



REPUBLIC OF ALBANIA  
**COMPETITION AUTHORITY**  
**COMPETITION COMMISSION**

**DECISION**  
**No. 693, Dated 14.05.2020**

**“To ascertain the abuse of the dominant position of the Albanian Football Federation, regarding the economic activity that it conducts, and the provision of conditions and obligations”.**

Competition Commission with the participation of:

Ms. Juliana LATIFI	Chairman
Mr. Eduard YPI	Vice Chairman
Ms. Leida MATJA	Member
Ms. Adriana BERBERI	Member
Mr. Helidon BUSHATI	Member

On its meeting dated 14.05.2020, examined the case with:

**Object:** To ascertain the abuse of the dominant position of the Albanian Football Federation, regarding the economic activity that it conducts, and the provision of conditions and obligations.

**Legal Basis:** Article 8, article 9, point 2, letter (a), article 24 letter (d), article 26, article 45, article 76, point 1, letter (a) of Law No. 9121, dated 28.07.2003 “On Competition Protection”, as amended.

**The Competition Commission**, after reviewing:

- The report of the in-depth investigation against the Albanian Football Federation regarding the economic activity it carries out;
- Report of the Secretary General of the Competition Authority on the findings of the in-depth investigation report against the Albanian Football Federation;
- Letter no. 223 prot., Dated 06.02.2020 of FSHF, recorded with ours, with no. 55/19 prot., Dated 07/02/2020 “Final comments and commitments of FSHF on the decision of the Competition Commission no. 607/2019 ”;
- Letter no. 55/21 prot., Dated 27.04.2020 of the Secretary General of the Competition Authority “Report on the letter of the ALF“ Final comments of the AFF on the Decision of the MA no. 607, dated 01.04.2019 ”;

## NOTES THAT:

### I. Followed procedure:

1. The Secretariat of the Competition Authority, pursuant to Article 28 of Law no. 9121, dated 28.07.2003 "On Protection of Competition", as amended, has started monitoring in the sports sector of football, as a market in which economic activity is conducted based on the practices addressed by the European Commission and the Competition Authorities in the EU, by where it turned out that in the European Union there is a broad practice on competition intervention to regulate the market in the football sports sector, as it is considered that the entities that exercise this activity, are subject to competition law as entities that conduct economic activity.
2. The Competition Commission, in support of Article 4, Article 8, Article 9 and Article 42 of Law no. 9121, dated 28.7.2003 "On the Protection of Competition", as amended, (law no. 9121/2003) with Decision no. 564, dated 25.10.2018, decided to open the preliminary investigation procedure against the Albanian Football Federation (AFF) regarding the economic activity that takes place for the period 2015-2018.
3. Pursuant to Article 35 of Law no. 9121, dated 28.07.2003 "On the Protection of Competition", and pursuant to Decision no. 564, dated 25.10.2018 and the Authorization of the Competition Commission no. 631, dated 07.11.2018 "Authorization of Inspectors", the Inspection Group during the investigation period conducted the necessary inspections at the Albanian Football Federation, receiving explanations for facts and documents related to the object and purpose of the investigation by representatives of enterprises.
4. For the collection of necessary facts and data related to the investigation, based on Article 33 of Law no. 9121/2003, data and information were requested from the Albanian Football Federation and Football Clubs.
5. The remaining time available is insufficient for the elaboration, evaluation and performance of the analysis of the behavior of the ALF, making it impossible to complete the procedures and submit the report within the deadline set in the Decision of the Competition Commission no. 564, dated 25.10.2018.
6. For these reasons, the Competition Commission, in support of Article 4, Article 24, letter (d) and Article 42, of Law no. 9121, dated 28.07.2016 "On Protection of Competition", by Decision no. 583, dated 17.01.2019 "On an amendment to the decision of the Competition Commission no. 564, dated 25.10.2018 "On the opening of the preliminary investigation procedure against the Albanian Football Federation in relation to the economic activity it conducts", decided to postpone the deadline for preparation and submission of the preliminary investigation report no later than April 25, 2019.
7. At the conclusion of the preliminary investigation, the Competition Commission concluded that the analysis of the behavior of the ALF in the respective markets states: (i) Sale of audiovisual law to a single operator for a long period of 7 years, including in one package single all exclusive rights, becoming exclusive to other operators; (ii) high ticket sales prices compared to the region, not based on an approved methodology, which may restrict competition within the meaning of Article 9 of Law no. 9121/2003.
8. Regarding the above, the Competition Commission pursuant to law no. 9121/2003, with Decision no. 607, dated 01.04.2019, decided "On the opening of the investigation procedure of deepened towards the Albanian Football Federation "to see if there are or

