

Workshop on Competition Assessment

Reykjavik, 17 February 2026

Federica Maiorano and Ania Thiemann

OECD Competition Division





OECD Competition Assessment Review of Iceland (2020): Methodology and Background

- OECD-led project (2019–2020) requested by the Government of Iceland to identify and remove regulatory barriers to competition in key sectors.
- Focus sectors:
 - **Construction sector** (including regulated professions)
 - **Tourism sector** (including tourism transport, accommodation, protected areas, air transport)
- These sectors represented **17.7% of GDP and 23.5% of employment**, highlighting their systemic importance to productivity, costs, and growth
- Objective: identify regulatory barriers that:
 - ✓ Restrict entry or expansion
 - ✓ Increase costs and administrative burdens
 - ✓ Reduce productivity, innovation, and consumer welfare.



Key Findings and Estimated Economic Benefits

Construction sector

- Restrictive land-use planning and burdensome building permit processes
- Overly prescriptive building design and standards increasing costs
- Excessive licensing and regulation of professions
- Administrative burdens and regulatory fragmentation across authorities.

Tourism sector

- Licensing requirements restricting entry and expansion
- Regulatory barriers in transport, accommodation, and tourism services
- Airport ownership and tariff structures reducing efficiency
- Administrative burdens affecting small businesses and innovation.



Economic and Social Benefits from Reform

Quantified annual benefits:

- Estimated gains of approximately **EUR 200 million per year** =>
- Equivalent to **around 1% of Iceland's GDP annually**.

Wider structural and long-term benefits

Implementation of recommendations expected to deliver:

- ✓ Lower construction costs and housing prices
- ✓ Increased investment and market entry
- ✓ Greater consumer choice and lower prices
- ✓ Improved productivity and innovation

- ✓ Stronger economic growth and recovery potential.

Strategic impact

- ✓ Major structural reform opportunity for Iceland
- ✓ Supports sustainable growth and economic resilience
- ✓ Strengthens competition assessment as a standard tool in policymaking
- ✓ Creates a more efficient, dynamic, and competitive economy.

Thank you
Any Questions?

Ania Thiemann

Ania.Thiemann@oecd.org

Link to Iceland 2020 Review:

https://www.oecd.org/en/publications/oecd-competition-assessment-reviews-iceland_84785d3a-en.html





THE BENEFITS OF COMPETITION ASSESSMENT OF LAWS AND REGULATIONS

Federica Maiorano, OECD Competition Division

OECD-ICA Workshop on Competition Assessment
Reykjavík, 17 February 2026



What is competition assessment?

There are often several ways to achieve a **public policy objective**, and some policies restrict competition more than others.

The OECD Recommendation on Competition Assessment calls governments to

- Identify **existing** or **proposed** public policies that restrict competition.
- Revise public policies that unduly restrict competition and adopt **more pro-competitive alternatives** that still achieve the policy objective.





The benefits of competition

Competition leads to price reductions and greater choice

Competition improves firms' efficiency and reduce costs

More investment and innovation, leading to better quality products and services

More efficient firms enter and gain market share

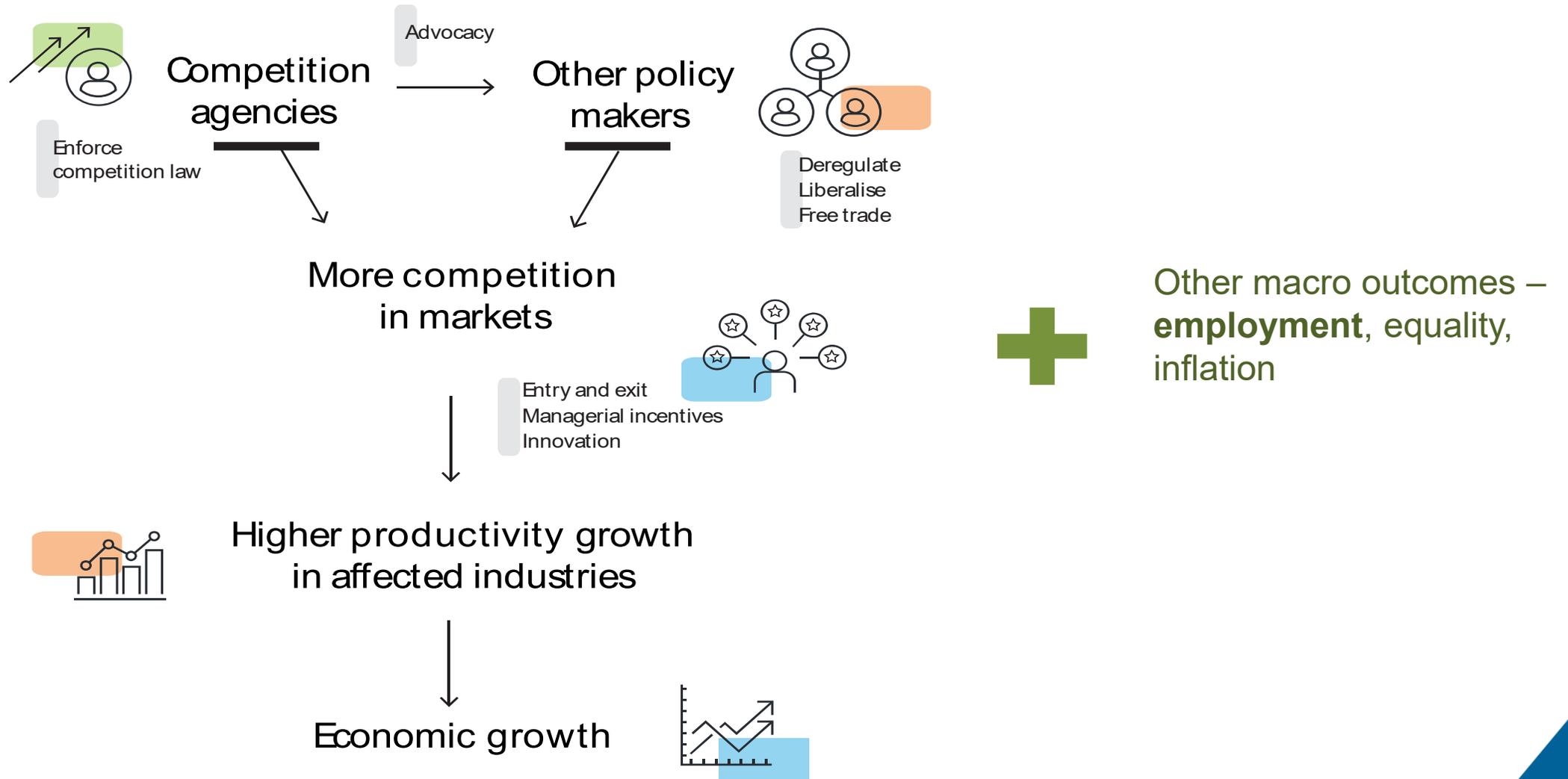
Spillover effects on adjacent markets

Higher employment, productivity and economic growth

Competition delivers many benefits at both micro and macro-economic levels



Competition, competition policy and growth





Why competition assessment?

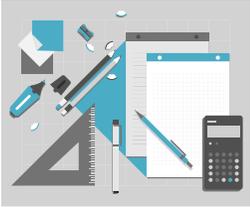
The benefits of procompetitive regulation

- Deregulation in network sectors is associated with a 5% increase in labour **productivity** (Andrews et al., 2025)
- Making product market regulation more procompetitive is found to raise **GDP** by 1.4% in the long run through higher productivity (Égert and Gal, 2017)
- Lowering entry barriers is associated with **lower unemployment** rate (Piton and Rycx, 2019)



Why competition assessment?

The benefits of procompetitive regulation



OECD competition assessment projects estimate the expected benefits of implementing **selected** recommendations in some sectors, e.g.

- Greece (2014) benefits of about 2.5% of GDP
- Iceland (2020) benefits up to 1% GDP
- ASEAN (2021) benefits of USD 4 billion
- Brazil (2022) benefits of about USD 135 million
- Tunisia (2023) benefits of about 1% of GDP

Benefits are generally **underestimated**: other positive effects are not quantified, e.g.

