



Association of
International
Pharmaceutical
Manufacturers

Ассоциация
международных
фармацевтических
производителей

COMPETITION GUIDANCE GOVERNING AIPM MEETINGS IN THE RUSSIAN FEDERATION

The AIPM and its members are committed to conducting their activities in compliance with applicable competition laws and regulations.

The AIPM unites international pharmaceutical manufacturers for human use and other companies operating in the pharmaceutical and/or healthcare industry in Russia. Nevertheless, when competing companies meet to discuss issues relating to their business, there is a risk that competition laws could be infringed.

The AIPM and its members acknowledge that certain areas of activity are more vulnerable to competition law implications.

This Guidance is designed to ensure that in organising / attending meetings, the AIPM and its member companies avoid engaging in or facilitating any discussion, activity or behaviour which might violate competition laws of Russia and, if applicable, the Eurasian Economic Union.

The AIPM and all its members shall always act in strict compliance with these rules when organising or attending the AIPM meetings.

If any contradictions are discovered between the provisions of this Guidance and the existing legislation of the Russian Federation, the existing legislation of the Russian Federation shall apply.

The Guidance will take effect upon being approved by the General Meeting of the AIPM.

Approved by the General Meeting of the AIPM on April 18, 2018.

Russian Competition Law: Main Prohibitions

It is unlawful for AIPM members engage in an anticompetitive collusion, in particular, to

- enter into agreements, whether written or tacit, binding or not, that lead or could lead to an anticompetitive effect (i.e. price alignment; market allocation with respect to products, sale volumes, territories, customers / suppliers; price discrimination; restriction of production; creation of market entry / exit barriers; etc.)
- engage in concerted actions with competitors based on publicly announced information concerning business policy of one of the competitors, if such actions lead to an anticompetitive effect.

It is also illegal for AIPM to coordinate business activity of companies if it leads or could lead to an anticompetitive effect.

In order to prevent such unlawful behaviour the AIPM and AIPM members shall follow the below described rules on Prohibited Conduct and Permissible Conduct and implement the Best Practices when organizing and attending the AIPM meetings.

Prohibited Conduct

AIPM members shall refrain from discussing and exchanging commercial information of companies on the following prohibited topics:

- pricing strategies, product pricing, discounts, and credit terms of particular company / group of companies;
- costs of production and distribution, output, methods of computing costs;

- suppliers and customers, including any discussion that may have the effect of ungrounded exclusion of suppliers or customers from the market;
- future plans of commercially sensitive investment plans, marketing, and technological developments.

During a meeting, it is prohibited to exchange any other individualized commercially sensitive data and confidential information.

Permissible Conduct

AIPM members are allowed to discuss the following market related topics at an AIPM meeting:

- general economic and technical questions;
- discussion of general social topics and joint advocacy;
- legislative developments and industry comments and proposals to current and draft legislation;
- general developments in other markets/industries where the companies are not competitors.

When discussing permissible topics, it is allowed to exchange the following commercial information:

- publicly available information (e.g., published statistics);
- historical data;
- aggregated data;
- other data that does not enable the identification of individual businesses, or is processed by an independent third party to ensure confidentiality.

Best practices

To ensure compliance with the above set rules and legislative requirements, the AIPM and its members shall implement the following best practices when organizing and attending AIPM meetings:

- AIPM representative should be present at the meeting.

- The meeting should have a legitimate purpose.
- A topic and a written agenda should be circulated in advance of the meeting.
- Discussion at the meeting should not generally deviate beyond the scope of the agenda.
- Where there is a doubt as to the legitimacy of a discussion, the AIPM representative and/or any member participant shall object, the discussion shall be postponed until its legitimacy can be confirmed with legal counsel.
- Written minutes should be taken at General, Board of Directors and Committees meetings. The minutes should be circulated to meeting participants, checked and approved after the meeting.
- The AIPM and its members should keep the meeting minutes, hand-outs and other documents shared at the meeting for a reasonable period of time but not less than 3 years.

MEMBERS SHOULD SEEK INDIVIDUAL LEGAL ADVICE ON COMPETITION LAW AND ITS APPLICATION TO THEIR ACTIVITIES.

THESE GUIDANCE IS NOT A SUBSTITUTE FOR INDIVIDUAL MEMBER'S COMPETITION POLICIES.