not, signs of restriction of competition, for the period 01.01.2015 to 31.12.2018.

9. Competition Commission, with Decision no. 632, dated 20.06.2019 "On an amendment to the decision of the Competition Commission no. 607, dated 01.04.2019 "On the opening of the in-depth investigation procedure against the Albanian Football Federation" decided to make the change for the extension of the deadline: The in-depth investigation will include the period from 01.01.2015 to 30.04.2019.
10. For the collection of necessary facts and data related to the investigation, based on Article 33 of Law no. 9121/2003, data and information were requested from the Albanian Football Federation.

## **II. Competition Analysis**

### **II.1 Relevant market**

11. Pursuant to Article 3, point 7 of law no. 9121, dated 28.07.2003 "On Protection of Competition", as amended, the relevant market consists of products that are assessed as replaceable by consumers or other customers, in terms of their characteristics, price and operation and that are offered or required from enterprises in a geographical area with the same conditions of competition, an area which is distinguished from other restrictive areas".
12. Products to be included in the relevant market and the geographical boundaries of that market are determined depending on the space in which customers can easily choose between replaceable products.
13. The criteria for determining the respective market are: demand-side substitutability, supply-side substitutability, potential competition and market entry barriers.

#### **II.1.1 Relevant market of the product**

14. In our case we do not have other companies that meet the conditions to be considered as existing competitors as it is the only AFF. In service markets as the right to audiovisual broadcasting is given exclusively and consumers cannot exchange products with those of the respective market, in response to price changes.
15. Based on the above, the relevant market of the product is the entire economic activity of the AFF with the products / services it performs as: the sale of the right to broadcast sports events in which are included matches of the superior category, first category, Cup of Albania as well as the matches of the national teams; ticket sales, sponsorships, etc.

#### **II.1.2 Relevant geographical market**

16. The relevant geographical market is defined as: a relevant geographical market which includes the area in which the respective enterprises are involved in the supply and demand of goods or services, in which the conditions of competition are sufficiently homogeneous and can be distinguished from neighboring areas because conditions of competition have been assessed differently in these areas. Thus, although it sells in Kosovo FSHF, this area

is distinguished by consumer preferences, the importance of national preferences, information on price variations and sales by area, how much it costs customers to search for products supplied by other geographical areas, differences and prices at the national level, as well as whether the clients of the parties shift their orders to enterprises located elsewhere in a short period of time and at a considerable cost.

17. In conclusion, the respective geographical market is the entire territory of Albania, given that this product is traded throughout the territory under the same conditions.