- More choice and quality for consumers
- Increased FDI and trade
- More flexible environment for business
- New employment opportunities
- Increased competitiveness of the economy





Benefits of lowering regulatory barriers to competition – ex post reviews



Fotis & Polemis (2020) find that OECD recommendations led to enhanced competition in the milk industry in Greece, associated with lower farmgate milk prices

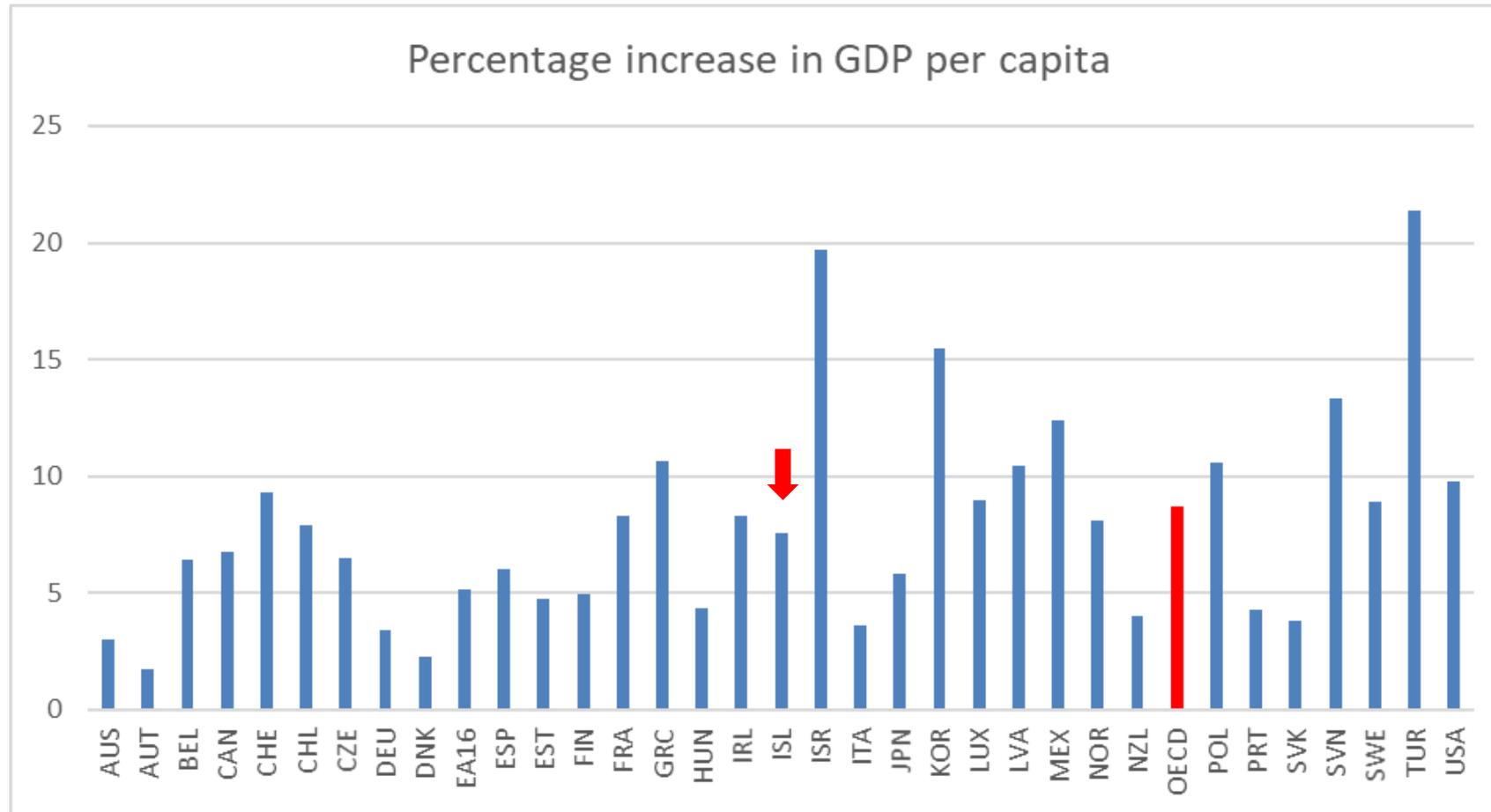


Kontolaimou & Konstantakopoulou (2020) find that the partial removal of price restrictions on the Greek book market, in line with OECD recommendations:

- substantially reduced book prices
- increased overall household (consumer) surplus



Expected benefits of pro-competitive regulation in Iceland, 2018 PMR data

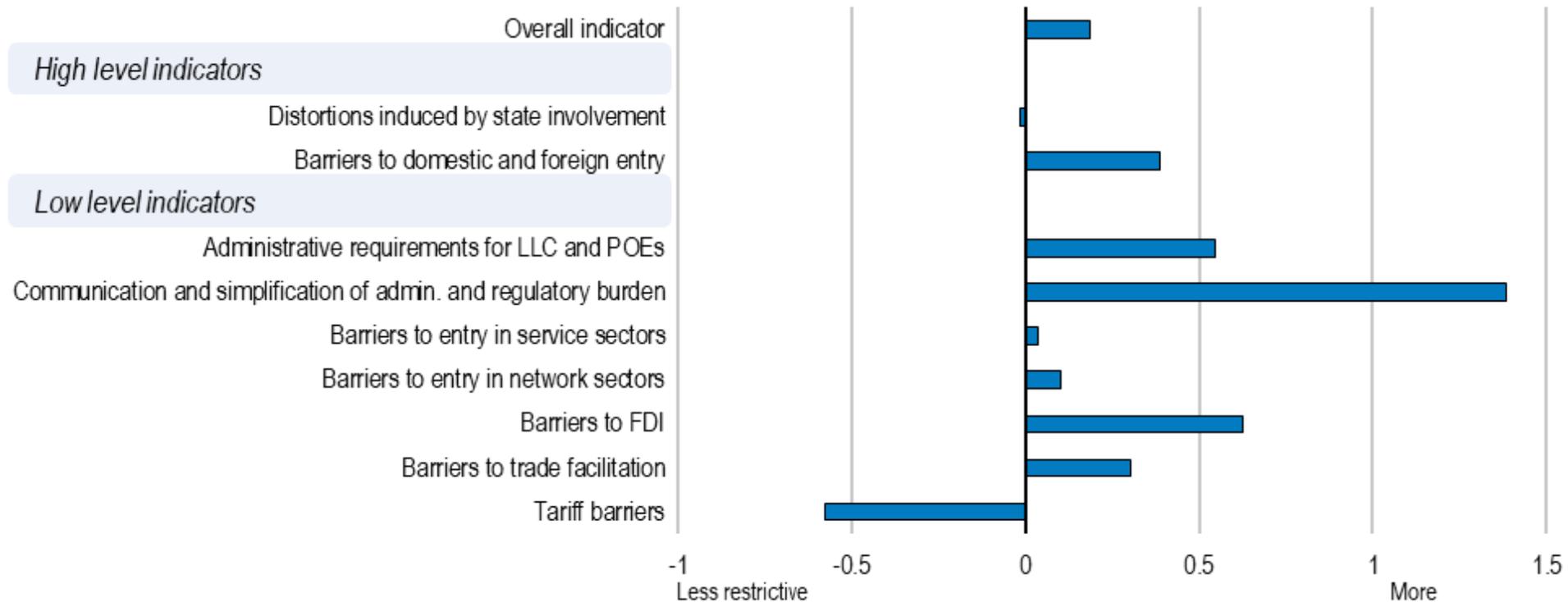


Note: The graph shows by how much GDP would be higher, long-term, if countries implemented product market reforms. It is assumed that product market reforms move each country's regulations gradually towards best practice, as measured by the OECD Product Market Regulation indicator.
Source: OECD (2018), OECD Economic Outlook, The Long View: Scenarios for the World Economy to 2060 - <https://doi.org/10.1787/b4f4e03e-en>.



