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Paradox Security Systems: Fine for long-term distribution restrictions – reduced sanction for cooperation in repeated procedure

Infringement confirmed after court-ordered repetition

On 14 October 2025, the Hungarian Competition Authority's ('HCA') Competition Council imposed a total fine of 365.5 million HUF (approx. 930,025.5 EUR) on Paradox Security Systems Bahamas Ltd. and its Hungarian distributor, Power Biztonságtechnikai Kereskedelmi Kft., for restricting competition in the distribution of security technology equipment. The [decision](#) was issued in a repeated procedure ordered by the court upon the appeal against the original HCA decision of 2019.

In its new decision the HCA confirmed the same infringements as in the original decision, finding that the undertakings had restricted both domestic competition and intra-EU trade for almost a decade.

Anti-competitive practices for nearly a decade

In 2019, the HCA found that Paradox Bahamas and its Hungarian distributor, Power and Trióda Biztonságtechnika Zrt., had prohibited passive exports of Paradox products to other countries, set minimum installer margins that indirectly fixed resale prices, and restricted online sales by banning the publication of end-user prices.

These practices enabled higher reseller margins, which ultimately resulted in increased consumer prices and a significant reduction of competition across the Hungarian market. The HCA imposed significant fines on Paradox Bahamas and the Hungarian distributor (300 million HUF (approx. 763,358.8 EUR) and 240 million HUF (approx. 610,687 EUR)).

Repeated procedure and fines

Following the administrative court's annulment of the 2019 decision due to concerns over market definition and the assessment of cross-border effects, the HCA re-examined the case. Based on the same evidence — including distribution agreements, market conduct, and emails seized during dawn raids — the authority reached identical conclusions.

Cooperation and cross-border effects

In the repeated procedure, Power cooperated with the HCA, admitted the infringement, submitted a settlement statement, and committed to a compliance programme, which the authority made mandatory. Considering its SME status and cooperation, the HCA reduced Power's fine to 97.5 million HUF (approx. 248,091.6 EUR), while Paradox Bahamas was fined 268 million HUF (approx. 681,933.8 EUR).

This case highlights that constructive cooperation can significantly mitigate sanctions in competition proceedings — even in cases involving the lack of early acknowledgement of liability.