The President of UOKiK brings charges of limiting competition against basketball clubs

* **President of UOKiK Tomasz Chróstny has initiated antitrust proceedings against the Energa Basket Liga and sixteen basketball clubs.**
* **The subject matter of the proceedings is the establishment of principles of cooperation with basketball players and the withholding of remunerations.**

**[Warsaw, 12 April 2021]** Having completed the investigation initiated based on the acquired information concerning the **coordination of conduct concerning basketball players** by **the Energa Basket Liga and belonging clubs, the President of UOKiK decided to initiate the antitrust proceedings.** The obtained information indicated that the said entities might have **established the terms for terminating the players' contracts and agreed to withhold the players' remunerations among themselves.** According to the arrangements, the contracts were to be terminated after 19 March of the previous year. The clubs justified their conduct by stating that mutual obligations between them and the players expired due to the inability of both parties to provide services as a result of the outbreak of coronavirus pandemic.

However, it should be noted that clubs, as entrepreneurs, should make decisions concerning their cooperation with players independently and autonomously. By acting in concert, they might have unlawfully exchanged sensitive information and eliminated an important factor affecting competition that occurred between them, namely, the competition for the best possible players. Due to such a coordinated action, the clubs were able to reduce the players' cash benefits without fearing that, as a consequence, the players would transfer to other clubs the following season. O the other hand, the players have a direct impact on their position on the market. As a rule, the better players a club obtains, the better results it achieves in the games, which in turn translates into higher sales of tickets and accessories purchased by fans, as well as easier acquisition of sponsors. Moreover, decisions made by clubs did not take into account their individual economic situations.

*"Last year, the epidemic resulted in an early end of the season for many sports, including the basketball league, causing a difficult situation for all entities involved in the industry. Nevertheless, the arrangements between the basketball clubs raise concern, especially since in other sport disciplines – despite similar restrictions – relationships with players have been regulated without such agreements The evidence gathered indicates that the arrangement may have restricted competition for players, among other things. We do not question the right to save money and introduce financial restrictions, but such actions should be each time based on the actual and individual financial status of a given club. According to the antitrust law, agreements concerning remunerations or non-competing for employees are illegal"* says President of UOKiK Tomasz Chróstny.

Sports clubs are entrepreneurs within the meaning of Polish and European competition law. According to UOKiK's analysis, similar actions have also been undertaken by the antitrust office in Lithuania, which also accused basketball clubs of violating the antitrust law.

*"Prior to issuing antitrust allegations, we had asked the clubs for clarification, but the acquired information did not resolve our doubts. In the Office's history, we have already conducted proceedings concerning sports associations, e.g. PZPN (Polish Football Association), but this is the first time such a situation involves relations between clubs and players. Before deciding to initiate legal proceedings, we had consulted with our counterpart in Lithuania, which is also conducting similar proceedings. Due to the application of European law, we had also discussed the issue with the European Commission, which shared our concerns. We suspect that the arrangements between the basketball clubs did not comply with antitrust laws. At this point, I would like to remind everyone that practices restricting competition are subject to a financial penalty of up to 10 percent of the entrepreneur's turnover"* adds the President of UOKiK.

High penalties for collusion can be avoided by way of [a leniency programme](https://www.uokik.gov.pl/aktualnosci.php?news_id=13198). It gives entrepreneurs, as well as managers involved in the illegal agreements, a chance to gain the status of key witness. This allows them to avoid or reduce the sanction. The programme is dedicated to persons who cooperate with the Office and provide evidence or information regarding illegal agreements. Entrepreneurs and managers interested in the leniency programme may contact the Office by phone at 22 55 60 555, where lawyers will answer all their questions regarding leniency applications, including anonymous ones.

If you are aware of any illegal arrangements at your former or current company, notify UOKiK. The Office also runs a programme of acquiring information from anonymous whistleblowers. Visit <https://konkurencja.uokik.gov.pl/sygnalista/> and fill in a simple form. The system we use guarantees full anonymity, also towards the Office.