Room for pro-competitive reforms in Iceland, 2023 PMR data

The overall PMR indicator and its components, gap with the OECD average, 2023

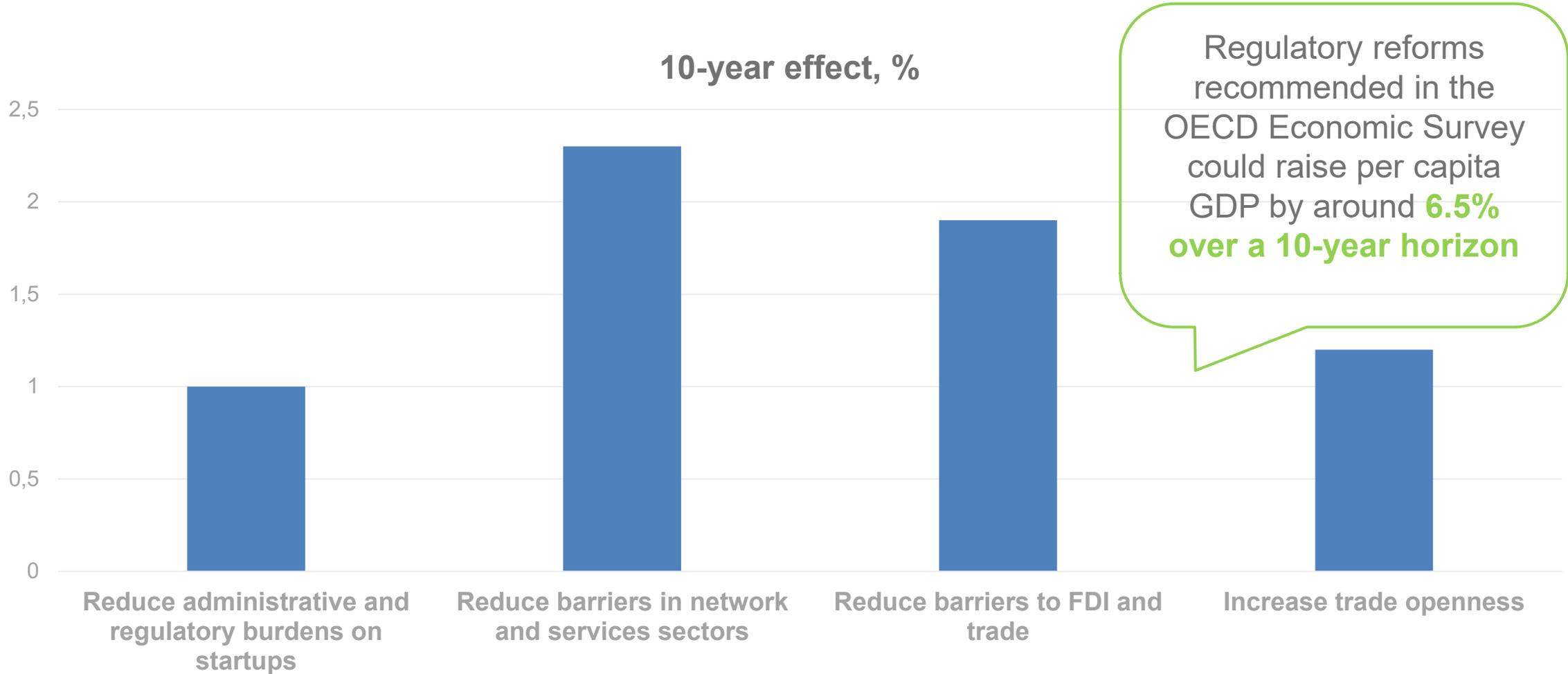


Note: In the OECD PMR indicators, the score ranges from 0 (least restrictive) to 6 (most restrictive) and the chart shows the difference between the score for Iceland and the OECD average for each category. The chart shows the headline indicator, the two high-level components and the six low-level components in the category of “barriers to domestic and foreign entry”. “LLC” stands for limited liability companies. “POE” stands for personally-owned enterprises.

Source: OECD (2025), *OECD Economic Surveys: Iceland 2025*, OECD Publishing, Paris, <https://doi.org/10.1787/890dbe05-en>.



Potential impact of reforms on the level of per capita income in Iceland



Source: OECD (2025), *OECD Economic Surveys: Iceland 2025*, OECD Publishing, Paris, <https://doi.org/10.1787/890dbe05-en>, Box 1.2, page 23.



OECD Competition Assessment Introduction to the Competition Assessment Toolkit

Reykjavik, 17 February 2026
Presentation by Ania Thiemann
Project Manager





OECD Recommendation on Competition Assessment 2019

There are often several ways to achieve a **specific public goal**, and some policies restrict competition more than others. The OECD Recommendation highlights the following:

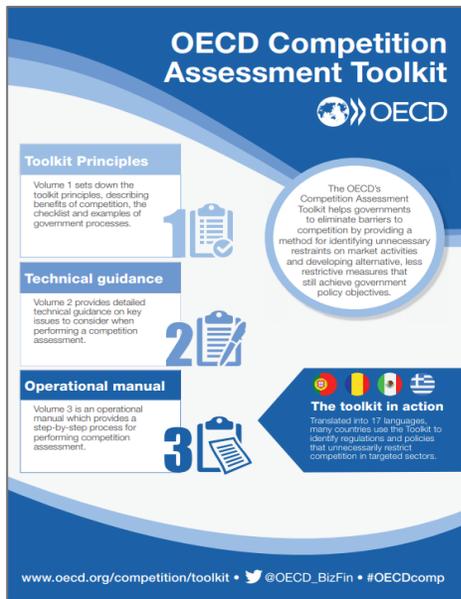
- ✓ Identification of existing or proposed public policies that restrict competition.
- ✓ Revision of public policies that unduly restrict competition and adoption of more pro-competitive alternatives.
- ✓ Competition assessment of proposed policies should be integrated in the policy making process at an early stage.



OECD Competition Assessment Toolkit

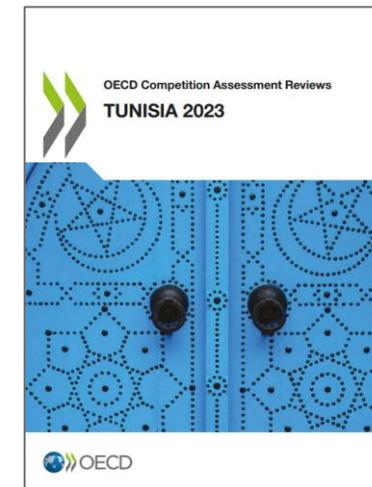
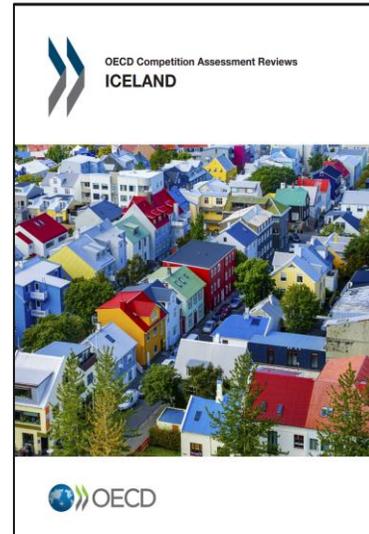
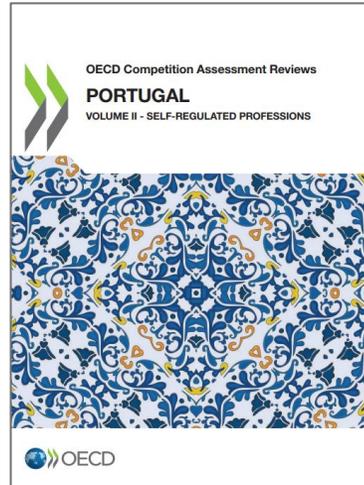
- Competition Assessment Toolkit (CAT)

<https://www.oecd.org/en/topics/sub-issues/competitive-and-fair-markets/competition-assessment.html>



