

Russia Targets Apple, Alleges iPhone Price-Fixing

Russian Retailers Have Escape Charges Despite Collusion Allegations.

By [Kirill Sedov and Yekaterina Postnikova](#)

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Stephen Lam / Reuters

Russia's Federal Anti-monopoly Service (FAS) has filed a case against U.S. Tech giant Apple on allegations of price-fixing.

A number of retailers are continuing to sell the iPhone 6S, 6S Plus, and other models at the same price as

when the phones were released in October 2015, the FAS claim.

Some

16 Russian companies

are alleged to be involved in the case, including

MTS, M.

Video, Beeline,

Eldorado, Euroset, Media Markt, Citilink, and licensed Apple retailer the Re:Store. The agency

found that

all of the retailers sold the iPhone models nationwide either at

almost identical

prices,

differing overall

by just 10 rubles (\$0.15), said the FAS' Director for Anti-Cartel Operations, Andrei Tenish

ev.

While the

retailers

themselves

are not

to be

held accountable,

charges will be brought against Apple,

Tenishev said. Selling a product for an identical price is not illegal, and could arise due to a

variety

of reasons,

he said.

Yet when the FAS carefully analyzed

the pricing using retailer documents, the agency found that the

companies were in

collusion and that the price had been imposed on

them,

Tenishev claimed.

By choosing to prosecute Apple for price-fixing rather than collusion, the FAS have burdened themselves with the need to provide greater amounts of evidence, said

Lidings law firm partner Andrei Zelenin.

To prove a charge of collus

ion,

the FAS

would be asked to

produce evidence of correspondence between

managers, minutes of meetings, or

the testimony of witnesses who were present at talks

which saw a

discussion on fixing prices.

Under the current charge, the FAS must

prove that price-fixing led to a

decrease in competition on the iPhone market

- a far more difficult task, said

Zelenin.

While declining to reveal details of FAS' evidence, Tennishev maintained that the agency had "a lot" of proof, including an economic analysis and documentation.

If found guilty, Apple will face a fine of from 1 million rubles to 5 million rubles, (\$15,400 to \$77,300) said Oleg Kolotilov from law firm Kulkov, Kolotilov & Partners.

If the FAC proves that retailers signed an agreement or coordinated the setting of prices, they could be fined up to 15 percent of their income from iPhone sales.

Five of the iPhone retailers have denied the claims so far, maintaining that Apple's contract on the supply of smart phones does not contain any requirements or additional conditions regarding pricing.

As of Sunday, retailers involved in the case were continuing to sell the Apple iPhone 6S 16GB in Space Gray at prices ranging from 50,990 rubles (\$788) to 51,990 rubles (\$804). While ending the practice of coordinating prices would not absolve Apple of guilt, it could mitigate the charges, Tennishev said.

Apple is yet to respond to requests for comment.

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