

THE MERGER
CONTROL
REVIEW

THIRTEENTH EDITION

Editor
Ilene Knable Gotts

THE LAWREVIEWS

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Ilene Knable Gotts

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PREFACE

Pre-merger competition review has advanced significantly since its creation in 1976 in the United States. As this book evidences, today almost all competition authorities have a notification process in place – with most requiring pre-merger notification for transactions that meet certain prescribed minimum thresholds. Additional jurisdictions such as Malaysia are continuing to consider imposing mandatory pre-notification regimes, and in the meantime can assert some jurisdiction to review certain transactions under their conduct laws and for specific sectors (e.g., aviation, communications). The intended readership of this book comprises both in-house and outside counsel who may be involved in the competition review of cross-border transactions.

Given the ability of most competition agencies with pre-merger notification laws to delay, and even block, a transaction, it is imperative to take each jurisdiction – small or large, new or mature – seriously. For instance, the international business community had a wake-up call when, in 2009, China blocked the Coca-Cola Company’s proposed acquisition of China Huiyuan Juice Group Limited and imposed conditions on four mergers involving non-China-domiciled firms. In *Phonak/ReSound* (a merger between a Swiss undertaking and a Danish undertaking, each with a German subsidiary), the German Federal Cartel Office blocked the entire merger, even though less than 10 per cent of each of the undertakings was attributable to Germany. In the United Kingdom, the Competition and Markets Authority (CMA) has effectively blocked transactions in which the parties question its authority. It is, therefore, imperative that counsel develop a comprehensive plan before, or immediately upon, execution of an agreement concerning where and when to file notification with competition authorities regarding such a transaction. To this end, this book provides an overview of the process in 24 jurisdictions, as well as a discussion of recent decisions, strategic considerations and likely upcoming developments.

Some common threads in institutional design underlie most of the merger review mandates, although there are some outliers as well as nuances that necessitate careful consideration when advising a client on a particular transaction. Almost all jurisdictions vest exclusive authority to review transactions in one agency. The United States is now the major exception in this regard since China consolidated its three antitrust agencies into one agency in 2018. Most jurisdictions provide for objective monetary size thresholds (e.g., the turnover of the parties, the size of the transaction) to determine whether a filing is required. Germany has amended its law to ensure that it has the opportunity to review transactions in which the parties’ turnovers do not reach the threshold, but the value of the transaction is significant (e.g., social media, new economy, internet transactions). Other jurisdictions are also focused on ensuring that acquisitions involving smaller internet, online and data companies, or, in other high-technology settings, a ‘nascent’ competitor, do not escape review.

Newly adopted laws have tried to vest jurisdiction on these transactions by focusing on the ‘value of the consideration’ rather than turnover for acquisitions of nascent firms, particularly in the digital economy (e.g., in Austria and Germany). Some jurisdictions have also adopted a process to ‘call in’ transactions that fall below the thresholds, but where the transaction may be of competitive significance. For instance, the Japan Federal Trade Commission (JFTC) has the ability of reviewing and taking action in non-reportable transactions (see discussion of *Google/Fitbit* in the Japan chapter), and has developed guidelines for voluntary filings. Note that the actual monetary threshold levels can vary in specific jurisdictions over time. To provide the ability to review acquisitions of nascent but potentially important rivals, the European Commission (EC) has recently adopted potentially the most significant change in its rules: to use the referral process from Member States to vest jurisdiction in transactions that fall below its thresholds but that could have Community-wide significance. Two recent referrals should provide significant guidance regarding the impact of this new referral process.

There are some jurisdictions that still use ‘market share’ indicia (e.g., Bosnia and Herzegovina, Colombia, Lithuania, Portugal, Spain, Ukraine and the United Kingdom). Most jurisdictions require that both parties have some turnover or nexus to their jurisdiction. However, there are some jurisdictions that take a more expansive view. For instance, in Poland, a notification may be required even though only one of the parties is present and, therefore, there may not be an impact on competition in Poland. Turkey recently issued a decision finding that a joint venture (JV) that produced no effect on Turkish markets was reportable because the JV’s products ‘could be’ imported into Turkey. In Serbia, there is similarly no ‘local’ effect required. Germany also takes an expansive view by adopting as one of its thresholds a transaction of ‘competitively significant influence’. Although a few merger notification jurisdictions remain ‘voluntary’ (e.g., Australia, Singapore, the United Kingdom and Venezuela), the vast majority impose mandatory notification requirements. Moreover, in Singapore, the transaction parties are to undertake a ‘self-assessment’ of whether the transaction will meet certain levels, and, if so, should notify the agency to avoid potential challenge by the agency.

Although in most jurisdictions the focus of the competition agency is on competition issues, some jurisdictions have a broader mandate. For instance, the ‘public interest’ approach in South Africa expressly provides for consideration of employment matters, local enterprises and procurement, and for economic empowerment of the black population and its participation in the company. Many of the remedies imposed in South Africa have been in connection with these considerations. Notably, current leadership at the US antitrust authorities have similarly suggested that their mandate under the antitrust laws is broader than the traditional focus on ‘consumers’ and ‘consumer welfare’ to include impact on labour, diversity and other considerations. It is unclear at this point how this shift will impact enforcement decisions and judicial challenges. Although a growing number of jurisdictions have separate regulations and processes for addressing foreign entity acquisitions when national security or specific industrial sectors are involved, in Romania, for example, competition law provides that the government can prohibit a merger if it determines that the merger could have a potential impact on national security.

As we pass the two-year anniversary of the covid-19 pandemic, challenges continue both for transaction parties and enforcement agencies. Many jurisdictions (particularly China) have had protracted review times to account for covid-19 disruptions at the agencies. The Ukrainian–Russian conflict may also have business implications, including on supply chain and economic recovery, which in turn may increase the number of reviews of companies

in financial distress, if not at the point of failure. Some jurisdictions are exempt from notification (e.g., Ecuador) or have special rules for the timing of bankrupt firms (e.g., Brazil, Switzerland and the Netherlands where firms can implement before clearance if a waiver is obtained; Austria, India, Russia and the United States have shorter time frames). Also, in some jurisdictions, the law and precedent expressly recognise the consideration of the financial condition of the target and the failing firm doctrine (e.g., Canada, China and the United States). In Canada, for instance, the Competition Bureau explicitly permitted the *AIM/TMR* transaction to proceed on the basis of the failing company defence. Similarly, the Netherlands has recently recognised the defence in a couple of hospital mergers. In a major matter in the United Kingdom, *Amazon/Deliveroo*, the CMA provisionally allowed the transaction to proceed due to the target being a failing firm. This topic is likely to be an area to watch in other jurisdictions, particularly in some of the newer merger regimes.