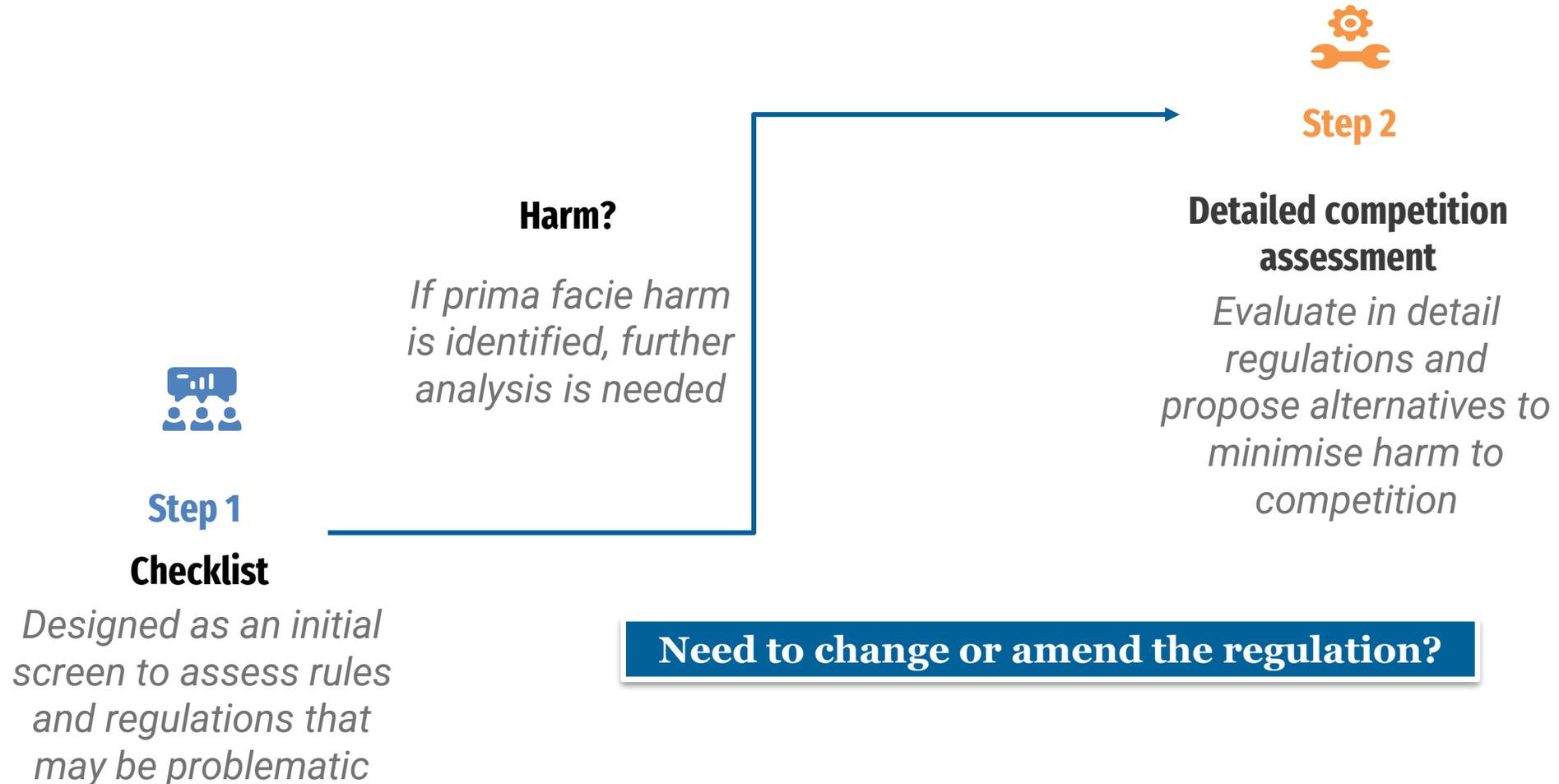


Using the Toolkit all over the world





Framework of analysis





OECD Competition Assessment Toolkit

- **Step One:** A Competition Assessment Checklist
 - Designed as an initial screen to “**qualitatively**” assess rules and regulations that may be problematic
 - Structured to be conducted in short time frame
 - Framework is based competition policy and law enforcement, economic theory and on empirical work
- **IF** potential harm to competition is identified, then a more detailed review is recommended
- **Step Two:** Detailed competition assessment
 - Designed to fully **and “quantitatively” evaluate** rules and regulations that may cause significant harm
 - Propose alternative regulations to minimise harm to competition



Stage 1: Competition Assessment Checklist

A **Limits the number or range of suppliers**

This is likely to be the case if the provision:

- A1** Grants exclusive rights for a supplier to provide goods or services
- A2** Establishes a license, permit or authorisation process as a requirement of operation
- A3** Limits the ability of some suppliers to provide goods or services
- A4** Significantly raises cost of entry or exit by a supplier
- A5** Creates a geographical barrier for companies to supply goods, services or labour, or invest capital

B **Limits the ability of suppliers to compete**

This is likely to be the case if the provision:

- B1** Limits sellers' ability to set prices for goods or services
- B2** Limits freedom of suppliers to advertise or market their goods or services
- B3** Sets standards for product quality that provide an advantage to some suppliers over others, or are above the level that some well-informed customers would choose
- B4** Significantly raises costs of production for some suppliers relative to others (especially by treating incumbents differently from new entrants)

C **Reduces the incentive of suppliers to compete**

This may be the case if the provision:

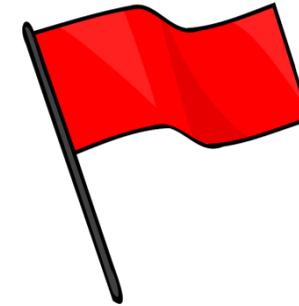
- C1** Creates a self-regulatory or co-regulatory regime
- C2** Requires or encourages information on supplier outputs, prices, sales or costs to be published
- C3** Exempts the activity of a particular industry, or group of suppliers, from the operation of general competition law

D **Limits the choices and information available to customers**

This may be the case if the provision:

- D1** Limits the ability of consumers to decide from whom they purchase
- D2** Reduces mobility of customers between suppliers of goods or services by increasing the explicit or implicit costs of changing suppliers
- D3** Fundamentally changes information required by buyers to shop effectively

Initial Screening Based on the Checklist



A **YES** answer to any of the questions would signal a competition concern and warrant a detailed review of the rule or regulation under consideration



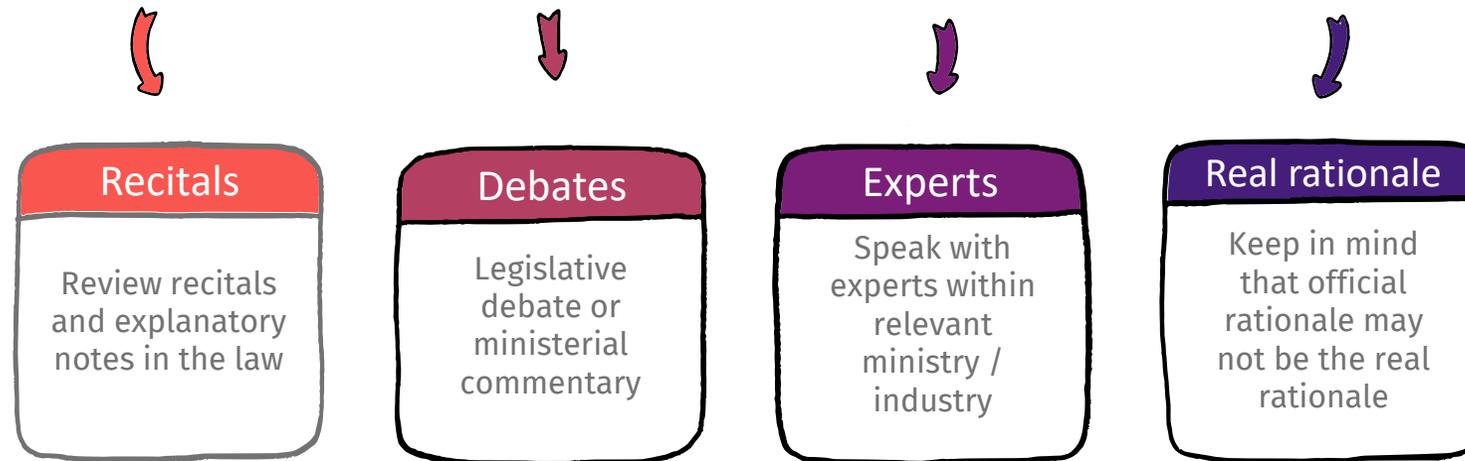
Stage 2: In-depth evaluation

- **Step Two**: Full evaluation
- A ‘yes’ answer to any of the key questions will warrant a more thorough review of the rule or regulation under consideration.
 - ✓ Identifying the underlying policy objectives;
 - ✓ Evaluate the harm to the economy from the restriction;
 - ✓ Assess the benefits from removing the harmful regulation;
 - ✓ Stating alternative regulations;
 - ✓ Comparing the alternatives.