## **II.2 Evaluation of Dominant Position**

18. Pursuant to Article 3, point 5 of law no. 9121/2003, "Dominant Positions" is that economic power held by one or more enterprises, which gives them the opportunity to prevent effective competition in the market, making them able to act, in terms of supply or demand, independently of other market participants, such as competitors, customers or consumers.
19. According to law no. 9121/2003, the holding of a dominant position by a company in the market is not prohibited, but the possession of the dominant position gives the enterprise a special obligation not to abuse this dominant position.
20. The main criteria for assessing the dominant position of one or more enterprises, based on Article 8 of Law no. 9121/2003 are: the relevant market shares of the enterprise or enterprises under consideration and other competitors; barriers to entry into the relevant market; potential competition; economic and financial power of enterprises; economic dependence of suppliers and buyers; counterproductive power of buyers / consumers; developing the enterprise distribution network and the possibilities of using product resources; economic ties with other enterprises; other relevant market characteristics.
21. According to law no. 79/2017 "On Sports" FSHF is the only entity to which the state has delegated the right to organize and develop sports, national and international activities in the sport of football, in accordance with this law. The AFF, as the organizer of sports activities, is the owner of the right to broadcast football activities inside and outside the territory of the Republic of Albania, with public competition.
22. Pursuant to Article 36 of Law no. 8788, dated 7.5.2001 "On Non-Profit Organizations" - "Economic activity of the non-profit organization", it is considered that for the realization of the purpose and object of its activity, has the right to exercise economic activity without the need to create a separate entity for this purpose, provided that this activity is in accordance with the goals of the non-profit organization, has been declared as one of the sources of income and provided that this activity does not constitute the primary purpose of the organization's activity. If the non-profit organization, through the exercise of economic activity, realizes profits, they must be used to meet the goals set out in the statute and the founding act.
23. According to Article 55 of the Statute of the Albanian Football Federation, the AFF and its members are the original owners of all rights arising from competitions and other events arising from their respective jurisdiction. These rights include, inter alia, any kind of financial, audiovisual and radio recording rights, reproduction and broadcasting rights, multimedia rights, marketing and advertising rights, etc.
24. The duties of the federations are defined in article 18, point 2, of law no. 79/2017 "On

Sports” where no legal entity, private or public, can exercise any of the exclusive competencies of the federation, only if they have been officially granted by it.

25. The Albanian Football Federation is given a legal monopoly status not only for the organization and administration of football activity, but also for economic activities involved such as the sale by a single unit that owns the exclusive rights. This enterprise in the sense of article 8, of law no. 9121, dated 28.07.2003 "On Protection of Competition", has a dominant position where it owns 100% of the respective market.

## **II.3 Methodology**

### **II.4 Evaluation of undertaking behavior**

26. The methodology used to assess the activity of the ALF within the Competition Law, during the investigation are:
  - (i) OECD and UNCTAD Materials: Competition Issues in Television and Broadcasting, OECD, 2013; Competition and Sports, OECD, 2010; Competition Issues Related to Sports, OECD, 1996; Competition issues in the sale of audiovisual rights for major sporting events, UNCTAD, 2018.
  - (ii) Decisions of the European Commission: Case C-519/04, David Meca-Medina and Igor Majcen v. Commission, REG 2006 s. I-6991; Case COMP / C-2 / 37.214 - Joint selling of media rights to the German Bundesliga; COMP / M. 2876 Newscorp / Telepiù, of April 2, 2003.
27. The European Competition Commission, among the 13 most important sectors, addresses the Sports Sector as it is of great importance and significant economic impact in every country and in the EU, for the part it represents in GDP, for employment, for business that does for broadcasting rights, especially for TV becoming very profitable.
28. Most sports cases are handled according to EU antitrust rules, which prohibit anti-competitive agreements and practices, as well as abuse of a dominant position. These cases relate to sports-related revenue generation activities, such as media rights and ticket sales and regulatory / organizational aspects of the sport.
29. The European Court of Justice has ruled that while the activity performed is an economic activity which is undeniable for sports, it falls under the rules of the Treaty (TFEU), therefore the provisions of the competition must be applied.
30. In the practice of EU countries, the Commission and Community Courts have decided that economic activities in the context of sport should be included in the scope of EC law, including Articles 101 and 102 of the TFEU. This has been confirmed in the Meca Medina case by the European Court of Justice (Case C-519/04 P David Meca-Medina and Igor Majcen v. Commission).
31. The ALF carries out economic activity and generates income related to: the sale of television broadcasting rights; selling match tickets to national teams; sponsorships and advertisements, etc., which according to the provisions of law no. 9121/2003 and according to the practice of the EU and its member states, is included in the object of activity and the scope of application of law no. 9121/2003.
32. According to Article 48 of the Statute of the Albanian Football Federation, the income of

the AFF is provided especially by: annual registrations of members and quotas; income generated from the marketing of the rights enjoyed by the ALF; fines imposed by the authorized bodies of the ALF; sponsorships, donations, contributions, state funding and other legitimate sources.

