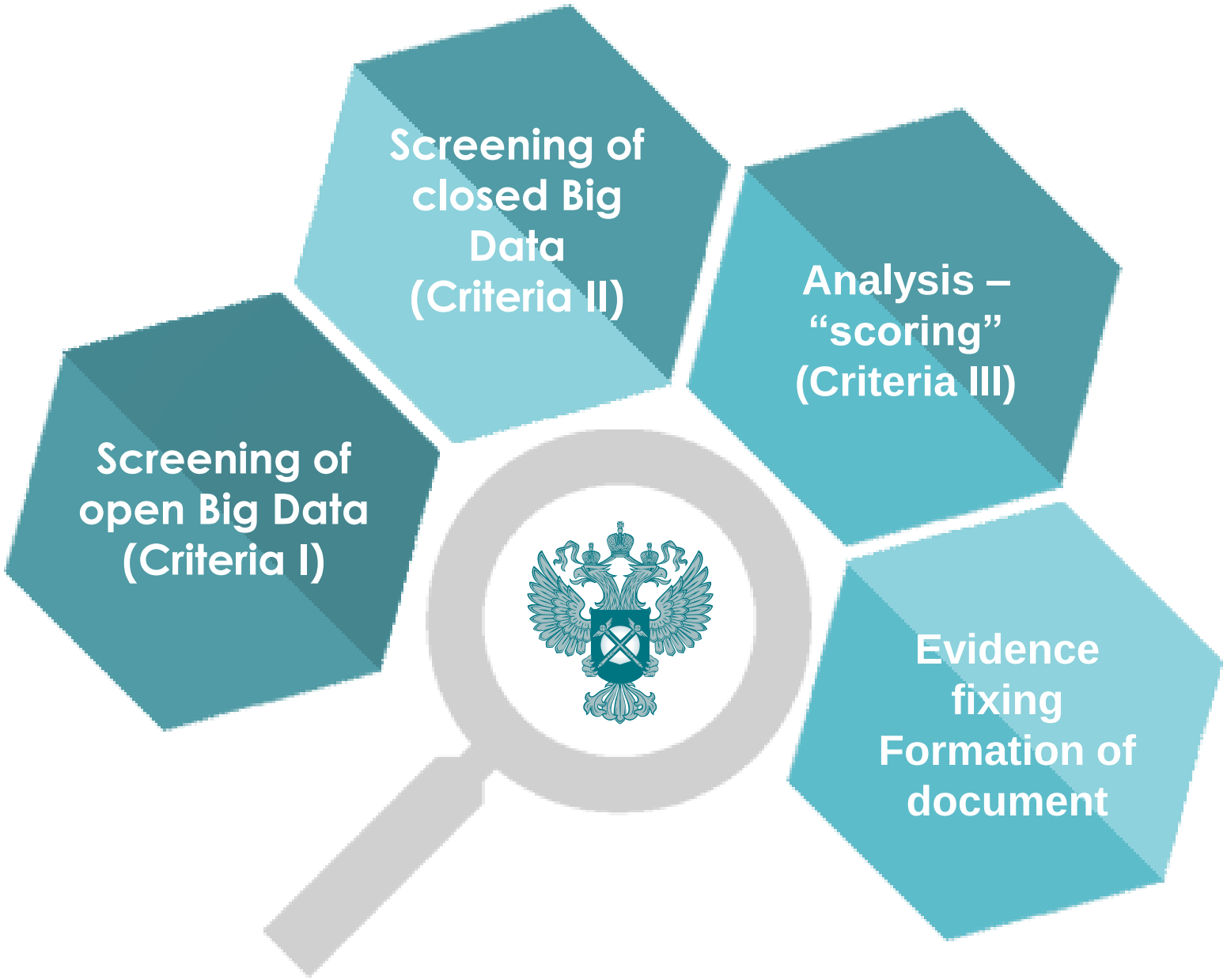


Scoring and Screening

Suppression by FAS of Russia

One of the tools of this struggle should be a **service** that allows automatically detect suspicious activity of economic entities at the auction through online screening of open (at the first stage) and closed (at the second stage) data.

Big digital cat



FAS Russia

Digital transformation

Digitalization & business nature

- Business adapts to a new era
- Data becomes a key strategic asset
- Industry boundaries start to blur

Digitalization & cartels tools

- Robots & Software
- Algorithms

Digitalization & cartels nature

- **???**

Thank you for your attention!

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