Identify purpose of policy

- Knowing the purpose behind the regulation is crucial for identifying alternatives that would achieve the government objective while having a less restrictive impact on competition



Increase in co-operation is the first benefit of competition assessment



Assess harm to competition

- Examine the impact of the regulation on the market, including whether it might:
 - ✓ Impose barriers to entry of new businesses
 - ✓ Force certain types of incumbent businesses (e.g. smaller firms) to exit the market
 - ✓ Increase the prices of goods and services
 - ✓ Reduce product variety
 - ✓ Significantly increase concentration in the relevant market
 - ✓ Reduce innovation
 - ✓ Affect upstream and downstream markets



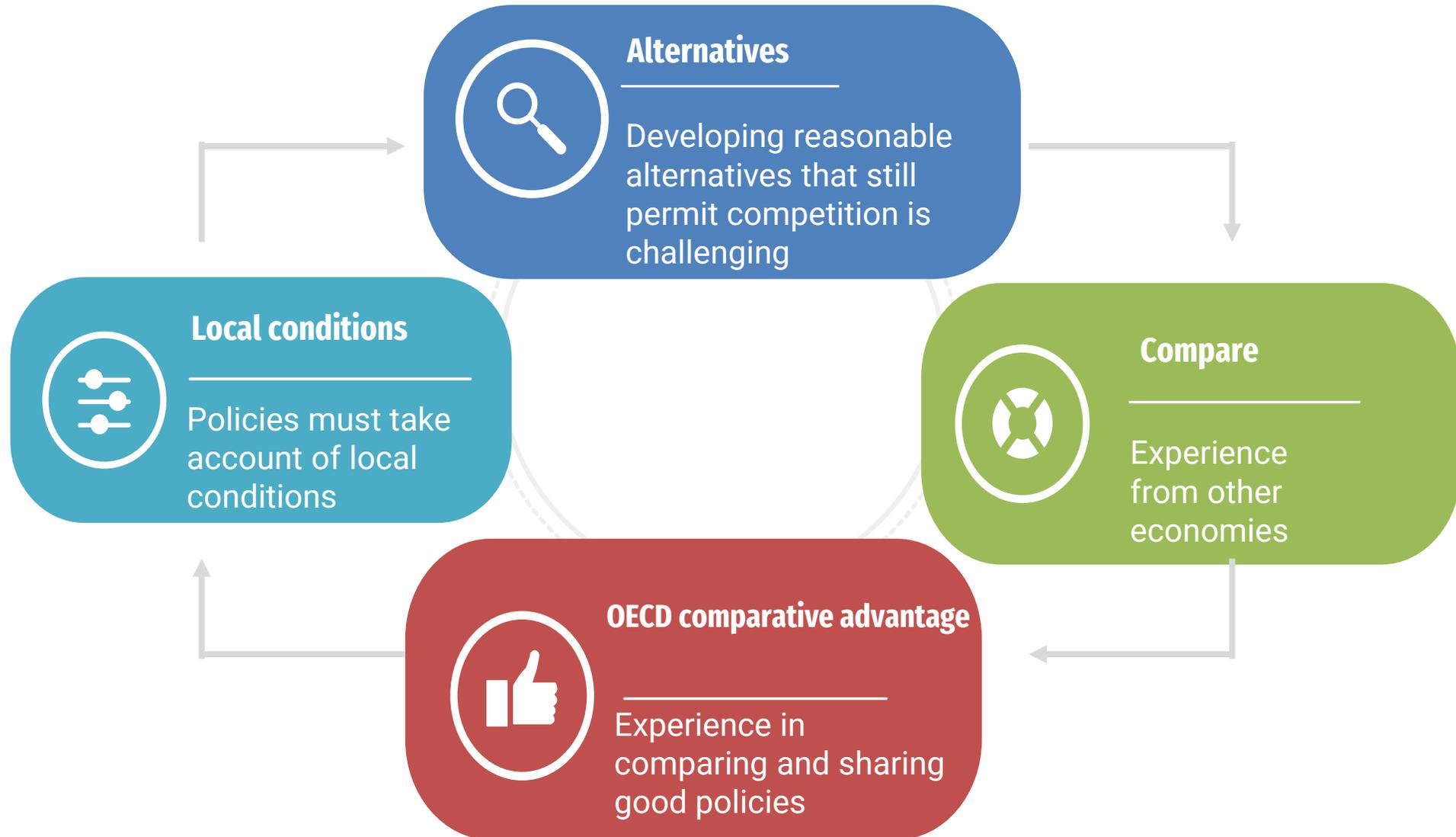
Develop alternatives

- Seek out technical expertise:
 - Experts may be best able to develop alternatives, given knowledge of sectors
 - Experts can advise on whether options are feasible
- **BUT** bear in mind: private sector interest is not always in line with public interest
 - Look for independent unbiased experts
 - Consider views of experts with different interest in the market





Look to other economies for ideas





Assess different options

01

Experiments

- Laboratory
- Demonstration

02

Variables

- Price
- Outcomes of reforms
- Consumer welfare

Quantitative techniques



Qualitative techniques

01

Argumentation

02

Comparison of pros and cons

03

Points-based



What is measured?

- Data commonly subject to measurement include consumer benefits, costs, employment, output, productivity and profitability or mark-ups
- Intangible measures of consumer benefits can be both important and difficult to assess
 - For example, a rule that raises the price or restricts access to hearing aids will affect the hearing of many people, their social, family and professional interactions will be affected
 - Placing a value on the losses from fewer interactions is inherently difficult



Techniques to assess different options

Qualitative

| Pros | Cons |
|------------------------------|-------------------------------------|
| Rapid and intuitive | May be challenged as “unscientific” |
| Limited information required | |
| Results easily explained | |

Quantitative

| Pros | Cons |
|--|------------------------------|
| Provides range of impacts | Data requirements |
| Establishes substantive hurdle for challengers | Potentially slow to complete |
| Politically persuasive | |



Recommendations

- Research into background information on the market and the legislation
- Research into experience in other countries
- Data collection
- Market interviews
- Co-operation with government bodies, including the competition authority



Draft recommendations



Recommendations and implementation

- Recommendations are not the end of the process!
- Based on policy makers' priorities, recommendations should ideally be implemented
- Following implementation, ex post evaluation is a good idea
 - ✓ Independent reports, e.g. KEPE (2017) (pharmacies, bakeries, cement)
 - ✓ Papers (Kontolaimou & Konstantakopoulou (2020) on books, Fotis & Polemis (2020) on milk)

Thank you
Any Questions?

Ania Thiemann

Ania.Thiemann@oecd.org

Link to Iceland 2020 Review:

https://www.oecd.org/en/publications/oecd-competition-assessment-reviews-iceland_84785d3a-en.html





