

Company Tallinna Kaubamaja Grupp AS
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Title Regional Court's interim decision to suspend the ongoing proceedings regarding KIA Auto AS

On 14 September 2022, the Administrative Regional Court of the Republic of Latvia decided to stay the proceedings that have been ongoing since 2014 between KIA Auto AS, Tallinna Kaubamaja Grupp AS and the Latvian Competition Council regarding the alleged conflict of competition law of the warranty conditions of KIA Auto AS that were valid in the period of 2004-2009 and the legality of the penalty in the amount of 135 thousand euros. The proceedings were stayed based on the application of the Latvian Competition Council to further evaluate the factual circumstances of the case and refer questions to the Court of Justice of the European Union. The average time to obtain a preliminary ruling is approximately one and a half years. After receiving the preliminary ruling, the proceedings will resume in the regional court in Latvia.

On 22 December 2021, the Supreme Court of the Republic of Latvia returned the case to the regional court, indicating that a full review of the alleged anti-competitive behavior, including its impact on the market, needs to be carried out and that it also needs to be verified if the assessment conducted by the Latvian Competition Council has been thorough, accurate and whether a proper market analysis has been conducted. In turn, the Latvian Competition Council requested from the regional court to refer the case to the Court of Justice of the European Union for a preliminary ruling on the constituent elements of the review to find a restriction of competition "by effect" within the context of the warranty conditions of KIA Auto AS that were valid in the period of 2004-2009, and the standard of proof required of competition authority to prove the alleged violation.

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