33. Since according to law no. 79/2017, FSHF is the only entity to which the state has given the right to organize and develop sports, national and international activities, in the sport of football, and is the owner of the right to broadcast football activity inside and outside the territory of the Republic of Albania, the entry is with high obstacles in the respective markets.
34. Given the market share, barriers to market entry, the economic and financial strength of enterprises, the countermeasures of consumers and football clubs and other market characteristics, it turns out that in support of Article 3, point 5 and Article 8 of law no. 9121, dated 28.07.2003 "On Protection of Competition", as amended, but also by the best practices of European competition law, the ALF in the relevant markets has a dominant position.
35. The Albanian Football Federation, as the owner of the right to broadcast sports activities organized by it, pursuant to Article 35 of Law no. 97/2017 "On Sports" seeks to sell the television right for "Superior Category" and "Albanian Cup", within the territory of the Republic of Albania for a period of 3 years for the period 2015-2018 and a period of 4 years for the period 2018- 2022.
36. DIGITALB has won the right to broadcast the official matches of the "Superior Category" and "Albanian Cup" inside and outside the territory of the Republic of Albania for the seasons / period 15.08.2015-15.05.2018.
37. DIGITALB has won the right to broadcast "Superior Category" and "Albanian Cup" in the territory of the Republic of Albania for the seasons / period 01.06.2018-01.06.2022.
38. DIGITALB has won the exclusive, full right to provide the right to broadcast "Superior Category" and "Albanian Cup" in the territory of the Republic of Albania on the platform DIGITALB, on satellite and / or digital terrestrial, PPV, Pay TV, Cable, IPTV, OTT, with or without payment, mobile, internet.
39. DIGITALB has won the right to broadcast the official matches of "Superior Category" and "Albanian Cup" inside and outside the territory of the Republic of Albania for the seasons / period 15.08.2015-15.05.2018 and has made the payment total of XXX euros for the seasons: Season 2015/16 - XXX euros; Season 2016/17 - XXX euro; Season 2017/18 - XXX euros, with an increased payment from year to year with the same margin.
40. "DIGITALB", has presented the economic value with a total of XXX euros for 4 seasons: Season 2018/19 Exclusive Package A XXX euro with VAT + Exclusive Package B XXX; Season 2019/20 Exclusive Package A XXX euro with VAT + Exclusive Package B XXX euro; Season 2020/21 Exclusive Package A XXX euro with VAT + Exclusive Package B XXX euro with VAT; Season 2021/22 Exclusive Package A XXX euro with VAT + Exclusive Package B XXX euro with VAT, increasing for the last 2 years with XXX euro / year.
41. The licensing contract granted for 3 and 4 years (of the same operator) is contrary to international practice. The European Commission has defined several remedies against the violation of the rights of exclusive contracts in two ways: (i) the exclusive rights must be

reduced to the scope of action, and (ii) the duration of the exclusivity.