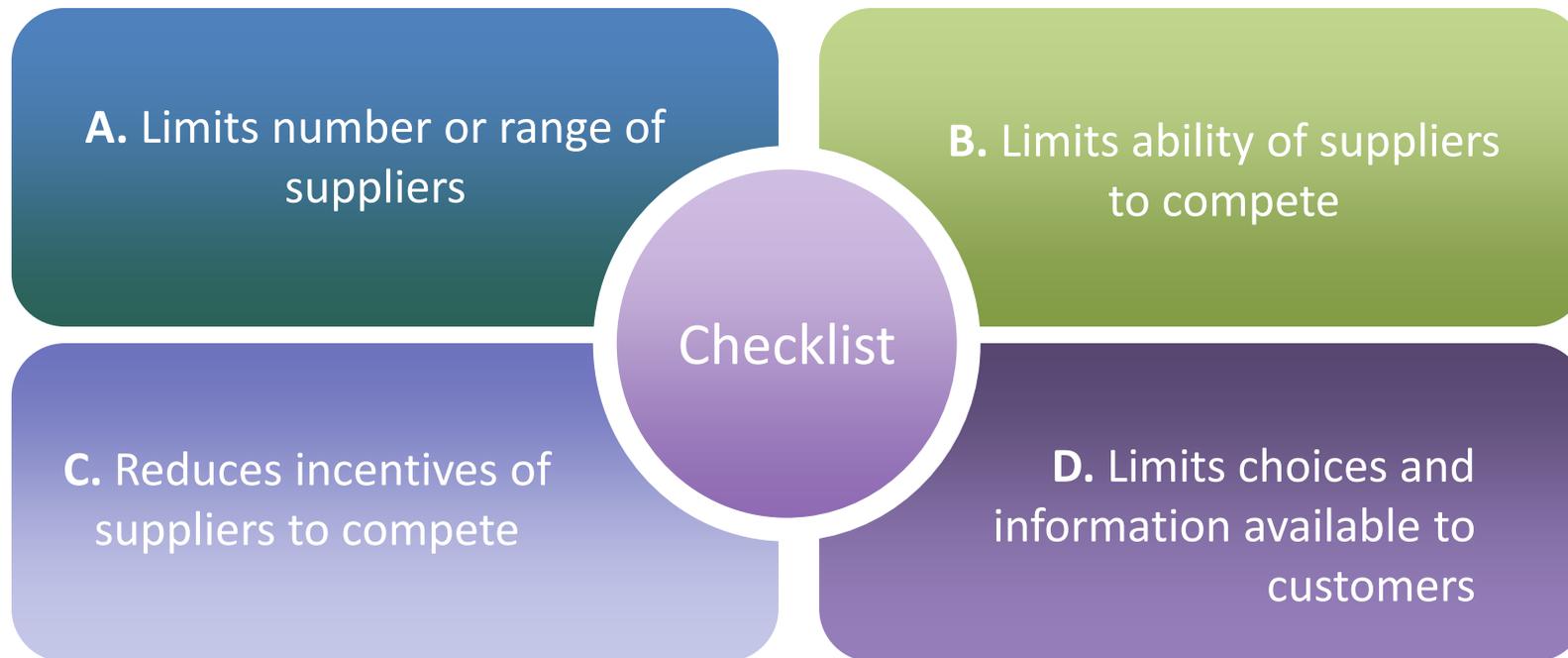
KEY QUESTIONS IN COMPETITION ASSESSMENT: THE TOOLKIT CHECKLIST

Federica Maiorano, OECD Competition Division



OECD Competition Assessment Toolkit

Potential regulatory barriers





LIMITING THE NUMBER OF SUPPLIERS



Does the rule or regulation limit the number or range of suppliers?

This could arise, for example, if a regulation:

1. Grants exclusive rights for a company to supply goods or services
2. Establishes a licence, permit or authorisation process as a requirement for operation
3. Limits the ability of some suppliers to provide a good or service
4. Significantly raises the cost of entry or exit by a supplier
5. Creates a geographic barrier to the ability of companies to supply goods or services, invest capital or supply labour



Grants exclusive rights for a company to supply goods or services

- For example:
 - Historically, electricity, natural gas, postal services and railroads were granted legal monopoly status to provide the services
 - Markets for solid waste disposal – a common mechanism for waste collection in local markets is by a private firm with exclusive rights to collect the waste
- Barrier to entry: incentive to keep prices high, few incentives to improve quality, leads to lower innovation in the long run

Example of OECD recommendation:

Freight transport services to remote locations assigned to State-Owned Enterprises →

Assess the costs and benefits of the competitive tendering of these services, instead of awarding the contract directly to SOEs



Establishes a licence, permit or authorisation process as a requirement for operation

- For example:
 - Notaries: setting the **number** of professionals, possibly leading to shortages
 - Pharmacies: **criteria** based on population and population density
 - Professions: **minimum standards** for formal education and/or experience
- Clearly limits entry to the market (stated objective): restrictions in the number of suppliers may lead to poor quality and/or availability

Example of OECD recommendation:

New entrants required to show “need” for an additional provider or to submit a business plan that authorities will review to assess if the new entrant has a sound business case
→

Remove the “need” requirement and business plan submission



Limits the ability of some suppliers to provide a good or service

- For example
 - Vitamins and over-the-counter medicines can only be sold by pharmacies and not other retailers (even if they employ pharmacists)
 - Commercial recreational vessel cannot perform day sea cruises, but only trips longer than 12 hours through total chartering
- Reduces competition, discriminates between economic operators, lowers incentives to innovate in provision of service or product

Example of OECD recommendation:

- Allow other retailers to sell vitamins
- Allow other retailers to sell OTC medicines (if they employ pharmacists)
- Allow recreational vessels to perform day sea cruises



Significantly raises cost of entry or exit by a supplier

- For example
 - Bureaucratic barriers and costs to start new businesses vary significantly across countries
 - Minimum staff requirements, as a condition for obtaining a licence and entering the market
 - Minimum office space requirement to obtain operating permit
- Barrier to entry: due to fewer competitors, incumbents have few incentives to lower prices and improve quality, leads to lower innovation in the long run

Example of OECD recommendation:

Requirement to have a minimum size office (or even to **own** the office or the warehouse or the factory) in order to obtain a licence

→ Remove requirement



Creates a geographic barrier

- For example
 - Restrictions on inter-state (or inter-region) commerce
 - Restrictions on professionals to practice across states or regions
 - Licences issued by provincial authorities may not be valid across the entire country
- Diminishes competitive forces by reducing the number of competitors

Example of OECD recommendation:

Localisation of notarial offices set by law

→ Abolish the system OR study the potential viability of notarial services depending e.g. on population density and economic activity



LIMITING THE ABILITY TO COMPETE



Does the rule or regulation limit the ability of suppliers to compete?

This could arise, for example, if a regulation

1. Limits sellers' ability to set prices for goods or services
2. Limits freedom of suppliers to advertise or market their goods or services
3. Sets standards for product quality that provide an advantage to some suppliers over others or that are above the level that many well-informed customers would choose
4. Significantly raises costs of production for some suppliers relative to others (especially by treating incumbents differently from new entrants)



Controls or substantially influences the prices for goods or services

- For example
 - Historically, many markets have been subject to regulations that influence prices of goods and services, e.g. utilities
 - Some emerging economies control the prices of staple products
- Restricts incentives for firms to innovate, differentiate their products, offer better quality
 - Risks of fluctuations in supply as prices cannot adjust

Example of OECD recommendation:

Set prices for staple goods and provide subsidies

→ Gradually phase out the system



Limits freedom of suppliers to advertise or market their goods or services

- For example
 - Many professions restrict comparative or any advertising
 - No direct comparison advertisements are allowed in many countries
- Restricts ability to compete via enhanced promotion and information on (new) goods and services

Example of OECD recommendation:

Fee on all advertising expenditure, to be collected by media agencies and paid into the journalists' pension funds

→ Remove the advertising fee



Standards

- Sets standards for product quality that provide an advantage to some suppliers over others or that are above the level that many well-informed customers would choose
- For example
 - Food products and beverages, where regulations can span both content and quality controls
 - Automobile safety mechanisms: it started with seatbelts, then crumple-zones, followed by front-airbags and more recently an elaborate and extended set of airbags
- Tends to weed out lower cost alternatives that often are more affordable

Example of OECD recommendation:

Maximum shelf life of fresh milk (temperature of pasteurisation, duration)

→ Duration to be set and communicated by producer



Significantly raises costs of production for some suppliers relative to others

- For example
 - New environmental standards that apply to all new investments and facilities but only partially to existing investments
 - Similarly, standards for safety, quality, among others
 - Entrants subject to strict requirements on the maximum age of vehicles, while existing firms are exempted
- Leads to discrimination, possibly in favour of less efficient firms

Example of OECD recommendation:

SOEs to operate without a licence or to benefit from access to state assets

→ Ensure a level playing field



LIMITING THE INCENTIVES TO COMPETE



Does the rule or regulation reduce the incentive of suppliers to compete?

This could arise, for example, if a regulation

1. Creates a self-regulatory or co-regulatory regime
2. Requires or encourages information on supplier outputs, prices, sales or costs to be published
3. Exempts the activity of a particular industry or group of suppliers from the operation of general competition law



Creates a self-regulatory or co-regulatory regime

- For example
 - Standard-setting organisations (electricity, ICT)
 - Associations
 - Corn millers issuing recommended minimum prices, which led to price co-ordination and resulted in higher prices of corn flour
 - Law society
- Softens competition, leading to higher prices and lower incentives to improve quality and innovate

Example of OECD recommendation:

Members of an agricultural cooperative obliged to sell all their outputs through the cooperative

→ Allow farmers to sell to anyone



Requires or encourages information to be published

- It can be information on supplier outputs, prices, sales or costs
- For example
 - Publication of prices in Denmark led to a price increases in one year
 - Publication of weekly average petrol prices vs. retailer by retailer petrol prices
- Facilitates co-ordination leading to higher prices

Example of OECD recommendation:

Hotels required to submit prices to their local trade association, for approval

→ Remove price submission and approval



Exemptions from competition law

- Exempts the activity of a particular industry or group of suppliers from the operation of general competition law
- For example
 - Agricultural co-operatives and export-oriented firms have been (partially) exempted from national competition laws
 - Export cartels
- Risk of anti-competitive practices and of creation of culture favourable to these practices



LIMITING CONSUMER INFORMATION AND CHOICE



Does the rule or regulation limit the choices and information available to customers?

