Recent competition law developments in Hungary

II. V4 Conference

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Overview

- ☐ Recent Amendments to the Competition Act
- ☐ Developments in the merger control
- ☐ Priorities in antitrust and consumer protection
- ☐ Other recent topics



Changes of the applicable rules

Recent amendments to the Competition Act

- o From 15 January 2017.
 - Significant changes in merger control
 - Additional changes in antitrust:
 - Maximum reduction of fine in settlements ↑ 30%
 - Leniency in RPM cases too
 - Implementing the Directive on Damages of competition law infringements
- o From 1 January 2018.
 - Procedural rules
 - Some fine tuning

Review of the soft law



Merger control rules – significant changes

Authorization system→ **Notification system**, within 8 days:

- to issue an official certificate: obviously non-problematic mergers
- **to commence a case** (Phase I. 30 days, Phase II. 4 month)

Hard thresholds: combined 15 billion HUF (~48,3 m €), individual 1 billion HUF (~3,2 m €)

Introducing a new (soft) threshold: combined revenue above 5 billion HUF and the potential of SLC, no stand still obligation, could be notified, or within 6 months ex-officio investigated

Administrative service fee lowered (1 m HUF~3200 €)

Possibility of the dawn raid

Streamlined Notification Form



Merger control practice: application of the new tools

Screening of non-problematic notifications: ~70% closed with official certificate within 5 days on the average (most of them after prenotification)

In Phase II cases - focus on the competition concerns and solutions:

RMX concrete case - divestitures with monitoring trustee for the 1st time

First ex-officio case upon the new threshold: <u>local cable network merger</u>

Gun jumping cases

Data accuracy issues:

- Two revoked <u>decisions</u> and fines for misleading information
- Procedural fines
- Dawn raid



Priorities in antitrust and consumer protection

- > **Settlements -** recent modifications, experiences of the litigation 2 settled cartels (estate agent and boiler filling unit cases) in 2017
- > SME-s: warnings instead of fines
 3 UCP cases in 2017
- ➤ Compliance and compensation <u>notices</u> and <u>decisions</u> Reduction of fines ~ 300 m HUF (~ 970.000 €) in 2017
- Digital economy

E.g. influencer cases and guide



Other recent topics

Efforts to use

- > up-to-date technology:
- <u>Virtual Data Room:</u> client friendly electronic access to files
- Possibility of electronic communications in cases
- <u>Cartel chat</u>, <u>Tips on the mobile app</u> of the Public Procurement Authority
- > other methods/tools available :
- <u>Impact assessment</u> (of antitrust and merger interventions) for 2011-2016
- Market study
- <u>Interim measure</u> to remove illegal contents and website



Thank You for your attention!