42. In the practice of the UEFA Champions League and in the cases of Deutscher Fußball-Bund (DFB) - (German Football Federation) it is seen that the Commission has accepted contracts lasting 3 years in a context where rights are divided and have been sold to various operators.
43. The exclusivity of a longer duration and a wider range of rights may limit competition by excluding other operators in the downstream market, especially when dealing with operators with a dominant position in both markets. Giving absolute exclusivity in terms of scope and duration of broadcasting rights to a single buyer limits the market.
44. The broadcasting rights set forth in the licensing contract have been licensed to DIGITALB on an exclusive basis, which means that under the terms of this contract, the Licensor will not grant such rights to any third party and will not exercise these rights itself, until the conclusion of this contract in any known broadcast format. In point 3.2 of the 3-year contract (15.08.2015-15.05.2018), the ALF also provided for the obligation to transfer exclusive rights, but retaining the right to income of XX% for contracts that DIGITALB will enter into for other countries. European or world, including not only television, but also the Internet, mobile, online betting platforms, thus imposing a mandatory condition for the party to the contract.
45. The Federation owns the television rights of all matches of the Albanian national team. The federation and the participating clubs have formally agreed to centralize the sale of television rights to the Albanian Football League and have also agreed to be part of a generated income scheme. This fact is verbally affirmed by the Federation.
46. The implementation of the law on competition for audiovisual law is mainly related to the "collective / joint sale" of the right to broadcast and cover sports events. "Collective sale" without the presence of a third party limits competition in two main ways: (i) Giving a market power to the Federation to determine the price of audiovisual rights, leading to inflated prices as in the upper stream for broadcasters, as well as downstream for consumers; (ii) Strengthening the market position of transmitters in the downstream market, as they may be the only operators capable of offering all rights to a package.
47. "Joint sale" without the presence of the clubs participating in the activity prevents each of the clubs from having the right to decide on the sale of the audiovisual right and as a result on the income that benefits from this contract.
48. The European Commission has emphasized that the sale of separate audiovisual rights packages increases the opportunity for more broadcasters, including small and medium-sized companies, to gain the right to broadcast and therefore has a positive effect on consumers.
49. In the case of the German Bundesliga, the European Competition Commission noted that the exclusive sale of commercial broadcasting rights by the League Association may restrict competition between clubs and companies in the first and second German divisions. In this case, commitments were made to the League Association to introduce competition in the marketing of the first and second Bundesliga, reducing the purpose and duration of future marketing agreements to ensure a transparent and non-discriminatory marketing procedure. The commission only accepted contracts with a duration of 3 years in a context where rights were divided and sold to different operators.

50. The sale of audiovisual right to a single operator for a long period and including in a single package all exclusive rights, constitutes an exclusionary conduct and consequently the restriction of the market, which in the sense of Article 9 , point 2 letter (a) of law no. 9121/2003 constitutes an abuse of a dominant position.
51. Exclusivity is one of the most important issues regarding joint sales and the acquisition of broadcasting rights. In this regard, the European Competition Commission has adopted three decisions that refer to: "UEFA Champions League"; "German Football League"; and the English Football League. In these decisions, the Commission has noted that joint sales constitute a restriction of competition in violation of Article 101 (1) of the TFEU, as it impedes competition between clubs in terms of marketing their rights individually and may therefore impede competition between clubs in terms of prices, innovation, services and products offered to fans.
52. The joint sale was accepted by the Commission pursuant to Article 101 (3) of the TFEU, with certain measures in case by case. In particular, the Commission requested certain modifications and commitments, including, for example: a short duration and a limited scope for exclusive rights based on a transparent procedure.
53. The contracts concluded between FSHF and Digitalb with no. 1209 prot., Dated 15.09.2015, and no. 1001 prot., Dated 18.09.2018, are "exclusivity contracts" which includes "Superior Category" and "Albanian Cup" with the difference in supply with package A (main, important matches) and B (other matches).
54. The AFF does not make clear in its position why the bid for the sale and joint broadcasting of the two competitions has been made, despite the fact that these competitions are divided between them. The division that was made in the bid with package A and B but which includes both competitions, in the sense of article 9, point 2 letter (a) of law no. 9121/2003 is a form of abuse of the position of the ALF to sell them together (bundle) by not offering alternatives to its offer.
55. The division in the offer for the sale of television rights between the "Superior Category" and the "Albanian Cup" makes more effective the participation of other entities interested in their broadcast, perhaps by making offers that do not include exclusive rights. Differentiation in supply can stimulate the demand for participation of enterprises operating in the transmission of sports activities and consequently the competition between them.
56. The ALF carries out economic activity and generates income from the sale of television broadcasting rights; selling match tickets to national teams; sponsorships and advertisements, etc., which according to the provisions of law no. 9121/2003 and according to the practice of the EU and its member states, is included in the scope of activity and scope of application of this law.
57. The main income realized in the four years (2015-2018) by the ALF comes mainly from the depreciation of income grants over XX% of total income. Depreciation of income grants according to the income statement in the balance sheet statements represents the grants received according to donors such as: UEFA, FIFA and the Albanian Government. The benefited grants are divided according to the beneficiaries: UEFA XXX thousand ALL; FIFA XXX thousand ALL and the Albanian government XXX thousand ALL. In 2016, UEFA grants represent XXX thousand ALL, or XX% of the total grants obtained for 2016. The Federation in 2017 received from UEFA a sum of XXX EURO (XXX