This could arise, for example, if a regulation

1. Limits the ability of consumers to decide from whom they purchase
2. Reduces mobility of customers between suppliers of goods or services by increasing the explicit or implicit costs of changing suppliers
3. Fundamentally changes information required by buyers to shop effectively



Limits the choices that a consumer can make?

- For example
 - Regulation requiring that if consumers are prescribed a brand name medication, they cannot substitute that for a generic
 - Five nautical mile captive radius for private vessels protects marinas from fishing ports and other commercial ports nearby
 - Regulation on specialist prescription for contact lenses
- Consumers ending up purchasing from higher cost suppliers / not preferred choice

Example of OECD recommendation:

Remove the requirement for vessels to berth in marinas (touristic ports)



Increase in switching costs

- For example
 - Rules on minimum contract duration
 - Rule requires customers who switch to another electricity supplier to purchase the electricity meter from the existing supplier
 - Rule prevents customer from obtaining their driving accident record from existing car insurer, so cannot show that to get alternative offers for insurance
- Reduces mobility of customers between suppliers of goods or services → suppliers do not feel competitive pressure



Limits useful and relevant information available to customers

- For example
 - Rule requires grocery stores to show the price per kg or per unit on the price sticker placed on shelves (Helpful for price comparisons)
 - Rule prevented retailers from indicating percentage price reduction on discounted items (different from seasonal sales)
- Information is not provided, or is not clear, resulting in poor decision making

Example of OECD recommendation:

Replace restrictions with a guide to good practices on how to communicate prices and discounts, e.g. reference price to calculate discounts



CASE STUDIES: COMPETITION ASSESSMENT IN PRACTICE

Ania Thiemann & Federica Maiorano

OECD-ICA Workshop on Competition Assessment
Reykjavík, 17 February 2026



Problematic regulation – the easy check list

- Some of the problematic categories include
 - Regulations that distort market prices
 - Regulations that limit advertising and marketing
 - Regulations that create entry and mobility barriers
 - Granting or extending exclusive rights
 - Restrictions on flow of goods, services and capital
 - Exempting specific businesses from competition laws
 - Rules that set standards and content
 - Grandfather clauses
- The CAT “Guidance” Volume 2 contains details on each





Registration of detergents in Greece





Registration of detergents

- The Greek regulation provided for the registration of each product to the competent authority
- The registration required:
 - The notification of the composition of the product and chemical substances
 - A fee of approx 125 EUR
- The competent authority **examines** the submission and issues a unique code to be labelled on the packaged product
- The product could not enter the market without the registration procedure and the code number



Objective of the law

- What is the rationale of the regulation?
 - To keep track of the products circulating in the market for health and safety reasons.
 - The regulation acts as a “pro-active control”



Harm to competition

Harm to competition

The regulation:

- Increases the costs and administrative burden of a supplier: both from the fee of 125 EUR and the need to label or re-label each product
- Acts as a barrier to parallel trade: It is very difficult for a small importer to obtain the full composition of the product from the producer and submit it to the competent authority



International Evidence

What do other Member States do?

- There are similar procedures in other member states (e.g. Germany)

BUT

- ✓ There is no fee
- ✓ There is no requirement to submit the composition
- ✓ There is no requirement to label the product with a unique code

Therefore: No cost, no need to obtain sensitive information



Recommendations

OECD's recommendation:

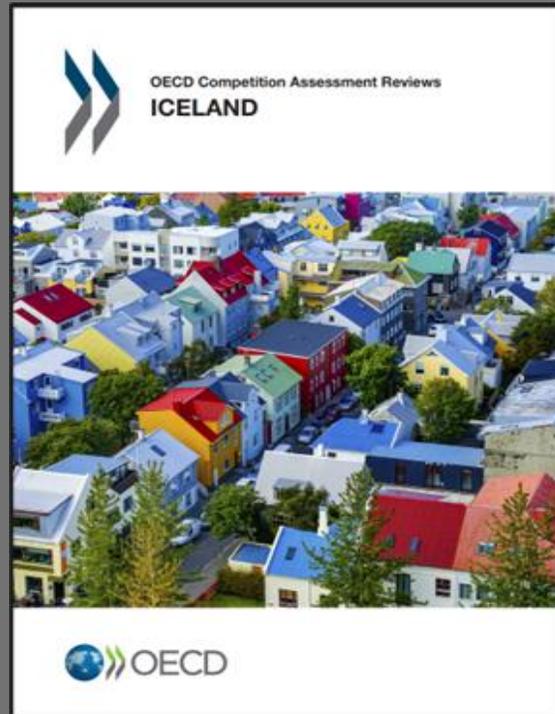
Option 1: The registration system should be abolished

Option 2: The registration system should be abolished and a complementary procedure of free electronic notification should be established without the obligation to label the product

The Greek Government followed Option 1.



Regulations in Iceland





Building regulations: Universal design

Entry doors shall require no more force to open than 25N on the handle and no more than 40N on the door. If the building requires universal design then there must be a horizontal landing in front of all doors 1.5m x1.5m unless the traffic is heavy then 1,8mx1,8m. There shall be automatic opening switches no further away than 0,5 m from the keyhole of the door and shall be at around 1m high. There shall be at least 0,5m of operating space on the keyhole side of doors and the threshold shall be no higher than 25mm. The floor of balconies and veranda can be no lower than 100mm that of the flooring of the building and there shall be a bevel to the threshold.

(Art. 6.7.4 par. 1 (a-d) Building regulation no. 112/2012)

Harm to competition

- Standards that are above the level that some well-informed consumers might choose
- Rules impose a single design and limit consumer choice
- Increases costs by imposing specific standards or building methods. Prevents seeking alternatives that may be cheaper or better suited to the project



Universal Design

Recommendation

- ✓ Option 1) Abolish this requirement and allow for the designer of the building to choose the most appropriate design and features to install, given the policy objective
or
- ✓ Option 2) Replace the provision with a descriptive article which clearly explains the policy objective. To give inspiration and explanation there should also be clear guidelines with examples and information of what problems need to be solved regarding the issue at hand.

Benefits

- ✓ Encourages new entrants and promotes growth by lowering costs or allowing for better suited alternatives
- ✓ Ensures transparency
- ✓ Increases market and operational efficiency
- ✓ Increases consumer choice and variety



Building Regulations: Notifications

- Small changes inside buildings need to be notified before work begins e.g. kitchen furnishings and non-load bearing walls (Art. 2.3.5 (a) Building regulation no. 112/2010)
- Notifications to the relevant authority for building permits must include statements and arguments from licensed designers in all respective fields that explain that the changes do not exceed the limitations of Art. 2.3.5. and is within the limits of the development plans.
- Construction can not start until the one who issues the permit has given notification that they can start. The permit issuer can request 20 further working days to issue the notification. If there are changes made to load bearing walls or fire walls then the notification from the constructor must be signed by the one who did the changes. (Art. 2.3.6 Building regulation no. 112/2012)



Notifications

Harm to competition

- Raises costs (use of regulated professions)
- Legal uncertainty
- Administrative burden

Recommendations

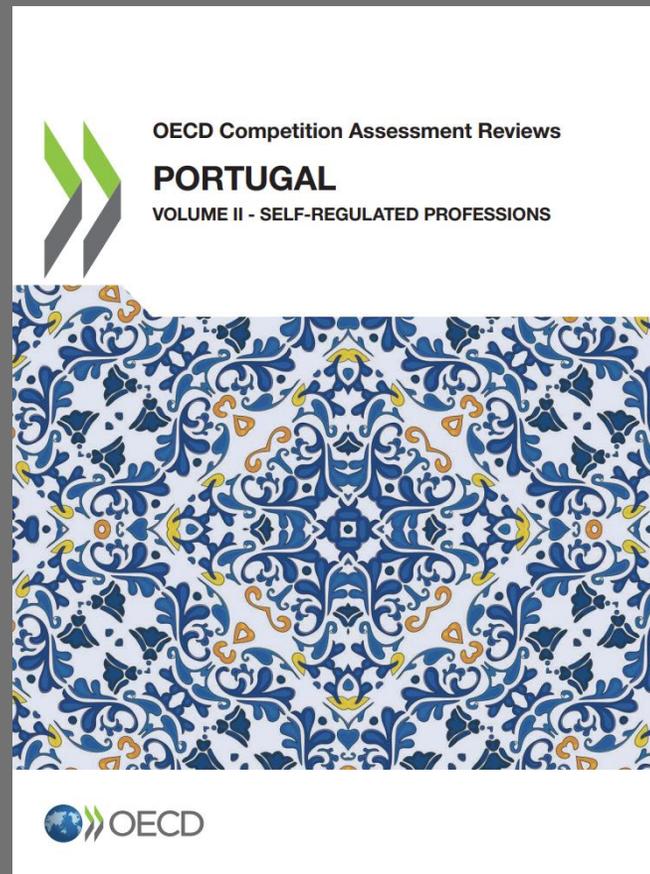
- ✓ Option 1) Abolish the provision
or
- ✓ Option 2) Simplify the notification procedure. Explanations regarding the notified changes do not need to be done by licensed professionals e.g. fences and kitchen cabinetry. The more complicated changes where professionals might be needed should be clearly defined.

