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REPUBLIC OF CYPRUS

**THE PROTECTION OF COMPETITION LAW
(LAW 207 OF 1989)**

Order made by virtue of section 5(2)

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Order made by virtue of section 5(2)

The Council of Ministers, in the exercise of its powers conferred upon it by virtue of sub-section (2) of section 5 of the Protection of Competition Law of 1989, makes this Order. 207 of 1989.

1. This Order shall be cited as the Block Exemptions (Agreements, Decisions and Concerted Practices in the Field of Road Transport) Order of 1997. Short title.

2. The provisions of this Order shall apply in the field of road transport in agreements, decisions and concerted practices that have as their object or effect the application of technical improvements or technical co-operation or the joint financing or acquisition of transport equipment or supplies that is directly related to the provision of transport services to the degree that is necessary for the joint operation on behalf of the association of road transport undertakings, within the meaning of paragraph 4. These provisions shall equally apply to operations of providers of services ancillary to transport which have any of the objects and effects listed above. Field of application of the Order.

3.-(1) According to sub-section (1) of section 5 of the Law and under the reservation of the preconditions provided in this Order, the agreements, decisions and concerted practices shall be exempted from the prohibition of section 4(1) of the Law when they have as their only object and effect the application of technical improvements or the achievement of technical co-operation by means of- Exemption for technical agreements.

- (a) the standardisation of equipment, transport supplies, vehicles or fixed installations;
 - (b) the exchange or pooling for the purpose of operating transport services, of staff, equipment, vehicles or fixed installations;
 - (c) the organization and execution of successive, complementary, substitute or combined transport operations, and the fixing and application of inclusive rates and conditions for such operations, including special competitive rates;
 - (d) the use, for journeys by a single mode of transport, of the routes which shall be most national from the operational point of view;
 - (e) the co-ordination of transport timetables for connecting routes;
 - (f) the grouping of single consignments;
 - (g) the establishment of uniform rules as to the structure of tariffs and their conditions of application, provided such rules shall not lay down transport rates and conditions;
- (2) The Commission shall, where appropriate, submit proposals to the Council of Ministers with a view to extending or reducing the list of sub-paragraph (1).

4.-(1) The agreements decisions and concerted practices referred to in section 4(1) of the Law shall be exempted from the prohibition of that section where their purpose is-

Exemption for groups of small and medium-sized

sized
undertakings.

- (a) the constitution and operation of groupings of road transport undertakings with a view to carrying on transport activities,
- (b) the joint financing or acquisition of transport equipment or supplies, where these operations shall be directly related to the provision of transport services, and shall be necessary for the joint operations of the aforesaid groupings;

always provided that the total carrying capacity of any grouping shall not exceed 10000 tons. The individual capacity of each undertaking belonging to a grouping shall not exceed 1000 tons.

(2) If the implementation of any agreements, decisions or concerted practices provided for in sub-paragraphs (1) shall have in certain cases effects which shall be incompatible with the requirements of paragraph 5 and which shall constitute an abuse of the exemption from the provisions of section 4(1) of the Law, undertakings and associations of undertakings may be required to make such effects cease.

5. The prohibition of section 4(1) of the Law may be declared inapplicable by the Commission for every-

Non-applicability
of the
prohibition of
section 4(1) of
the Law.

- agreement or category of agreements between undertakings,

- decision or category of decisions of associations of undertakings,
- concerted practice or category of concerted practices, which contributes towards-
 - (i) improving the quality of transport services, or
 - (ii) promoting greater continuity and stability in the satisfaction of transport needs on markets where supply and demand shall be subject to considerable temporal fluctuation, or
 - (iii) increasing the productivity of undertakings, or
 - (iv) furthering technical or economic progress,

taking fair account of the interests of transport users and neither-

- (a) shall impose on the transport undertakings concerned any restriction not essential to the attainment of the above objectives, nor
- (b) shall make it possible for such undertakings to eliminate competition in respect of a substantial part of the transport market concerned.

6.-(1) The undertakings and associations of undertakings that wish to call on the provisions of paragraph 5 for the agreements, decisions and concerted practices mentioned in section 4(1) of the Law and in which they shall participate, may

Duration and revocation of decision applying paragraph 5.

submit application to the Commission for relevant decision by paragraph 5. virtue of the provisions of section 18 of the Law.

(2) This decision may be renewed if the conditions for the application of paragraph 5 shall continue to be satisfied.

(3) The Commission may revoke or amend its decision in question or prohibit specified acts by the parties concerned-

(a) where there has been a change in any of the facts which were basic to the making of the decision;

(b) where the parties commit a breach of any obligation attached to the decision;

(c) where the decision is based on incorrect information or was induced by deceit; or

(d) where the parties abuse the exemption from the provisions of section 4(1) of the Law granted to them by the decision.

In cases falling within (b), (c) and (d) above, the decision may be revoked with retroactive effect.

7.-(1) Until such time as the Council of Ministers, acting in pursuance of the transport policy, shall introduce appropriate measures to ensure a stable transport market, the prohibition laid down in section 4(1) of the Law may be declared inapplicable to any agreement, decision or concerted practice which tends to reduce disturbances on the market in question.

Agreements intended to reduce disturbances resulting from the structure of the transport market.

(2) A decision not to apply the prohibition laid down in section 4(1) of the Law, made in accordance with the procedure of paragraph 8, may be issued by the Commission when this shall be ascertained, that there is a state of crisis in all or part of the road transport market.

(3) Without prejudice to the provisions of sub-paragraph (2), the prohibition in section 4(1) of the Law may be declared inapplicable only where-

- (a) the agreements, decisions or concerted practices shall not impose upon the undertakings concerned any restrictions not indispensable to the reduction of disturbances, and
- (b) shall not make it possible for such undertakings to eliminate competition in respect of a substantial part of the transport market concerned.

8.-(1) The agreements, decisions and concerted practices mentioned in section 4(1) of the Law in respect of which the parties seek application of the provisions of paragraph 7, shall be notified to the Commission. Decision applying paragraph 7.

(2) Any decision by the Commission for the application of paragraph 7 shall have effect only from the date of its adoption. It shall state the period for which it is to be valid. Such period shall not exceed three years from the finding of a state of crisis by the Commission provided for in paragraph 7(2).

(3) Such decision may be renewed by the Commission if it again finds, acting under the procedure provided for in subparagraph 7(2), that there is a state of crisis and if the other

conditions laid down in paragraph 7 continue to be satisfied.

(4) Conditions and obligations may be attached to the decision.

(5) The decision of the Commission shall cease to have effect not later than six months from the coming into operation of the measures referred to in subparagraph 7(1).

(6) The provisions of subparagraphs 6(2) and (3) shall apply.