The potential consequences for failing to file in jurisdictions with mandatory requirements vary. Almost all jurisdictions require that the notification process be concluded before completion (e.g., pre-merger, suspensory regimes), rather than permitting the transaction to close as long as notification is made before closing. Many of these jurisdictions can impose a significant fine for failure to notify before closing, even where the transaction raises no competition concerns (e.g., Austria, Cyprus, India, the Netherlands, Romania, Spain and Turkey). In France, for instance, the competition authority imposed a €4 million fine on Castel Frères for failure to notify its acquisition of part of the Patriarche group. In Ukraine and Romania, the competition authorities have focused their efforts on discovering consummated transactions that had not been notified, and imposing fines on the parties. Chile's antitrust enforcer recommended a fine of US\$3.8 million against two meat-packing companies, even though the parties had carved the Chilean business out of the closing. In 2021, Morocco similarly imposed a fine for failure to notify a transaction in excess of US\$1 million.

Some jurisdictions impose strict time frames within which the parties must file their notification. For instance, Cyprus requires filing within one week of signing of the relevant documents and agreements; Serbia provides for 15 days after signing of the agreement; and Hungary, Ireland and Romania have a 30-calendar-day time limit for filing the notification that commences with entering into the agreement. Some jurisdictions that mandate filings within specified periods after execution of the agreement also have the authority to impose fines for 'late' notifications (e.g., Bosnia and Herzegovina, Indonesia and Serbia). Most jurisdictions also have the ability to impose significant fines for failure to notify or for closing before the end of the waiting period, or both (e.g., Austria, Canada, China, Greece, Portugal, Ukraine and the United States). In Macedonia, the failure to file can result in a misdemeanour and a monetary fine of up to 10 per cent of the worldwide turnover. In Belgium, the competition authority fined a party for late submission of information.

The United States and the EC both have a long history of focusing on interim conduct of the transaction parties, which is commonly referred to as 'gun-jumping', even fining companies that are found to be in violation. For example, the EC imposed the largest gun-jumping fine to date of €124.5 million against Altice. Other jurisdictions have more recently been aggressive. Brazil, for instance, issued its first gun-jumping fine in 2014 and recently issued guidelines on gun-jumping violations. Since then, Brazil has continued to be very active in investigating and imposing fines for gun-jumping activities. In addition, the sharing of competitively sensitive information before approval appears to be considered an

element of gun-jumping. Also, for the first time, France imposed a fine of €20 million on the notifying party for failure to implement commitments fully within the time frame imposed by the authority.

In most jurisdictions, a transaction that does not meet the pre-merger notification thresholds is not subject to review or challenge by the competition authority. In Canada – like the United States – however, the Competition Bureau can challenge mergers that were not required to be notified under the pre-merger statute, as well as challenge notified transactions within the first year of closing. In Korea, Microsoft initially filed a notification with the Korea Fair Trade Commission (KFTC), but when it faced difficulties and delays in Korea, the parties restructured the acquisition to render the transaction non-reportable in Korea and consummated the transaction. The KFTC, however, continued its investigation as a post-consummation merger investigation and eventually obtained a consent order. This list of jurisdictions is illustrative rather than comprehensive and is consistent with the overarching concerns expressed above regarding catching transactions that may have fallen below the radar but are subsequently deemed problematic. In the same spirit, the EC has fined companies on the basis that the information provided at the outset was misleading (for instance, the EC fined Facebook €110 million for providing incorrect or misleading information during the *Facebook/WhatsApp* acquisition).

In almost all jurisdictions, very few transactions undergo a full investigation, although some require that the notification provide detailed information regarding the markets, competitors, competition, suppliers, customers and entry conditions. Most jurisdictions that have filing fees specify a flat fee or state in advance a schedule of fees based upon the size of the transaction; some jurisdictions, however, determine the fee after filing or provide different fees based on the complexity of the transaction. For instance, Cyprus is now considering charging a higher fee for acquisitions that are subjected to a full Phase II investigation.

Most jurisdictions more closely resemble the EC model than the United States model. In these jurisdictions, pre-filing consultations are more common (and even encouraged); parties can offer undertakings during the initial stage to resolve competitive concerns; and there is a set period during the second phase for providing additional information and for the agency to reach a decision. In Japan, however, the JFTC announced in June 2011 that it would abolish the prior consultation procedure option. When combined with the inability to ‘stop the clock’ on the review periods, counsel may find it more challenging in transactions involving multiple filings to avoid the potential for the entry of conflicting remedies or even a prohibition decision at the end of a JFTC review. Some jurisdictions, such as Croatia, are still aligning their threshold criteria and processes with the EC model. Even within the EC, there remain some jurisdictions that differ procedurally from the EC model. For instance, in Austria, the obligation to file can be triggered if only one of the involved undertakings has sales in Austria, as long as both parties satisfy a minimum global turnover and have a sizeable combined turnover in Austria. Finally, some jurisdictions have developed a fast-track process for transactions that are unlikely to raise antitrust concerns (e.g., because the parties’ combined shares of potential relevant markets are all below a certain threshold or because of the size of the transaction). China and the EC are two such regimes in which the adoption of this fast-track process can make a significant difference to the review period.

The role of third parties also varies across jurisdictions. In some jurisdictions (e.g., Japan), there is no explicit right of intervention by third parties, but the authorities can choose to allow it on a case-by-case basis. In contrast, in South Africa, registered trade unions or representatives of employees must be provided with a redacted copy of the merger notification

from the outset and have the right to participate in merger hearings before the Competition Tribunal; the Tribunal will typically also permit other third parties to participate. Bulgaria has announced a process by which transaction parties even consent to disclosure of their confidential information to third parties. In some jurisdictions (e.g., Australia, the EC and Germany), third parties may file an objection to a clearance decision. In some jurisdictions (including Canada, the EC and the United States), third parties (e.g., competitors) are required to provide information and data if requested by the antitrust authority. In Israel, a third party that did not comply with such a request was recently fined by the antitrust authority.

In almost all jurisdictions, once the authority approves the transaction, it cannot later challenge the transaction's legality. The United States is one significant outlier with no bar for subsequent challenge, even decades following the closing, if the transaction is later believed to have substantially lessened competition. Canada, in contrast, provides a more limited time period of one year for challenging a notified transaction (see the recent *CSC/Complete* transaction). In Hong Kong, the authority has six months post-consummation to challenge a transaction. Norway is also a bit unusual in that the authority has the ability to mandate notification of a transaction for a period of up to three months following the transaction's consummation. In 'voluntary' jurisdictions, such as Australia and Singapore, the competition agency can investigate and challenge unnotified transactions.