Benefits

- ✓ Increase market and operational efficiency
- ✓ Decreases costs, lowers barriers to entry, more transparency and ease of use for consumers



Regulation of accountants and lawyers





Description of the provisions

- Exclusive rights
 - Certified **accountants** and **lawyers** are granted exclusive rights to perform certain acts
- Social capital and voting rights
 - **Accounting** firms → majority must be owned by accountants
 - **Law** firms → only lawyers can be partners
- Exclusive social objective activity of firm is accounting activity or legal activity
- Professional associations have regulatory and representative functions





Competition Assessment Toolkit

A Limits the number or range of suppliers

This is likely to be the case if the provision:

- A1 Grants exclusive rights for a supplier to provide goods or services
- A2 Establishes a license, permit or authorisation process as a requirement of operation
- A3 Limits the ability of some suppliers to provide goods or services
- A4 Significantly raises cost of entry or exit by a supplier
- A5 Creates a geographical barrier for companies to supply goods, services or labour, or invest capital

B Limits the ability of suppliers to compete

This is likely to be the case if the provision:

- B1 Limits sellers' ability to set prices for goods or services
- B2 Limits freedom of suppliers to advertise or market their goods or services
- B3 Sets standards for product quality that provide an advantage to some suppliers over others, or are above the level that some well-informed customers would choose
- B4 Significantly raises costs of production for some suppliers relative to others (especially by treating incumbents differently from new entrants)

C Reduces the incentive of suppliers to compete

This may be the case if the provision:

- C1 Creates a self-regulatory or co-regulatory regime
- C2 Requires or encourages information on supplier outputs, prices, sales or costs to be published
- C3 Exempts the activity of a particular industry, or group of suppliers, from the operation of general competition law

D Limits the choices and information available to customers

This may be the case if the provision:

- D1 Limits the ability of consumers to decide from whom they purchase
- D2 Reduces mobility of customers between suppliers of goods or services by increasing the explicit or implicit costs of changing suppliers
- D3 Fundamentally changes information required by buyers to shop effectively



Policy objectives

- Ensure quality standards in the supply of the service
- Information asymmetries between professionals and clients
- Externalities
- Guarantee the autonomy of the professionals
- Avoid conflicts of interest



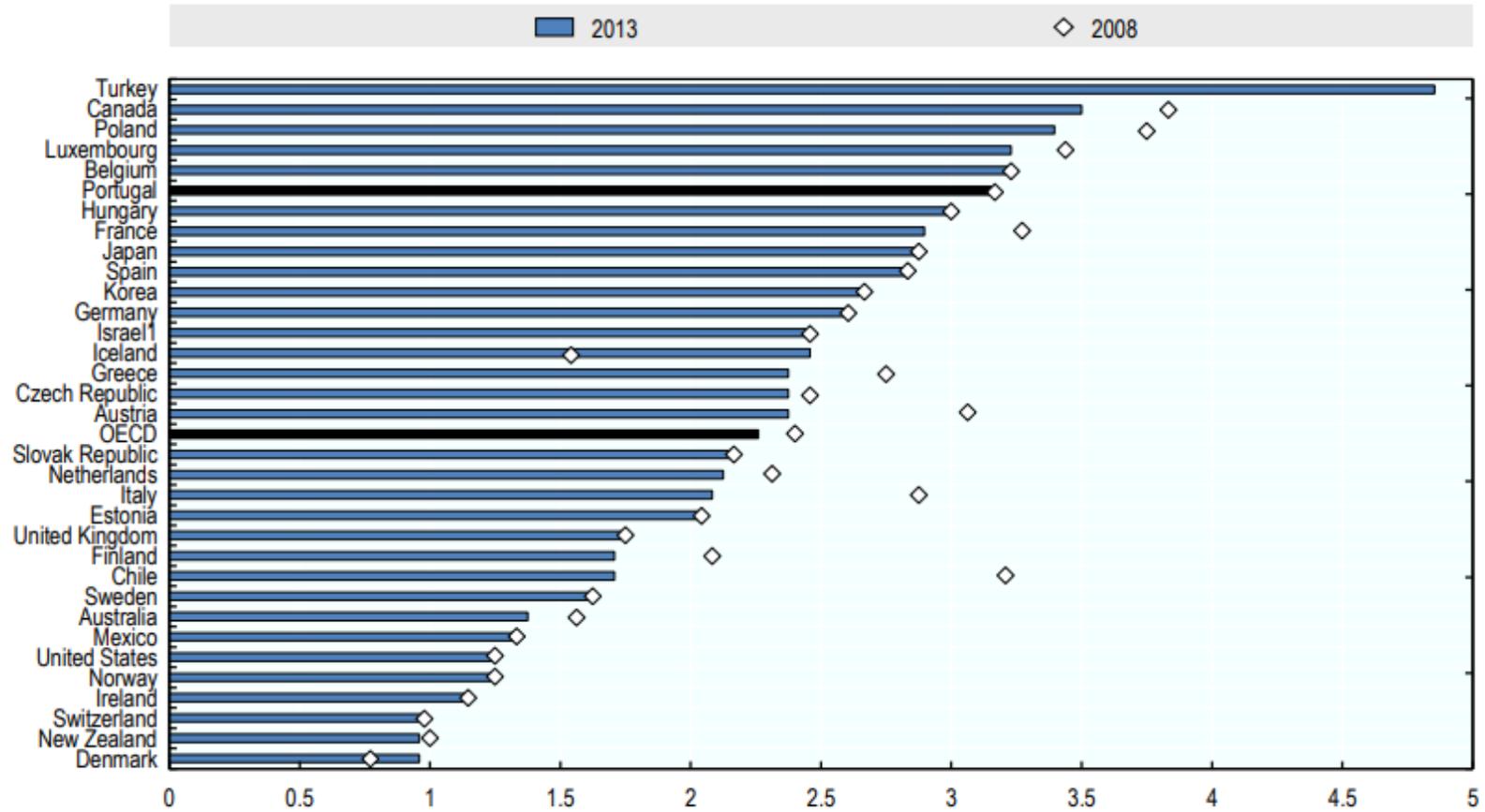
Harm to competition

- Supply restriction
- Risk of anticompetitive practices from self-regulation
- Higher prices
- Greater inefficiency
- Less innovation



International experience – e.g. accountants

OECD PMR indicator: accounting-related professions



Source: OECD (2013), Product Market Regulation Database, www.oecd.org/economy/pmr.



International experience – e.g. accountants

- In the United Kingdom, accountancy is a highly competitive sector – even if the title is protected there are no reserved activities.
- In nine EU Members States (Cyprus, Denmark, Estonia, Finland, Lithuania, Latvia, Slovenia, Spain and Sweden) the profession is not regulated at all.
- Multidisciplinary practices are common in many jurisdictions



Recommendations

- Scope of reserved activities
 - Open the simpler activities given to **accountants** to other qualified professionals
 - Review **lawyers'** reserved activities to open them to other legal professionals under due supervision
- Ownership
 - Other professionals should be allowed to hold a majority of a firm's social capital and voting rights
- Remove the prohibition of multidisciplinary practice
- Separate regulatory from representative functions



What happened next

- Following the project, the Portuguese competition authority invested in advocacy activities to promote implementation
- Many recommendations were implemented
 - Separation of regulatory and representative functions
 - Reduction of barriers to multidisciplinary activities
 - Elimination of restrictions on ownership and management of professional societies