

This is an English translation.

The original Icelandic text, as published in the Law Gazette (Stjórnartíðindi), is the authoritative text. Should there be discrepancy between this translation and the authoritative text, the latter prevails.

Chapter I

Objectives and scope

Article 1

The objective of this Act is to promote effective competition and thereby increase the efficiency of the factors of production of society. This objective shall be achieved by:

- a. preventing unreasonable barriers and restrictions on freedom of economic operation;
- b. preventing harmful oligopoly and restriction of competition;
- c. facilitating the entry of new competitors into the market.

Article 2

This Act shall apply to any economic operation, including the manufacturing industry and trade in goods and services, irrespective of whether such operation is conducted by individuals, companies, public entities or others.

This Act shall not apply to wages or other employment terms of wage earners pursuant to labour agreements.

Article 3

This Act shall apply to agreements, terms and actions with effect, or intended effect, in Iceland.

Subject to the provisions of Chapter VII and the provisions governing trade within the common market of the European Economic Area, this Act shall not apply to agreements, terms or actions which are solely intended to have an effect outside Iceland.

The Competition Authority shall provide assistance in implementing the competition provisions of other states and international organizations in accordance with mutual obligations provided for in international conventions to which Iceland is a party.

CHAPTER II

Definitions

Article 4

The following definitions shall apply in this Act:

1. Economic operation shall mean any commercial activity, irrespective of form of ownership and irrespective of the nature of the goods, services or rights exchanged or managed for a consideration.
2. Undertaking shall mean any individual, company, public party or other party engaged in economic operation.
3. A group of undertakings shall refer to undertakings connected by an ownership structure characterized by one undertaking owning a share in another undertaking or undertakings which is sufficiently large to confer on it the majority of voting rights. The owning undertaking shall be regarded as the parent undertaking, and the other undertaking or undertakings as subsidiaries. A group of undertakings shall also mean an undertaking where the parent undertaking and subsidiary, or one or more subsidiaries, together have sufficient shares or holdings to control the majority of voting rights.

4. A dominant position shall mean a position of economic strength enjoyed by an undertaking which enables it to prevent effective competition being maintained on the relevant market by giving it the power to behave to an appreciable extent independently of its competitors, customers and consumers.

5. Market shall mean the area within which goods and their substitute goods, and/or a service and its substitute services, are sold. Substitute goods or services shall mean goods or services which may, completely or to a significant extent, take the place of other goods or services.

6. Consumer shall mean any individual person purchasing goods or services for a consideration, provided his purchase is not made for the purpose of business operation.

[7?..]

8. Sales stage: production shall be regarded as the first sales stage, wholesale the second stage, retail sale the third stage, etc.

9. Goods shall in this Act mean any real or personal property, including vessels, aircraft, gaseous substances,

electricity or other energy sources.

10. Price shall mean the return provided for goods or services, i.e. any consideration irrespective of the term used, such as remuneration, wages, commission, freight, shipping charges, tariff, rent or the like.

[11?..]

12. Service shall mean any facilitation, work or service rendered for a consideration, excluding work rendered for wages in the service of another.

In the event of any dispute as to the scope of these terms, the dispute shall be settled by the Competition Authority.

CHAPTER III

Administration

Article 5

The Minister for Commerce is responsible for the implementation of this Act, but surveillance pursuant to this Act and day to day administration of matters within the scope of the Act is entrusted by the Minister to a separate agency, the Competition Authority.

The Board of the Competition Authority is composed of