thousand LEK) for the Nations League competition (League of Nations). ) which was organized in 2018 and continued in 2019. Given the total amount that the Federation has benefited from participating in this competition (XXX EURO or XXX thousand LEK), of which [...] the value is recognized in revenues of 2018 (XXX EURO or XXX thousand LEK), and the rest of XXX EURO (XXX thousand LEK) will be recognized in 2019, along with the rest that was collected in the first months of 2019.

58. Revenues from television rights represent a total of XXX thousand ALL or about XX% of total revenues for 2017 and XXX thousand ALL or about XX% of total revenues for 2018. These revenues consist of: Sale of television rights for national team matches - UEFA; Sale of television rights for the matches of the national team - others: Sale of television rights for the Albanian championship. In these revenues, the main part is represented by the sale of television rights for the matches of the national team - UEFA about XX% of the revenues generated from the total revenues of television rights. The federation owns the television rights to all matches of the Albanian national team.
59. The federation and the participating clubs have formally agreed to centralize the sale of the television rights of the Albanian Football League and have also agreed to be part of a generated income scheme. In this centralized agreement, the Federation has guaranteed the participating clubs a total value of XXX euros (distributed based on the number and ranking of participating clubs funded by its revenues). During 2016, the AFF has recognized in its revenues a total value of XXX Euro from television rights received from UEFA during the period 2014-2018.
60. Another aspect of revenue generation from the AFF is the sale of "Highlite" matches. "Highlites" are not the main element of contracts concluded between the ALF and DIGITALB, but they are complementary and as such should not necessarily be included in its exclusivity. Highlights are an opportunity to involve other audiovisual entities that show interest in their performance, thus increasing the participation of entities that can promote sports and increase competition between enterprises in this market.  
  
This additional exclusivity given restricts competition, as it removes the possibility for enterprises operating in the audiovisual market to participate, and constitutes an abuse of a dominant position within the meaning of Article 9, point 2, letter (a) of Law no. 9121/2003.
61. With regard to FSHF sponsorships in accordance with the provisions of law no. 79/2017 "On Sports", article 35 of law no. 8788, dated 7.5.2001 "On non-profit organizations", as well as Article 48 of the Statute, must achieve the legal and statutory objectives for providing income through clear and transparent procedures for "vetting" of operators interested in sponsoring in Albanian football.
62. Sponsorships constitute one of the legal revenues of the AFF, which must be open to any entity wishing to support the national team without any restrictions. Article 34 of the Law on Sports stipulates that the organizers of sports activities enjoy the right to use the visible areas of sports facilities, where they carry out sports activities or competitions, for the advertising of various companies, based on the contractual agreement with them. As noted in this wording, the law does not provide for any other procedure, competition or formality other than the expression of a common will and agreement.
63. The contracts concluded between FSHF and DIGITALB, respectively the contract with no. 1209 prot., Dated 15.09.2015, and the contract with no. 1001 prot., Dated 18.09.2018, in their point 4.3 cite: *"Advertisements of the clients of Digitalb, which are direct*

*competitors of the general sponsors of the AFF, do not have the right to be broadcast during the first part and the second part of the match. While the advertising block of clients who do not compete, the general sponsors of FSHF will be broadcast in a special advertising block ”.*

This provision constitutes a restriction on the advertising of the activity of enterprises that are competitors of the ALF sponsors, placing in the sense of Article 9, point 2, letter (a), unfair trading conditions.

64. From the materials administered, there is a link that exists between the entities that sponsor the ALF and their participation with property rights in the company DIGITALB.

Thus, according to its official website, the sponsor of the AFF is AMA Caffè (official name - New Century). In this society, Mr. A.Z. owns 55% of the capital quota, which is also a shareholder of DIGITALB.

