

The new EU Directive brought more effective competition supervision, praise to Hungary

14 September 2021, Budapest – The ECN+ Directive, which aimed to empower the competition authorities of the Member States, had positive impacts on competition enforcement in Hungary as well.

In December 2018, EU legislators adopted the *Directive to empower the competition authorities of the Member States to be more effective enforcers and to ensure the proper functioning of the internal market*. The Directive named ECN+ based on the abbreviation of the European Competition Network, which consists of the competition authorities of the EU and the Member States, gave Member States a deadline until February this year to transpose the new provisions. In Hungary, the Hungarian Competition Authority (GVH) actively cooperated with the Ministry of Justice in elaborating the details, after which the amendments in legislation came into force on 1 January 2021. At the conference held in April 2021 on the occasion of the 30th anniversary of the establishment of the Hungarian Competition Authority, Olivier Guersent, Director General of the Directorate General for Competition of the European Commission, welcomed that Hungary was the first Member State to implement the ECN+ Directive.

As a result of the Directive, cooperation between the competition authorities of the EU Member States has been further reinforced and their procedural powers have also been extended and harmonised. The aim of the legislators was to ensure that national competition authorities had the necessary resources, powers, and autonomy to take effective action against infringements of competition rules affecting the internal market.

The majority of the Hungarian legal regulations had already in line with the new EU Directive. Certain provisions, such as the harmonisation of provisions on limitation periods of infringements on a European level, as well as the new framework for mutual assistance between Member States, have been transposed by the domestic legislator by amending the Hungarian Competition Act accordingly. The new provisions will allow national competition authorities to provide more effective assistance to the administrative proceedings of other Member States. The ECN+ Directive also provides for the possibility for Member State governments to specify non-procedural general priority guidelines for national competition authorities - as the Hungarian government has recently done by temporarily extending the Hungarian Competition Authority's powers to investigate the causes of construction price increases. In this way, the GVH can set among its priorities the competition enforcement relating to cross-sectoral market problems that also affect other public policies.

'Although the original aim of the Directive was to take measures against infringements affecting the internal market of the EU more effective, its transposition has a positive effect on proceedings conducted on the basis of national law as well. Hungary proved its adequacy in terms of both speed and professionalism during the transposition. It is reassuring that this view is shared by the Director General for Competition of the European Commission as well.' said Csaba Balázs Rigó, President of the Hungarian Competition Authority.

GVH Press Office