



Refusal to Deal








REFUSAL TO DEAL

A supplier can generally refuse to deal with a would-be customer for legitimate reasons. However, under certain circumstances, such a refusal to deal could raise concerns under the *Competition Act*.

☐ WHEN THE COMPETITION ACT APPLIES

The refusal to deal provision of the Act may apply when all of the following elements are met:

-  The would-be customer has been substantially affected or precluded from carrying on business because it was unable to obtain adequate supplies of a product on usual trade terms;
-  The inability to obtain adequate supplies results from insufficient competition among suppliers;
-  The would-be customer is willing and able to meet the supplier's usual trade terms;
-  The product is in ample supply; and
-  The refusal to deal is having or is likely to have an adverse effect on competition.

If the Commissioner believes that all these elements are met, the Commissioner may apply to the Competition Tribunal for a remedial order. Parties may also apply directly to the Tribunal.

If the Tribunal finds that there has been a refusal to deal, it may order one or more suppliers to supply the would-be customer on usual trade terms.

For more information on Refusal to Deal, please visit the Preventing Abuse of Market Power section of the Bureau's website.

The Competition Bureau, as an independent law enforcement agency, ensures that Canadian businesses and consumers prosper in a competitive and innovative marketplace.

Headed by the Commissioner of Competition, the Bureau is responsible for the administration and enforcement of the *Competition Act*, the *Consumer Packaging and Labelling Act*, the *Textile Labelling Act* and the *Precious Metals Marking Act*.

Legal Actions

We have the ability to refer criminal matters to the Director of Public Prosecutions, who then decides whether to prosecute before the courts. We also have the power to bring civil matters before the Competition Tribunal or the courts, depending on the conduct in question and applicable legal provisions.

Written Opinions

The Commissioner has the discretion to provide a binding written opinion to businesses seeking to comply with the *Competition Act*. Any person may request written opinions on whether proposed business plans and practices could raise concerns under the Act.

Questions or Complaints

If you believe any of the laws under the Bureau's jurisdiction have been breached, please fill out our online form, call, fax or write.

We are required by law to conduct our investigations in private. We keep the identity of the source and the information provided confidential, subject to certain exceptions.

This publication is also available online in HTML at:
www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/03801.html

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For More Information:



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This publication is intended to provide basic information only. To learn more, please refer to the full text of the Acts or contact the Competition Bureau.