Union Bank. This sponsoring company is affiliated with entities that are shareholders of DIGITALB.

In the company Union Bank JSC, Mr. E.L. and ZNL, respectively own 1.77% of the shares, while these two individuals are the direct owners of 35% of the shares each in the company Union Grup SHA, and are the owners of 42.5% of the capital quota each in the company Arch Investor SHPK and own indirectly, through the company Union NET, from 35% of the capital each of the company Union Distribution Servis Albania SHPK.

Directly and indirectly, Mr. E.L. and Mr. N.L., own shares in the company DIGITALB JSC and UNION BANK JSC.

65. From the administered material it results that there is a correlation of the property interests of the legal representatives of the ALF with their participation in the shares of the company DIGITALB. From the QKB extras, it turns out that the A.I.B.A. The company, with sole shareholder Mr. A.D., owns 9.23% of the shares in DIGITALB.

Also, Mr. A.D., in the sponsoring company AMA Caffè (New Century), owns 22.5% of the capital quota, which at the same time is the legal representative ([...]).

66. The creation of the Professional League according to the model of European countries is necessary to have transparency between clubs and the Federation. The Professional League is an organization in which the Presidents of the clubs represented in the competition, such as the "Superior Category" and the "Albanian Cup", participate. The league is the one that protects the interests of the clubs and monitors the decisions that the AFF gives and that affects their economic or sports interests.
67. During the investigation it turned out that the Professional League does not exist. The establishment of this League, with an active role in the negotiation and sale of television rights and in the transparency of the distribution of funds or investments between clubs, is necessary to limit the possibility of AFF abusing its dominant position under Article 9, point 2, letter (a), since it is the ALF itself that represents the collective interest of clubs in selling audiovisual rights.
68. During the investigation procedure, the selling price of the tickets was also analyzed. The AFF did not provide any information on how this price is calculated. The AFF refused several times to send the link between the cost and the ticket price. Thus, in the absence of information on a detailed service cost model, the CA has used comparative alternatives

regarding ticket prices, as one of the main methods of investigation. The analysis, based on the high ticket price, referred to other countries in the region (benchmarking): Kosovo, Northern Macedonia, Montenegro and Croatia, countries with similar characteristics to Albania: seeing the GDP criterion. and other factors, such as the popularity of football in these countries.

69. The ALF does not have a methodology for determining ticket prices in order to orient to the cost of service; by comparing the prices of tickets approved by the AFF with the prices of tickets in the region, it turned out that they are higher than Macedonia, Kosovo, Croatia, and Montenegro as countries with the level of Gross Domestic Product (GDP) and revenues. per capita comparable to Albania (eg Macedonia). This behavior of the ALF, by applying high prices, constitutes an abuse of the dominant position in the sense of Article 9, point 2, letter (a) of law no. 9121/2003.
70. Even the complaints of some citizens during the investigative procedure recorded with no. 55/14, 55/15, 55/16 prot., Dated 21.11.2019 regarding the obligation to purchase the Albania-Andorra ticket in order to watch the Albania-France match, refers to the meaning of Article 9, point 2 letters (a ) of law no. 9121/2003 an abuse of the dominant position, imposing unfair conditions on those who want to see the match they are interested in.
71. The Albanian Football Federation has submitted to the Competition Authority the letter no. 55/7 prot., Dated 04.07.2019 "Information on best practices".  
  