It is becoming the norm, in large cross-border transactions raising competition concerns, for the US, Canadian, Mexican, EC and UK authorities to work closely together during the investigative stages, and even in determining remedies, minimising the potential of arriving at diverging outcomes. The KFTC has stated that it will engage in even greater cooperation with foreign competition authorities, particularly those of China and Japan, which are similar to Korea in their industrial structure. Regional cooperation among some of the newer agencies has also become more common; for example, the Argentinian authority has worked with Brazil's competition authority, which, in turn, has worked with the Chilean authority. Competition authorities in Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Montenegro, Serbia, Slovenia and Turkey similarly maintain close ties and cooperate on transactions. Taiwan is part of the Asia-Pacific Economic Cooperation forum, which shares a database. In transactions not requiring filings in multiple European jurisdictions, Member States often keep each other informed during the course of an investigation. In addition, transactions not meeting the EC threshold can nevertheless be referred to the EC in appropriate circumstances. The United States has signed cooperation agreements with a number of jurisdictions, including, most recently, Peru and India. China has 'consulted' with the United States and the EC on some mergers and entered into a cooperation agreement with the United States authorities in 2011.

The impact of such multi-jurisdictional cooperation is very evident. For instance, the transaction parties in *Applied Materials/Tokyo Electron* ultimately abandoned the transaction following the combined objections of several jurisdictions, including the United States, Europe and Korea. In *Office Depot/Staples*, the US Federal Trade Commission and the Canadian Competition Bureau cooperated and both jurisdictions brought suits to block the transaction (although the EC had also cooperated on this transaction, it ultimately accepted the undertakings offered by the parties). In the *GE/Alstom* transaction, the United States and the EC coordinated throughout, including at the remedies stage. Additionally, in the *Halliburton/Baker Hughes* transaction, the United States and the EC coordinated their investigations, with the United States suing to block the transaction while the EC's investigation continued. Also, in *Holcim/Lafarge*, the cooperation between the United States

and Canada continued at the remedies stage, where both consents included assets in the other jurisdiction's territory. The United States, Canada and Mexico coordinated closely in the review of the *Continental/Veyance* transaction. In fact, coordination among the jurisdictions in multinational transactions that raise competition issues is becoming the norm.

Although some jurisdictions have recently raised the size threshold at which filings are mandated (e.g., Austria), others have broadened the scope of their legislation to include, for instance, partial ownership interests. Some jurisdictions continue to have as their threshold test for pre-merger notification whether there is an 'acquisition of control'. Many of these jurisdictions, however, will include, as a reportable situation, the creation of 'joint control', 'negative (e.g., veto) control' rights to the extent that they may give rise to *de jure* or *de facto* control (e.g., Turkey), or a change from 'joint control' to 'sole control' (e.g., the EC and Lithuania). Minority holdings and concerns over 'creeping acquisitions', in which an industry may consolidate before the agencies become fully aware, have become the focus of many jurisdictions. Some jurisdictions will consider as reviewable acquisitions in which only a 10 per cent or less interest is being acquired (e.g., Serbia for certain financial and insurance mergers), although most jurisdictions have somewhat higher thresholds (e.g., Korea sets the threshold at 15 per cent of a public company and otherwise at 20 per cent of a target; and Japan and Russia at any amount exceeding 20 per cent of the target). Others use, as the benchmark, the impact that the partial shareholding has on competition; Norway, for instance, can challenge a minority shareholding that creates or strengthens a significant restriction on competition. The United Kingdom also focuses on whether the minority shareholder has 'material influence' (i.e., the ability to make or influence commercial policy) over the entity. Several agencies during the past few years have analysed partial ownership acquisitions on a stand-alone basis as well as in connection with JVs (e.g., Canada, China, Cyprus, Finland and Switzerland). Vertical mergers were also a subject of review (and even resulted in some enforcement actions) in a number of jurisdictions (e.g., Belgium, Canada, China, Sweden and Taiwan). Portugal even viewed as an 'acquisition' subject to notification the non-binding transfer of a customer base.

For transactions that raise competition issues, the need to plan and to coordinate among counsel has become particularly acute. Multi-jurisdictional cooperation facilitates the development of cross-border remedies packages that effectively address competitive concerns while permitting the transaction to proceed. The consents adopted by the United States and Canada in the *Holcim/Lafarge* merger exemplify such a cross-border package. As discussed in the 'International Merger Remedies' chapter, it is no longer prudent to focus merely on the larger mature authorities, with the expectation that other jurisdictions will follow their lead or defer to their review. In the current enforcement environment, obtaining the approval of jurisdictions such as Brazil and China can be as important as the approval of the EC or the United States. Moreover, the need to coordinate is particularly acute, to the extent that multiple agencies decide to impose conditions on the transaction. Although most jurisdictions indicate that 'structural' remedies are preferable to 'behavioural' conditions, a number of jurisdictions in the past few years have imposed a variety of such behavioural remedies (e.g., China, the EC, France, Italy, Japan, the Netherlands, Norway, South Africa, Ukraine and Vietnam). This is particularly the case when non-compete or exclusive dealing relationships raise concerns (e.g., in Mexico and the United States). Some recent decisions have included as behavioural remedies pricing, sales tariffs and terms of sale conditions (e.g., Korea, Ukraine and Serbia), employee retrenchment (South Africa) and restrictions on bringing anti-dumping suits (e.g., Mexico). Many recent decisions have imposed behavioural

remedies to strengthen the effectiveness of divestitures (e.g., Canada's decision in the *Loblaw/Shoppers* transaction, China's Ministry of Commerce remedy in *Glencore/Xstrata* and France's decision in the *Numericable/SFR* transaction). It is important to note, however, that one of the areas flagged for 'change' by the new leadership at the US antitrust authorities is the willingness to consider behavioural remedies, or, for that matter, any remedies, rather than bringing enforcement actions to challenge the transaction itself.

In many of the key enforcement regimes (e.g., the US, Canada, China and the UK), we are at a potentially transformational point in competition policy enforcement. This book should, however, provide a useful starting point in navigating cross-border transactions in this changing enforcement environment.

Ilene Knable Gotts

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Part II

JURISDICTIONS

GREECE

Marina Androulakakis, Tania Patsalia and Vangelis Kalogiannis¹

I INTRODUCTION

i Authorities

The national competition authority that deals in principle with mergers in Greece is the Hellenic Competition Commission (HCC). The HCC is an administratively and financially independent authority with a separate legal personality. The HCC consists of 10 members,² including a chair, a vice chair, six rapporteurs and two regular members with a five-year term, and is under the supervision of the Minister for Development and Investments.³

The HCC is assisted in its tasks by the Directorate General for Competition (DGC).

