



Government  
of Canada

Gouvernement  
du Canada

REACHING  
AN  
AGREEMENT  
*with*  
*Competitors*

<http://competition.ic.gc.ca>

Canada



COMPETITION  
BUREAU

## ***What Is the Competition Act?***

The *Competition Act* (the Act) is a federal law governing business conduct in Canada and is enforced by the Competition Bureau (the Bureau). It aims to promote competition in the marketplace by stopping anti-competitive practices. Most businesses in Canada, both small and large, are governed by this Act.

The Commissioner of Competition (the Commissioner) is head of the Bureau, which is part of Industry Canada. The Commissioner is responsible for the administration and enforcement of the *Competition Act*, as well as three statutes concerning the accuracy and adequacy of information provided to consumers:

- the *Consumer Packaging and Labelling Act*
- the *Textile Labelling Act*
- the *Precious Metals Marking Act*.

## ***What Is Conspiracy?***

When business competitors agree

- on the prices that they will charge their customers;
- not to compete for certain customers; or
- not to compete in a particular product or geographic market;

they may be committing a criminal offence known as **conspiracy**, under the *Competition Act*.

## ***I Have Never Reached an Agreement with My Competitors, So How Does Conspiracy Affect Me and My Business?***

A conspiracy scheme prevents you from reaping the benefits of a competitive marketplace, benefits that include lower prices and product choices. If your suppliers are conspiring, you, as the victim of a conspiracy scheme, are not as profitable as you could be.

## ***I Have Been Involved in an Agreement with My Competitors. What Can I Do?***

If you bring information to the Bureau at an early stage, the Attorney General, upon the recommendation of the Bureau, may grant you or your company favourable treatment and possible immunity from future prosecution.

## ***What Are the Possible Penalties?***

- Penalties for conspiracy include fines of up to \$10 million, imprisonment for up to five years, or both.
- Courts can also impose orders to prevent the parties to a conspiracy from continuing or repeating the offence.
- Customers who have lost money as a result of the conspiracy may sue the convicted parties for damages.

Remember that individuals as well as companies can be charged under the conspiracy provisions of the *Competition Act*.

### ***What Should I Do If I Suspect Conspiracy?***

If you suspect or have information that competitors or suppliers are discussing and agreeing on the prices that they will charge customers, or on other aspects of business that may lessen or prevent competition, contact the Competition Bureau.

The Bureau conducts its investigations in private and keeps confidential the identity of the source and the information provided. However, if someone has important evidence about an offence under the Act, that person may be asked to testify in court.

### ***How Does the Bureau Conduct an Investigation?***

Bureau staff investigate a matter through confidential interviews and a review of records, documents and other sources of information. If it appears that the law has been broken, the Bureau can apply to the courts to obtain search warrants or use other compulsory means to continue the investigation.

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Once enough evidence has been obtained, the Bureau refers the matter to the Attorney General of Canada. The Attorney General then decides whether to prosecute in the criminal courts.

*The Bureau produces videos and publications on various aspects of the Competition Act, the Consumer Packaging and Labelling Act, the Textile Labelling Act and the Precious Metals Marking Act. To find out more about our videos and publications, contact the Information Centre at:*

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Competition Bureau  
Industry Canada  
50 Victoria Street  
Hull QC K1A 0C9

**Toll free:** 1-800-348-5358

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*This publication is only a guide. It provides basic information about the Competition Bureau and the Competition Act. For further*