

## **The GVH has a tough approach towards the digital market as well: HUF 200 million in fines and nearly HUF 4 billion in compensation**

**12 May 2021, Budapest – An investigation recently concluded by Hungarian Competition Authority (GVH) established that the discount practices of eMAG have been unfair towards consumers for a long time. The Authority imposed a fine of HUF 200 million for the infringement and ordered the operators of the webshop to provide compensation of approximately HUF 4 billion.**

The GVH investigated the discount practice of the webshop eMAG, which affected several hundred campaigns on the platform dating as far back as July 2014. The proceeding uncovered that the group of undertakings failed to develop internal regulations during the campaigns that would have ensured that the actual, typical price of a product was displayed as its ‘original’ price; the crossed-out prices were instead only applied occasionally and for extremely short periods.

During the proceeding, the group of undertakings cooperated with the GVH and committed to the implementation of a series of measures aimed at providing compensation for the infringement. Within the framework of these measures, eMAG will cease the use of misleading promotions, re-develop its pricing and price display practices in an appropriate manner, and require its marketplace partners, that is its sellers, to do the same. In addition, consumers who made a purchase on the platform in the past 12 months will each receive a voucher for HUF 3000, in a total approximate value of at least **HUF 1,08 billion**. Furthermore, the group of undertakings committed to supporting the e-commerce presence of Hungarian undertakings by providing reduced commissions, trainings, advertising space, and logistics services, among others, to its partners in a total value of approximately **HUF 2.88 billion**. The commitments will also provide opportunities for Hungarian undertakings to expand on foreign markets via the Romanian and Bulgarian platforms of eMAG. All of this may contribute to the entry of Hungarian undertakings into foreign markets, increases in their export revenue, and the improvement of their financial position, especially during the pandemic.

In addition to requiring the fulfilment of the commitments, the Authority also imposed a **fine of HUF 200 million** on the operators of the platform, Dante International SA and Extreme Digital – eMAG Kft., which also undertook not to contest the decision of the GVH in court. This also means that the fine imposed will become immediately enforceable, which is going to increase the Hungarian central budget. The opinion of the GVH is that the obligations towards the undertakings will be sufficient to ensure their compliance with the law for the future, compensate the affected consumers, and improve the competitiveness of Hungarian undertakings on the digital market.

The official registration number of the case is: **VJ/50/2018**.

GVH Press Office