In October 2020, a new structure for the HCC and the DGC was implemented. The main features of this reform consisted of the setting up of (1) interdisciplinary ‘mixed’ sectoral directorates, which replaced the old model of distinct legal service and economics directorates; (2) ‘horizontal’ units for economic research and documentation and for forensic investigation and detection; and (3) a chief legal officer directorate. Each sectoral directorate is formed of two units: one legal unit and one for economic analysis and impact assessment, which focuses on one or more adjacent economic sectors. The chief legal officer directorate is mainly tasked with the second-level legal review of draft acts and proposals for legal acts. Finally, the new structure also includes directorates that report directly to the chair of the HCC and an office of the Legal Counsel of the State.

In addition, the Hellenic Telecommunications and Post Commission (EETT) is, pursuant to the provisions of Law 4727/2020 on digital governance, electronic communications and other provisions, competent for the enforcement of the Greek Competition Act, including merger control provisions, in the electronic communications sector. Acting in this capacity, the EETT has recently provided its clearance in a notable merger control case in the electronic communications market (namely, the merger of the passive infrastructure assets of Greek telecommunications operators Vodafone Greece and Wind Hellas).⁴ The EETT is also competent for applying competition rules in the postal services sector by virtue of Law 4053/2012 on the regulation of postal market operation, telecommunications issues and other provisions, as amended and in force.

1 Marina Androulakakis is a partner, Tania Patsalia is a senior associate and Vangelis Kalogiannis is a junior associate at Bernitsas Law.

2 The number of HCC members was increased from eight to 10 by means of recent Law 4886/2022 (Government Gazette A’ 12/24.01.2022).

3 And is subject to parliamentary control.

4 EETT’s Decision 967/1 of 12 November 2020 (Government Gazette B’ 556/12.02.2021).

As regards merger control, all other economic sectors fall within the competence of the HCC.

ii Statutes, regulations and guidelines

The main legislation relating to merger control in Greece is Law 3959/2011 on the protection of free competition,⁵ as amended and in force (the Greek Competition Act) (in principle, Articles 5 to 10), which abolished and replaced the former Greek Competition Act.⁶ The Greek Competition Act mirrors, in essence, the provisions under the EU merger control regime.⁷ In 2022, the Greek legislature has brought about a series of substantial changes to the Greek Competition Act,⁸ including with regard to merger control, by introducing the possibility of offering remedies during the Phase I merger review period (whereas, previously, remedies were possible only in Phase II) and increasing the filing fee for Phase II notifications from €1,100 to €3,000.

In addition, the HCC has rendered a number of decisions and notices covering the merger control field, such as (1) Decision 524/VI/2011 ‘establishing the form for the submission of commitments in merger cases’, (2) Decision 558/VII/2013 ‘determining the specific content of merger notifications pursuant to the Greek Competition Act’ and (3) Notice ‘on the notification of concentrations with a community dimension (of 22 October 2009)’.

The HCC also takes into account the relevant EU principles, guidelines and case law as guidance on substantive assessment in merger control reviews.

Finally, concentrations in the media sector (TV, radio, newspapers and magazines) are governed by both the Greek Competition Act and Law 3592/2007, as amended and in force (the Greek Media Law).

iii Pre-merger notification or approval

Under the current merger control regime, a mandatory notification system applies to certain categories of transactions (referred to as concentrations in the Greek Competition Act) before their implementation, provided that a change of control on a lasting basis arises and specific jurisdictional thresholds are met.

In particular, under the Greek Competition Act, a change of control is deemed to arise when (1) two or more previously independent undertakings (or parts thereof) merge or (2) one or more persons already controlling at least one undertaking, or one or more undertakings, acquire direct or indirect control of the whole or parts of one or more other undertakings.

In addition, the establishment of a full-function joint venture (i.e., of a joint venture performing on a lasting basis all the functions of an autonomous economic entity) is also treated as a concentration, therefore falling within the ambit of Greek merger control rules. To the extent that the establishment of a joint venture constituting a concentration has as its object or effect the coordination of the competitive behaviour of companies that remain independent, such a coordination is examined under Paragraphs 1 and 3 of Article 1 of the Greek Competition Act (equivalent to Paragraphs 1 and 3 of Article 101 of the Treaty on the Functioning of the European Union (TFEU)). For this purpose, the HCC shall take

5 Government Gazette A' 93/20 April 2011.

6 Law 703/1977.

7 See Council Regulation (EC) No. 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the EC Merger Regulation), as amended and in force.

8 By means of Law 4886/2022.

into account, in particular, (1) whether the parent companies retain, to a significant extent, activities in the same market or in a downstream, upstream or closely related market; and (2) whether the coordination, which is the direct consequence of the establishment of the joint venture, may eliminate competition in a substantial part of the relevant market.

Concentrations shall be notified to the HCC (and not be fulfilled prior to the HCC's decision) when (1) the combined aggregate worldwide turnover of the undertakings concerned amounts to at least €150 million and (2) at least two of the undertakings concerned each realise, separately, a turnover in Greece totalling at least €15 million.

Guidance on the turnover calculations is provided in the Greek Competition Act (Article 10), whereas special rules apply with regard to the calculation of turnover of credit institutions, financial institutions and insurance companies.

Lower jurisdictional thresholds apply in the media sector. In particular, under the Greek Media Law, a concentration must be notified to the HCC when (1) the parties involved have achieved a combined aggregate worldwide turnover of at least €50 million and (2) each one of at least two of the undertakings concerned generates a turnover in Greece totalling at least €5 million.

When the above thresholds are met, the notification of the transaction before the HCC is compulsory and subject to the authority's prior clearance, even if it is implemented outside Greece or the undertakings involved are established outside Greece (foreign-to-foreign transactions).

II YEAR IN REVIEW

i Statistics

According to publicly available information, the total number of notifications and cases examined by the HCC between 2000 and 2017 was 373.⁹ The number of decisions issued by the HCC, however, differs every year (usually between 10 and 20). According to its 2018 Annual Report, 18 merger control cases were notified before the HCC in 2018, out of which 13 were cleared during the year.¹⁰ In 2019, 15 merger control cases were notified before the HCC, out of which 12 were cleared during the year.¹¹ In 2020, 11 merger control cases were notified to the HCC, out of which 10 were cleared during the same year.¹²

In 2021, the HCC issued 17 merger control decisions according to publicly available information. Of those:

- a* 15 cases were cleared by the HCC following a Phase I review; and
- b* two cases involved the lifting or extension of commitments that were undertaken under former HCC conditional clearance decisions.¹³

So far in 2022, according to publicly available information, the HCC has given unconditional clearance to seven notified concentrations, out of which one has been cleared following an in-depth review (Phase II).

9 Organisation for Economic Co-operation and Development Peer Reviews of Competition Law and Policy, Greece 2018, p. 48.

10 HCC Annual Activity Report for 2018, p. 84.

11 HCC Annual Activity Report for 2019, p. 83.

12 HCC Annual Activity Report for 2020, p. 99.

13 HCC Decisions 726/2021 and 734/2021.

ii Recent key cases

Below we set out some recent key merger control cases.

