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THE HUNGARIAN COMPETITION AUTHORITY

Currency exchange as a coordinated practice

The Competition Council of the Hungarian Competition Authority (GVH) established in its decision issued on 25 January 2007 that Northline Kft. (Northline Ltd.) and And Now Kft. (And Now Ltd.) concerted their action on the market, which had a distortional effect on competition. The two undertakings regularly used concerted practices and similar exchange rates at their Bureau de Change facilities near Váci Street. Northline and And Now were fined HUF 3.6 million and HUF 1 million.

The GVH initiated a competition supervision proceeding ex officio against undertakings dealing with currency exchange: Exclusive Change Kft., Exclusive Best Change Kft., Exclusive West Change Kft., Exclusive Pannon Change Kft., Exclusive Special Change Kft., Exclusive Extreme Change Kft., And Now Kft., Corner-Trade Kft., Northline Kft. and Good Change Kft. The purpose of investigation was to find out whether the representatives of the 10 undertakings had agreed about the selling and buying rates they used. The Cartel Section of the GVH carried out an on-the-spot inspection (without advance notice) at the undertakings Exclusive Change, And Now and Northline.

A regular concentration in respect of exchange rates between Northline and And Now lasting for years could be established from the evidences acquired. The analysis of the experts of the GVH revealed that the two undertakings used similar exchange rates at their Bureau de Change facilities in Váci Street, Budapest. The decision of the GVH underlines the fact that the direct and regular exchange of even public data and information may infringe the provisions of competition law. For the infringement of the Hungarian Competition Act Northline was fined HUF 3.6 million and And Now was fined HUF 1 million.

Concerning the other undertakings that were parties to the case the GVH terminated the proceeding in view of the lack of evidences. The investigation was concluded, however, in the future the GVH will pay special attention to the practices of undertakings dealing with currency exchange.

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More information:

Hungarian Competition Authority

Communication Unit

András Mihálovits

Hungarian Competition Authority

Address: H-1054 Budapest, V. ker. Alkotmány u.5., HUNGARY

I H-1245 Budapest, 5. POB 1036

tel: +36-30 618-6618

email: Mihalovits.Andras@gvh.hu

<http://www.gvh.hu>