

# Competing fairly in business

Competition encourages businesses to improve and innovate, for the benefit of their customers. Competition law makes sure businesses are competing on a level playing field and are protected from others acting unfairly.



## Behaviours you need to watch out for

You could be breaking competition law if you engage in any of these behaviours:



### Dividing up and sharing markets

Agreeing not to go after a competitor's customers, or deciding which territories each business will 'take' can lead to less choice and higher prices. Customers, who may be other businesses, end up overpaying or getting a lower quality product or service as a result.



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### Bid rigging and discussing tenders

Agreeing with other businesses how much you will bid in a tender, and who will have the lowest bid so that they win the contract deceives buyers into thinking they have got a good price, when it could have been much lower if the businesses had been genuinely competing. In public contracts for goods and services, this can mean a waste of taxpayers' money.



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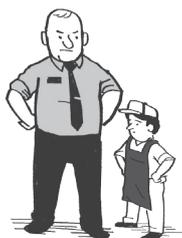
### Price-fixing

Agreeing with competitors what price you will charge to avoid having to compete with each other can result in higher prices for customers. This means consumers – and potentially other businesses – end up overpaying for what they get.



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## Other things to watch out for



Businesses taking advantage of market power



Suppliers forcing retailers to sell at a certain price



Sharing sensitive commercial information

## Why it matters

Doing any of the activities listed here could end up **breaking competition law**, which has serious consequences.

Businesses can face **big penalties** and individuals can be **banned** from running a company.



## How to report illegal activity

Use the **online reporting form** or call the Commerce Commission on **0800 943 600** to report the behaviours above.

If you've been involved yourself, confess it to us first and you could avoid paying any penalties.

To apply for Leniency call **+64 (0) 4 924 3720**



To find out more about how competition law can affect your business, visit [www.comcom.govt.nz](http://www.comcom.govt.nz)

With thanks to the Competition & Markets Authority (UK) for its assistance in producing this guidance.