Green Pixel/Alpha/Star (HCC, acquisition of joint control Phase I)

On 24 March 2021, the HCC rendered its clearance decision¹⁴ to the notified acquisition of joint control over Green Pixel Productions SA, a company active in the production of television programmes, movies and videos, by Alpha Satellite Television SA, which operates the Greek TV station Alpha, and New Television SA, which operates the Greek TV station Star (Phase I review).

In assessing the transaction, the HCC examined whether the pre-existing close family ties between the shareholders of the notifying parties could lead to the conclusion that the latter constitute a single economic entity and, hence, their control over the target company could be attributed to a single entity. Taking into consideration both the EU and its former case law, the HCC held that the family ties were not in themselves a decisive factor in establishing the existence of a single economic entity in this case. Instead, it found that it should additionally be considered whether there were further economic links establishing significant central management between the notifying parties, such as the existence of shares, other contractual relationships and sources of funding. Absent any such structural links,¹⁵ the HCC concluded that the notion of a single economic entity was not established in this case.

In terms of market definition, as per the HCC's press release, the authority analysed thoroughly all levels of the TV value chain for the first time. As regards the relevant market definition, the authority identified the following two markets: (1) the market for the production, supply and acquisition of new TV content on demand (upstream market), in which the target company operates; and (2) the market for the retail provision of TV services to end customers by free-to-air TV stations of panhellenic scope (downstream market) in which the notifying parties operate. In making this market definition, the HCC largely relied on the views submitted by the notifying parties, other companies operating TV stations and TV production companies, as well as on the relevant case law.

Dodoni (HCC, dairy sector, Phase I)

In 2021, the HCC also granted its unconditional clearance following a Phase I review to a merger in the dairy sector.¹⁶ The transaction consisted of the acquisition of sole control over Dodoni SA (Dodoni), a Greek dairy product producer, by Venetiko Holdings, parent entity

¹⁴ HCC Decision 728/2021.

¹⁵ Given that the ultimate controlling shareholders of the notifying parties were not the same persons, that the members of their boards of directors were different and that there was no evidence of a lack of a competitive relationship between the two companies due to the existence of common financial interests and family ties between the beneficiaries of the shareholders, the HCC concluded that the notifying parties (1) did not exercise decisive influence on the decisions of the other through their shareholders, (2) did not have rights of control or powers of action that could determine their commercial strategic behaviour; and (3) there were no contracts or cooperation agreements between them.

¹⁶ HCC Decision 743/2021.

of the Vivartia Group, which is a food production conglomerate active, inter alia, in the dairy sector by means of the company Delta¹⁷ and in the (downstream) markets for quick service restaurants and casual dining, coffee/pastry shops, and catering.

In reaching its decision, the HCC found that the transaction did not give rise to horizontal coordinated effects considering, inter alia, (1) the market share asymmetry between the companies active in the sector; (2) the particularly low market share of Dodoni in the relevant markets, indicating the absence of a causal link between the relatively high degree of market concentration and the transaction; (3) the absence of market transparency as well as of any indications regarding the existence of symmetry between the companies in terms of production capacity and scope of activities in the relevant markets; (4) the absence of structural links between the companies active in the sector (including the parties concerned); and (5) the countervailing power of supermarkets, which mainly trade the products concerned in the relevant markets. At a vertical level, the HCC considered that the conditions for input foreclosure of the competitors of the new entity in the downstream markets and for customer foreclosure of competitors in the upstream markets were not met.

Finally, in its decision, the HCC dealt with the issue of parallel mergers (i.e., multiple mergers that affect the same market and are notified simultaneously or relatively close in time).¹⁸ The HCC, following, essentially, the precedent of the European Commission, applied the priority principle, having therefore assessed the first transaction under the factual and legal framework existing at the time of the notification of the transaction to the HCC without taking into account the second (subsequent) transaction. The HCC also referred to the approach of the European Commission according to which if the concentration involves same parties, the authority usually assesses the first notified transaction based on the worst-case counterfactual analysis.¹⁹

Merger control cases in the energy sector²⁰ (HCC, Phase I)

The year 2021 was one of intense business and investment activity in the energy sector. This increase in energy-related projects and transactions did not leave HCC's merger control activity unaffected. More specifically, in 2021 the HCC cleared five concentrations concerning the markets for electricity generation and wholesale supply, including imports, the supply market at the retail level, the construction of electricity generation units, and the wholesale and retail natural gas market. The strategic and economic reasons justifying said concentrations,

17 At the time of notification of the concentration to the HCC, Delta exercised joint control over Mevgal, a company also active in the dairy sector.

18 This is because shortly before expiry of the deadline for the issuance of HCC's decision, the HCC became aware, through public announcements, of a new transaction by means of which Delta, a subsidiary of the Vivartia Group, would transfer its shares in Mevgal.

19 In view of the above, the HCC assessed the first transaction (i.e., the Dodoni transaction) on the basis of the worst-case counterfactual analysis, which in the current case consisted of the non-completion of the second (subsequent) transaction (i.e., the exit of Delta from Mevgal).

20 HCC Decision 733/2021, *Depa Commercial SA/North Solar SA*; HCC Decision 735/2021, *Teforto Holdings Limited/six windfarms*; HCC Decision 740/2021, *Public Power Corporation Renewables SA (PPC Group) & Geoenery Aegean Single Member SA (ELLAKTOR Group)/Geothermal Target Two II Single Member SA*; HCC Decision 744/2021, (not published at the time of writing) *Motor Oil Renewable Energy Single Member SA (Motor Oil Group) & Gek Terna Group of Companies/Thermoilektriki Komotinis Single Member SA*; HCC Decision 747/2021, *Gek Terna SA/Heron Energy SA & Heron Thermoelectric SA (HERON I & HERON II)*.

under HCC decisions, included the development of a portfolio of renewable energy projects aimed at the reduction of the carbon footprint. All concentrations were cleared following a Phase I review. In 2022, the HCC has already provided its clearance to two energy-related concentrations (Decisions 770/2022 and 771/2022, not publicly available at the time of writing).

Vantage Towers/Vodafone/Wind (EETT, electronic communications, Phase I)

In the electronic communications sector, in late 2020, the EETT examined the notified concentration of two Greek telecommunications operators (and competitors), namely Vodafone Greece and Wind Hellas, consisting of the merger of their passive infrastructure assets (by means of their initial separation from the two companies and their subsequent contribution to a new entity named Vantage Towers Greece, the latter aiming to manage the towers for both operators under a leasing regime in the sole control of Vodafone).²¹ Under the master services agreement entered into with Vantage Towers Greece, it was agreed that the latter would act as the preferred supplier of new towers to Vodafone Greece and Wind Hellas.

