

Turkish Competition Board: Mey ʒıki Abused Dominant Position in Raki Market

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The Turkish Competition Authority recently published a short-form decision from the Competition Board ("Board") concluding that Mey ʒıki San. ve Tic. A.ʒ. ("Mey ʒıki") abused its dominant position in the Raki market (**alcohol**), violating Article 6 of the Law on Protection of Competition Number 4054 ("**Competition Law**"). The Board fined Mey ʒıki 155,782,969 Turkish Lira (ʒ€39.5 million; US \$41.9 million), with a long-form decision to follow, outlining the Board's full reasoning. The scale of the fine reflects the infringement's duration and Mey ʒıki's recidivism. The Board also considered and applied mitigating factors.

The Board also ordered Mey ʒıki to:

- Cease its practice of paying the whole discount amount under the sales contracts to sale points at the beginning of the discount period. The Board held that paying the full amount up front restricts competition by limiting sales points from wishing to work with other companies.
- Cease discounts in the form of retroactive bulk payments.
- For advance payments to sales points under the investment support agreement, the agreement must clearly state the investment's nature and purpose. These agreements will be treated as separate from the purchase agreements.
- For traditional sales channels:
 - Cease financial benefits related to rack and product layouts.
 - Provide a layout recommendation for only about 70% of visible Raki racks and only apply to Mey ʒıki products.
- Remove a provision from its purchase agreements with sales points which requires sales points to display Mey ʒıki's promotional material in alcoholic drink areas.

The full text of the Board's short-form decision (dated 16 February 2017) is available at this link (only available in Turkish).

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