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## ANDORRA



### The evolution of the competition law system

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International trade and commercial activities were extremely limited before the 1930s in the Principality of Andorra. It was a rural country with a population of under 4,000 inhabitants and with an economy essentially based on agriculture and livestock. There were no roads but pathways connecting the State to its neighbors France and Spain.

Nowadays, Andorra's economy is mainly based on commerce and tourism and has a population of over 70,000 inhabitants.

Until 1985 there were no competition regulations or laws in Andorra. Basic principles were mainly provided by general civil and common law. Decisions were strongly influenced by French and Spanish laws, however, due to the lack of any strong economic activity at that time, no relevant case law emerged.

Since the 1980s, Andorra has built an economic model based mainly on commerce and tourism with more than 10 million visitors per year. Therefore, it became necessary and imperative to en-

sure consumers' rights and to provide a regulation on competition law which enforced basic principles. Consequently, on 31 July 1985 the first law on consumer protection was enacted with just 41 articles implementing a simple but effective legal framework. The objective was to determine accurately consumers' rights and to enforce concrete procedures to ensure consumers' health and security. A system governing infringements and sanctions was also set up.

Ten years later, it appeared essential to provide a more precise and detailed legal environment regarding competition law. In 1995 the Trademark Law was enacted whereby European principles concerning intellectual property were integrated into the Andorran legal system. This regulation guarantees intellectual property and trademark protection in accordance with international standards.

The legislative activity culminated in 2013 with the Effective Competition and Consumer Protection Act (Law 13/2013). This regulation introduced

basic competition law principles that are enforced on an European and, for the most part, international level. Hence, it provides provisions on anticompetitive conduct, anticompetitive agreements and arrangements, abuse of a dominant position and market dominance. In a second part, it strengthens consumers' rights in greater detail than the 1985 law, including administrative and judicial procedures to guarantee the effectiveness of the protection.

Nowadays, the Andorran government is negotiating an Association Agreement with the EU. Thus, there is a continuity in the reflection of the need of reforms allowing to diversify and open the economy and to ensure a comprehensive competition law system accordingly to European standards. Therefore, Andorra will harmonize the national legal framework on competition law with the 'acquis communautaire'.