In assessing the competitive effects of the notified concentration, the EETT focused on issues such as third parties' access, the provision of infrastructure leasing services to the new entity, parties' contractual arrangements, absence of an entrant operator in the Greek market, the effect on the pricing policy of the downstream markets from the concentration and the existing regulatory framework in the Greek telecommunications market. The EETT concluded that, despite the oligopolistic market in which the concentration took place, the high market shares in some relevant submarkets and the subsequent existence of vertically affected markets, and given the commitments included in the master services agreement regarding the provision of non-discriminatory services to the minority entity Wind Hellas and the provision of relevant services to third parties, the minimum impact of the transaction on the pricing policy of the downstream markets as a result of the concentration, and particularly EETT's power to supervise and resolve disputes that could occur from the creation of the new entity, the reviewed concentration would not be likely to cause significant restriction of competition in the relevant markets. EETT therefore cleared the notified concentration and it reserved itself to review separately the (former) agreement of common use of the active network between the two operators as amended further to the notified transaction under the process of Article 1 of the Greek Competition Act and Article 101 of the TFEU.

III THE MERGER CONTROL REGIME

i Waiting periods and time frames

Specific deadlines apply with regard to pre-merger notifications of qualifying transactions and HCC scrutiny of the notified concentrations under the Greek Competition Act.

²¹ EETT's Decision 967/1 of 12 November 2020. According to publicly available information, Vantage Towers Greece was initially 62 per cent owned by Vantage Towers (an entity controlled by Vodafone Group) and 38 per cent owned by Wind Hellas' controlling shareholder, Crystal Almond. Further, Vantage Towers had a call option until 31 December 2021 to acquire the remaining 38 per cent. Vantage Towers completed the option to purchase the remaining 38 per cent of Vantage Towers Greece, taking its shareholding to 100 per cent in March 2021. According to publicly available information, Vodafone Greece and Wind Hellas will continue as committed anchor tenants.

In particular, pre-merger filings must be submitted to the HCC within 30 calendar days of the conclusion of the agreement or the announcement of the bid to buy or exchange, or the assumption of an obligation to acquire a controlling interest in an undertaking. According to HCC case law, the above deadline may also be triggered by the execution of a preliminary document of a binding nature (e.g., memorandum of understanding).²² This assessment is made by the HCC on a case-by-case basis.

If a wilful failure to observe the above statutory deadline occurs, the HCC may impose on the undertakings concerned a fine of from €30,000 to 10 per cent of their aggregate group turnover.

In addition, a mandatory suspensory effect of the notified transaction is also provided for under the Greek Competition Act. This means that the consummation of the transaction is suspended until the HCC decides to clear or prohibit the notified concentration. Derogation may be granted upon request for the reason of prevention of serious damage to one or more undertakings concerned or to a third party (full derogation).

The HCC imposed one of its highest fines in the *Minoan Flying Dolphins* case for realisation and notification failure of 21 concentrations in the domestic maritime sector (approximately €6.3 million).²³ More recently, the HCC imposed fines amounting to €110,000 against the media company Dimeria Media Investments for failure to notify and violation of the standstill obligation.²⁴ In 2021, the HCC dealt with two cases involving (1) failure to notify and gun-jumping²⁵ and (2) late notification.²⁶

The duty to suspend a concentration will not prevent the implementation of a public bid to buy or exchange, or the acquisition through the stock market of a controlling interest, when such a transaction is notified to the HCC and provided that the acquirer does not exercise the voting rights attached to the securities or does so to protect the investment value and on the basis of a derogation granted by the HCC (partial derogation).

In the case of gun-jumping (violation of suspensory effect), the HCC may impose the same sanctions as above. In addition, if the concentration is realised contrary to a prohibitive provision or decision, the HCC may order (1) the separation of the undertakings concerned, through the dissolution of the merger or the sale of the shares or assets acquired, and (2) any other measure appropriate for the dissolution of the concentration or any other restorative measures.

22 HCC Decisions 383/V/2008, 632/2016 and 633/2016.

23 HCC Decision 210/III/2002.

24 HCC Decisions 652/2017 and 655/2018.

25 See HCC press release dated 16 December 2020, pursuant to which a hearing was scheduled for 8 January 2021 for the HCC to decide upon failure to notify and gun-jumping of the concentration involving the creation of a joint venture by PPC Renewables and TERNA Energeiaki in the market of production of electricity from renewables. Under the HCC rapporteur's statement of objections, the required fault was not met in the current case, resulting in non-satisfaction of the conditions for the finding of the infringement of failure to notify. At the time of writing, no further HCC press release or decision has been issued.

26 In an HCC press release dated 2 April 2021, the HCC scheduled a hearing for 9 June 2021 to decide on, among other things, the late notification of the concentration involving acquisition of sole control by OPAP over Greek and Cypriot activities of Kaizen Gaming International Ltd. Under the HCC rapporteur's statement of objections, it is recommended that a fine be imposed against OPAP for this violation. At the time of writing, no further HCC press release or decision has been issued.

As regards review of the notified concentration, the HCC may examine it in one or two phases, as follows.

If the notified concentration does not meet the statutory thresholds and therefore does not fall within the ambit of the Greek Competition Act, the chair of the HCC will issue a decision to that effect within one month of complete notification.

If the notified concentration, although meeting the statutory thresholds, does not raise serious doubts as to the possibility of significantly restricting competition in the relevant markets, the HCC will decide to approve the transaction within one month of notification (Phase I clearance). Under the newly introduced provision, it is now possible for the undertakings concerned to propose modifications to the concentration within 20 days from filing of the complete notification, and the HCC may clear the transaction under Phase I if it considers that, following these modifications, relevant competition concerns have been lifted.²⁷ If the notified concentration meets the statutory thresholds and raises serious doubts as to its compatibility with competition conditions in the relevant markets, the HCC's chair will decide, within one month of notification, to initiate proceedings for the full examination of the transaction and will inform, without delay, the undertakings concerned (initiation of Phase II proceedings). In this case, the matter will be introduced before the HCC within 45 days. Upon being informed that proceedings will be initiated, the undertakings concerned may jointly proceed to adjust the concentration or suggest commitments to remove any serious doubts as to the compatibility of the transaction with the competition rules in the relevant markets and notify these to the HCC (within 20 days of the introduction of the case before the HCC).

A decision prohibiting the notified concentration must be issued within 90 days of the commencement of the Phase II proceedings. If such a negative ruling has not been issued upon expiry of the above deadline, the concentration will be deemed to have been approved and the HCC will have to issue an act to that effect. The HCC may attach conditions to the decision approving the merger.

