

IMPORTANT RELEASE



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"**Vincit qui patitur**"

The Spanish Competition Authority sanctions
the Real Sociedad Canina de España (RSCE)
sole member of the FCI in Spain

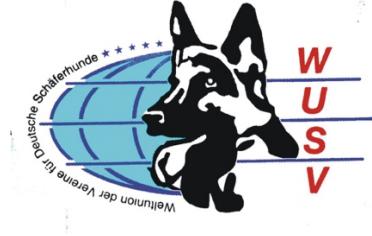
As reported by the CNMC in its press release published in Madrid on May 26, 2022 the Spanish Competition Authority started in October 2020 an investigation focusing on the actions of the RSCE for potential anti-competitive practices after receiving a complaint from the Real Club Español de Perro Alemán Pastor, which was joined by other associations: the Kennel Club of Spain, the Asociación Nacional de Criadores Caninos y Multiformación, and the Royal Spanish Hunting Federation.

Today our collective family of purebred dog owners, breeders, judges, sportsmen and fans of the German Shepherd Dog, are freer and more powerful. The FCI Spanish "dominium" has fallen, and all above referred players are no longer subjected to the illegal, abusive and unlawful practices of national canine organizations such as the Real Sociedad Canina de España (RSCE), the sole and exclusive member of the Fédération Cynologique Internationale (FCI) in Spain.

The Spanish Competition Authority (Comisión Nacional de los Mercados y la Competencia – "CNMC") has decisively ruled and imposed a fine of 142,996 € in the sanctioning file against the RSCE/FCI, for very serious violations of Article 102 of the Treaty on the Functioning of the European Union (TFEU) and Article 2 of the Spanish National Antitrust Law for abuse of a dominant position in the market for international and national genealogical certification of purebred dogs, as well as in the market for canine judging services.

From this day forward, the national canine organization in Spain, the RSCE/FCI must, by mandate of the CNMC, act in a legal manner. Specifically, the internal discriminatory statutes, rules and regulations of the FCI relating to purebred dogs outside the FCI network, are infringing statutory Competition Law rules and are therefore prohibited and not binding.

For each day that RSCE/FCI maintains the abusive and unlawful practices without compliance with the resolution of the Spanish Competition Authority, it is subject to punitive fines of €12,000 per day or 10% annual revenue.



These are some of the most relevant and significant changes to which the RSCE/FCI is subject:

- i. RSCE/FCI must facilitate access to export pedigrees for recognized purebred dogs and breeders outside the FCI network who request an export pedigree certificate. This must be done without forcing dog owners and breeders to register the dogs in the stud books of the FCI member.
- ii. RSCE/FCI must not prevent judges of the RSCE or any other FCI member organization from participating as judges in shows and trials of competing canine associations that are not members of the FCI network.
- iii. RSCE/FCI shall not enter into exclusive non-competition agreements with collaborating clubs which place any barriers or excluding limitations on canine organizations with the objective of closing the market.
- iv. Purebred dogs outside the FCI network shall not be devalued or discriminated by the RSCE/FCI. Removing the history and track record of dogs (i.e., ancestral data, titles earned) registered and earned outside of the FCI is prohibited.

The investigation and subsequent resolution issued by the CNMC has revealed the following:

- The RSCE/FCI has been abusing its market power for more than 11 years in an uninterrupted manner and with a clear, deliberate, directed and precise strategy for the total and complete closure of the relevant markets to competing national canine organizations and a strategy of exclusion of any potential competitors, without any justification for improving the quality of the products and services offered by the RSCE/FCI to breeders and consumers.
- This national and international unlawful behavior has resulted in very serious effects and economic damages to the consumers of the products and services of genealogical certification and related activities, as well as to the competing canine organizations, as is the case of the Real CEPPA/WUSV.



RSCE General Committee, in its defense, unsuccessfully tried to convince the CNMC that the cause of its illegal behavior was exclusively because they follow FCI and FCI regulations. However, the Spanish Competition Authority unequivocally ruled that FCI regulations and those of its network that violate competition law, as has been repeatedly determined in case law, are null and void.

What is next.... The WUSV legal team and its prominent members, are assessing the immediate and far-reaching consequences of this decision. Should need be, we will continue to fight for our rights in front of the courts and the competition authorities to make sure that the ruling of the Spanish Competition Authority and previous rulings are complied with.

This historic decision not only confirms previous judgments against the FCI network in German courts, but also marks a before and after in the operation of national and international dog breeding, creating a very important precedent to ensure that the activity related to the breeding of purebred dogs is more free, fair, competitive, and based on the merits.

The WUSV clubs represent the highest guarantee in the breeding of purebred German Shepherd Dogs in the world. We do so by ensuring highest animal welfare standards and implementation of the strictest controls when it comes to verification of genealogy, health and sociability, and qualities as working and family dogs.

We are hopeful that the FCI will cease this moment to implement change in accordance with the law, and work with WUSV for a more inclusive and open environment that benefits all dog aficionados around the world.

Access to the **press release** of the Spanish Competition Authority (CNMC):

https://www.cnmc.es/sites/default/files/editor_contenidos/20220526_NP_Sancionador_RSCE_en_GB.pdf

Access to the **resolution file** (in Spanish):

<https://www.cnmc.es/sites/default/files/4119219.pdf>