



**Asia-Pacific  
Economic Cooperation**

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**2012/SOM1/CPLG/041**

Agenda Item: 8

## **Enforcement of Competition Law in Peru – Recent Cases**

Purpose: Information  
Submitted by: Peru



**Competition Policy and Law Group Meeting  
Moscow, Russia  
12-13 February 2012**

# Enforcement of Competition Law in Peru

Recent Cases

## Legal Framework

- Our first consolidated Law on competition was signed in 1991, Legislative Decree 701
  - Law to suppress competition restriction practices
  - Does not include merger control.
- In 1997, merger control for the electricity industry was approved by Law 26876
- A mayor revision of the Competition Law was signed in 2008: Legislative Decree 1034

## Medicinal Oxygen

- The Free Competition Commission sanctioned Praxair Peru, Aga, and Messer Gases del Peru on competition restriction practices:
  - Concerted action in selection processes held by ESSALUD (Health Social Insurance) to acquire liquid oxygen for medical purposes
  - Evidence consisted in their bidding practices in procurement processes, indicating a geographical partition of market

## Medicinal Oxygen

- In public procurement, the upper limit for offers is 110% of a reference price set by the buyer.
- The winner will always asked a price close to the limit, while the other two firms asked a price above the limit (automatically disqualifying them)
- Resolution 051-2010/CLC-INDECOPI imposed a total fine of US\$ 7 434 957

## Vehicle Insurance

- The Free Competition Commission sanctioned the Peruvian Association of Insurers (APESEG) , eight insurance companies and their representatives on cartel practices.
- The sanctioned agreed on premiums and minimum deductibles on “canned” vehicle insurance
- Evidence showed an inflection point from which these concepts started to converge and become more uniform

## Vehicle Insurance

- APESEG ‘s meeting records showed that the observed parallelism started from an agreement between the charged firms.
- The coordination mechanism was a “Technical Note” on insurance premiums and deductibles, implemented and supervised by the APESEG
- Total fines reached USD 4 392 078