The above statutory deadlines for the issuance of a decision by the HCC may be extended when (1) this is agreed by the notifying undertakings; (2) the notification is erroneous or misleading, so the HCC is not able to assess the notified concentration; or (3) the notification form is incomplete. Regarding points (2) and (3), the HCC is obliged to request corrections to the initial notification from the notifying parties within seven business days of the date of notification. The deadlines for the issuance of a Phase I clearance or for the institution of Phase II proceedings are deemed to commence only upon submission of complete and accurate data.

In exceptional cases, the above deadlines (except for the one-month deadline for issuance of the chair's decision archiving the notification as falling outside the Greek Competition Act) are suspended if the undertakings concerned fail to comply with their obligation to provide information in accordance with the Greek Competition Act, and under the condition that they are advised accordingly within two business days of the expiry of the time limit determined by the HCC for the provision of such information.

27 The introduction of remedies during the Phase I merger review period was carried out by virtue of Law 4886/2022 and is in line with the EU merger control procedure.

Ancillary restrictions that are directly connected to and necessary for the implementation of a concentration are also covered by HCC clearance decisions (although the HCC may require the restriction of any such ancillary restrictions in terms of scope or time, if deemed appropriate, in accordance with the relevant EU guidelines).

ii Parties' ability to accelerate the review procedure, tender offers and hostile transactions

The Greek Competition Act does not provide for the notifying parties' ability to accelerate the review procedure. In practice, the HCC has a track record of meeting deadlines once notifications are deemed complete.

With regard to the possibility for partial derogation in public bids, see Section III.i.

In terms of hostile transactions, these are rarely dealt with by the HCC. A notable hostile transaction that has undergone HCC scrutiny extends back to 2010 (*Vivartial/Mevgal*). The transaction was cleared with conditions, by virtue of HCC Decision 515/VI/2011, but was dropped and notified again a few years later. In particular, by means of HCC Decision 598/2014, the notified concentration was cleared again, but fulfilment did not take place. Control over Mevgal was later converted from sole to joint following the granting of the HCC's (third) conditional clearance.²⁸ Note that the HCC, in its Decision 558/VII/2013 'determining the specific content of merger notifications pursuant to the Greek Competition Act', explicitly provides that:

[t]he parties obliged to notify may submit a written request to the HCC for the acceptance of their notification, even if they do not submit all the required information, if such information is not wholly or partially at their disposal (e.g., in case of an undertaking forming a hostile acquisition target).

iii Third-party access to the file and rights to challenge mergers

In general, third parties are not granted access to pending case files, including merger control cases.²⁹ However, the HCC may invite third parties to act as witnesses in the hearing of a pending case if their involvement is considered to contribute to the case review. In addition, third parties may also submit a memorandum to the HCC in the context of a pending case, including merger control, which is made available to the notifying parties. In limited cases, the HCC may allow third parties to obtain access to the non-confidential version of parties' memoranda and records of the proceedings.

In essence, third parties obtain official knowledge of the proposed concentration by means of the publication of the notified concentration in a daily financial newspaper with national coverage, within five days of the notification of the concentration, after which they may comment or provide relevant information to the HCC within 15 days.

iv Resolution of authorities' competition concerns, appeals and judicial review

The HCC may clear the notified transaction subject to conditions so that the concentration may be rendered compatible with the applicable substantive test for assessing the legality of the merger (i.e., whether the notified transaction is likely to significantly restrict competition on the national market or in a substantial part thereof, taking into account the involved

²⁸ HCC Decision 650/2017.

²⁹ Article 15, Paragraph 9 of HCC's Rules of Internal Procedure and Management.

products' or services' characteristics, particularly by creating or strengthening a dominant position). Therefore, the notifying parties may offer remedies to alleviate any concerns of the HCC, which are to be negotiated between the notifying parties and the authority. In particular, remedies are offered either within 20 days from the notification of the concentration (Phase I clearance) or within 20 days from the date of introduction of the case before the HCC (Phase II clearance), and only in exceptional cases after the lapse of this period. Parties wishing to propose remedies must file the relevant form, which also includes model text for divestitures and for trustee mandates, and which is available on the HCC's website.³⁰

HCC decisions may be appealed against before the Athens Administrative Court of Appeals and, ultimately, the Council of State. The right to appeal lies with the notifying parties, the Greek state and any third party with a legitimate interest.

If an HCC decision is partially or wholly annulled by the administrative courts, the HCC shall re-examine the concentration in light of existing market conditions. To this end, the notifying parties shall submit a revised or supplemental version of the notification if there is a change of conditions.

v Effect of regulatory review

Concurrent reviews of mergers by more than one body is not possible under Greek merger control rules. It is the same for transactions that also touch upon the electronic communications sector.³¹ For example, in a recent acquisition of control case (*Vodafone/CYTA*),³² the HCC provided significant input regarding its interrelation in terms of competence with other national authorities authorised by law to implement the Greek Competition Act (i.e., EETT). In this case, the HCC cleared the transaction only in respect of the media aspect of the concentration (i.e., pay TV services), whereas it decided to abstain from the assessment of the aspect of the concentration for which the EETT had already initiated a relevant review (multiple play services). In turn, the EETT cleared the transaction later in the year.³³

As regards limitation of suspensory effects of review and periods for completion of the review, see Section III.i.

IV OTHER STRATEGIC CONSIDERATIONS

i How to coordinate with other jurisdictions

Under the Greek Competition Act, the HCC, being the national competition authority, is responsible for cooperation with (1) the European Commission, (2) the competition authorities of the Member States of the European Union, and (3) the competition authorities of other countries bilaterally and within the framework of international and regional cooperation networks.³⁴

In practice, the HCC cooperates closely with the competition authorities of other EU Member States, as well as with the competition authorities of third countries, through the European Competition Network and the International Competition Network. The HCC also participates actively in the Organisation for Economic Co-operation and Development.

30 HCC Decision 524/VI/2011.

31 See Section I.i.

32 HCC Decision 656/2018.

33 EETT Decision 857/7 of 28 June 2018.

34 Article 28 of the Greek Competition Act, as amended and in force.

ii How to deal with special situations

If a party to the notified concentration faces financial distress or insolvency, the failing firm defence may be raised before the HCC as part of the merger review process. Although the HCC has not dealt per se with this defence, in the sense that it has not rendered any clearance decision on this basis to date, it can be reasonably expected to follow relevant EU precedents in similar future cases.

The HCC may take into account the financial situation of the undertakings concerned when calculating the applicable fine in the case of violation of the standstill obligation.³⁵ This aspect was, for example, looked into in the *Dimera/Radioteleoptiki* case,³⁶ in which the HCC took into account for the calculation of the fine (1) the acquiring entity's low market shares in the relevant markets, (2) the limited economic capacity of the undertakings participating in the concentration, and (3) the absence of any affected horizontal and vertical markets.