Through this letter, the ALF informs the CA that it will apply to you in the future the best international practices regarding the issues under investigation.
72. Assessing the information of the ALF on the best practices of 04.07.2019, it results that: based on law no. 9121/2013, "Regulation on Investigative Procedures of the Competition Authority" approved by VKK no. 176, dated 24.02.2011, "Regulation on Engagement Procedures" approved by VKK Nr. 437, dated 5.10.2016, these practices filed by the ALF are not considered to be commitments which eliminate competition violations in the sense of Article 45, point 2 of law no. 9121/2013.
73. The preliminary investigation has started with VKK no. 564, dated 25.10.2018, in-depth investigation with VKK no. 607, dated 01.04.2019 and has been amended by VKK no. 632, dated 20.06.2019, as well as the FSHF has not shown a willingness to cooperate. The AFF has had a long period of time available to address the Competition Authority to terminate this investigative procedure, as it itself would be committed to eliminating competition violations pursuant to Article 9 point 2, letter (a) of law no.9121 / 2003.
74. In conclusion: after the final comments and commitments of the ALF were sent, sent with letter no. 223 prot., Dated 06.02.2020, recorded with the CA with no. 55/19 prot., Dated 07.02.2020, Competition Commission

#### **FOR THESE REASONS:**

Competition Commission, based on article 8, article 9, point 2, letter (a), (c) article 24 letter (d), article 26, article 45, article 69 and article 76, point 1, letter (a) of law no. 9121, dated 28.07.2003 "On the Protection of Competition", as amended,

## **DECIDED:**

1. Determining the abuse of the dominant position of the ALF as the only entity to which the state has delegated the right to organize and develop sports, national and international activities in the sport of football, in relation to the economic activity it conducts, in terms of sales of television broadcasting rights; selling match tickets to national teams; sponsorships and advertising.
2. Giving conditions and obligations to stop the abuse of the dominant position of the ALF:
  - a. The obligation of the ALF that the joint sale of television rights, as an exclusive right in the future be reduced to the scope and duration of the franchise, in a period of not more than 3 (three) years, where the rights are separate and to be sold to various operators.
  - b. The obligation of the AFF in the future to divide the procurement of the two categories "Superior Category" and "Albanian Cup", with the difference in the offer with package A (main, important matches) and B (other matches), so that they do not belong to a single operator, ensuring the largest possible participation of audiovisual operators.
  - c. Removing the exclusivity in the future in the contracts for the sale of audiovisual rights "Highlighte" and creating the opportunity for wider participation for audiovisual operators.
3. Involvement of the Professional League by giving it an active role in any decision-making, which has to do with the "joint sale of television rights", as well as other rights arising from it.
4. The obligation of the AFF to distribute the funds received with destination determined by UEFA, FIFA, etc., in a transparent and correct procedure, in the presence of the Professional League, in order to maintain fair and effective competition in the market. This procedure should be made public on the official website of the ALF - [www.fshf.org](http://www.fshf.org).
5. The obligation to implement a transparent procedure for the selection of the main sponsor and other sponsors, enabling wider participation of enterprises in the market. This procedure should be made public on the official website of the ALF - [www.fshf.org](http://www.fshf.org).
6. The obligation of the ALF to avoid any kind of direct or indirect property connection between its sponsors and property representation in the company DIGITALB, links which affect the restriction or distortion of competition, created due to its dominant position.
7. The obligation of the ALF to avoid any kind of direct or indirect property connection, between its legal representatives and property representation at the company DIGITALB, links which affect the restriction or distortion of competition, created due to its dominant position.
8. The obligation of FSHF in the future to enter into any contract that establishes exclusive rights or special rights in the territory of the Republic of Albania, for certain enterprises or products, to carry out transparent, non-discriminatory procurement procedures without setting restrictive criteria and exclusion in the relevant market. These contracts should be brought for preliminary evaluation to the Competition Authority.
9. The obligation of the ALF to draft a methodology for determining ticket prices, in order to orient to the cost of service and ticket price. Behavior for preliminary evaluation of the methodology at the Competition Authority.

10. The obligations set out in points 3, 4, 5, 6, 7, 9 must be met within 120 days from the day this decision is notified.
11. In case of non-fulfillment of the conditions and obligations defined in the enacting clause of this decision, the AFF is punished with a fine of up to 5% of the average daily turnover for serious violation of competition pursuant to Article 76, point 1, letter (a) of law no. 9121/2003.
12. Monitoring the implementation of this decision, for a period of 2 years.
13. The Secretary General is in charge of notifying all interested parties of this decision.

This decision enters into force immediately.

## **COMPETITION COMMISSION**