With regard to minority ownership interests, the HCC takes the stance that these may also confer the possibility of control. In particular, the definition of 'control' in the Greek Competition Act remains identical to that in the EC Merger Regulation, and the HCC closely follows the EU paradigm. Essentially, control is associated with the possibility of exercising decisive influence over an undertaking's activities. Accordingly, a finding of acquisition of control is possible even in relation to the acquisition of a minority interest if the surrounding circumstances are such as to confer actual control in the sense of being able to block actions relating to the strategic commercial policy of an undertaking.³⁷ This has been ruled by the HCC in the *Folli-Follie/Duty Free Shops* case, whereby, although Folli-Follie held a minority stake in the acquired entity, it was deemed to be exercising control as it was the only entity in a position to veto strategic decisions of the acquired entity.³⁸ Exercise of joint control by minority shareholders was recently touched upon by the HCC in the *GEK TERNA/Nea Odos* case,³⁹ in which it was stated that joint control may also occur in the case of inequality in votes:

[w]here minority shareholders have additional rights which allow them to veto decisions which are essential for the strategic commercial behaviour of the joint venture . . . The veto rights themselves may operate by means of a specific quorum required for decisions taken at the shareholders' meeting or by the board of directors to the extent that the parent companies are represented on this board.

V OUTLOOK AND CONCLUSIONS

For the HCC, 2021 was arguably a fruitful year from a merger control standpoint, taking into account the number of concentrations brought before the authority, notwithstanding the still adverse conditions during the covid-19 pandemic. None of those cases underwent an in-depth review, although the HCC followed its long-standing practice of not blocking any notified concentrations. Other than typical merger control clearance procedures, the HCC also looked into other merger control issues, such as the lifting or extension of remedies.

35 id. at Article 9.

36 HCC Decision 652/2017.

37 HCC Decision 427/V/2009.

38 HCC Decision 308/V/2006. See also HCC Decision 714/2020.

39 HCC Decision 673/2018.

Looking ahead, the recent introduction of remedies during the Phase I merger review period is expected to provide flexibility to the HCC and the parties concerned, rendering the merger control procedure more effective in terms of timing and cost. In addition, the HCC has declared its intention to promote sustainability as a parameter of competition in the Greek market and is undertaking a series of initiatives to that effect, such as the envisaged creation of a sustainability sandbox and the issuance of a Technical Report on Sustainability and Competition together with the Netherlands Authority for Consumers and Markets (January 2021). The exact impact of the HCC's focus on sustainability on the merger control field (e.g., in terms of theories of harm, efficiencies or merger remedies) remains to be seen.

ABOUT THE AUTHORS

MARINA ANDROULAKAKIS

Bernitsas Law

Marina Androulakakis is an expert in EU, competition and antitrust law. She joined the firm in 1997 and advises national and international clients on antitrust, merger control and state aid issues, with substantial experience in cross-border and cross-section transactions, risk and strategy assessment, and regulatory compliance.

Marina has extensive experience in successfully representing clients across various industries in alleged cartel and abuse of dominance cases before the Hellenic Competition Commission (HCC). She also has considerable expertise in merger cases and has effectively coordinated multi-jurisdictional filings and obtained clearance for high-profile M&A transactions from the HCC and the European Commission in a wide range of industry specialisations. Marina has expertise in assessing commercial agreements and policies for their compliance with competition law and also provides on-site assistance and practical guidance in dealing with dawn raids. Marina advises on the national and EU legislation governing public procurement and has undertaken complaints to the European Commission concerning alleged violations of EU rules. Marina has significant experience in advising clients on emerging and existing data protection requirements (such as the EU General Data Protection Regulation (GDPR)), including identifying gaps and areas of potential infringement of data protection laws; designing, drafting, reviewing and updating data protection policies and privacy statements for online activities; and advising on internal investigation procedures.

Marina represents clients in procedures before the Hellenic Data Protection Authority and actively advises on GDPR compliance. She is also experienced in advising on employment-related privacy issues as well as on the application of data privacy rules in the context of electronic communications and the operation of CCTV networks. Prior to joining the firm, Marina worked as a trainee at the Commission of the European Communities Directorate-General IA (External Relations) in Brussels.

Marina holds a BSc Economics in government and law from the London School of Economics and Political Science and an LLM in European Community law from King's College London. She is admitted to the Athens Bar (1999) and the Athens Court of Appeals (2004).

TANIA PATSALIA

Bernitsas Law

Tania Patsalia is a senior associate at the firm, which she joined in 2010. Her practice is focused on EU, competition and antitrust law, and she advises on all aspects of antitrust, merger control and state aid rules. Tania regularly assists clients with antitrust and competition law issues arising from their commercial arrangements and has been involved in high-profile cartel and merger control cases before the Hellenic Competition Commission.

She provides clients with on-site assistance in dealing with dawn raids, including running workshops and mock exercises. Tania also advises on the application of EU law in Greece and the regulatory requirements applicable to the telecommunications, media and technology sectors, liaising regularly with regulators such as the National Telecommunications and Post Commission, the National Council for Radio and Television, the Hellenic Data Protection Authority, and the Hellenic Authority for Communication Security and Privacy.

She provides guidance to telecommunications operators on licensing requirements, compliance with their annual reporting obligations, and telecommunications issues relating to the use of new technologies and the launch of new products and services. Tania has broad experience in all aspects of EU and Greek data privacy rules, and she routinely advises clients on the proactive identification, assessment and management of risks associated with their privacy practices. Tania assists clients in GDPR compliance steps and advises extensively on how to identify compliance gaps and draft privacy policies, consent forms and data processing agreements.

Prior to joining the firm, Tania worked as a lawyer with Ashurst LLP in Brussels as a member of their EU and competition law team and as a trainee at the European Commission Directorate-General for Competition cartels unit.

Tania holds a degree in law and a BA in communication and mass media from the National & Kapodistrian University of Athens, an MA in international law and diplomacy from Panteion University, Athens and an LLM in international legal studies from New York University School of Law. She is admitted to the Athens Bar (2012) and the New York Bar Association (2019).

VANGELIS KALOGIANNIS

Bernitsas Law

Vangelis Kalogiannis is a junior associate with the firm, which he joined as a trainee in 2017.

Vangelis advises on EU and competition law matters, including cartels, merger control and damages actions. He also acts in data protection projects, such as reviewing and drafting data processing agreements. Vangelis advises on the regulatory requirements under EU and Greek telecommunications rules and liaises with the National Regulatory Authority.

BERNITSAS LAW

5 Lykavittou Street

GR-106 72

Athens

Greece

Tel: +30 210 339 2950

Fax: +30 210 364 0805

mandroulakakis@bernitsaslaw.com

tpatsalia@bernitsaslaw.com

vkalogiannis@bernitsaslaw.com

www.bernitsaslaw.com

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