



The Parliament passed an amendment of the Competition Act

The aim of the amendment of Act LVII of 1996 on the Prohibition of Unfair and Restrictive Market Practices (Competition Act) is to facilitate the effective and efficient enforcement of competition law through the fine-tuning of the regulations that concern the proceedings of the Gazdasági Versenyhivatal (GVH – the Hungarian Competition Authority), and to also impel small and medium sized enterprises towards law abiding behaviour.

Pursuant to the Competition Act, when a small or medium sized enterprise commits an infringement for the first time – with the exception of some certain more severe infringements – it is possible to only give a warning instead of imposing a fine. The amendment explicitly lists those serious infringements that cannot be terminated by a **warning**.

The amendments also aim to make actions against competition law infringements **in public procurement procedures** more efficient. If the minister responsible for public procurement and for the use of European Union funds notices or has reasonable grounds to suspect an infringement of the provisions regarding the prohibition of restrictive agreements contained in the Competition Act or the Treaty on the Functioning of the European Union when verifying the validity of public procurements, then he may make this known to the GVH. The minister responsible for public procurement will be entitled to forward to the GVH the data in his possession due to the verification of the concerned public procurement, contract or amendments thereto.

The aim of the amendments relating to **merger control** is to make the control of concentrations more efficient, transparent and predictable. The most important innovation is the regulation on the timing of an application for the authorisation of a concentration, and how the applicant has to support this application.

Certain provisions introduced by Act CXXVIII of 2012 on agricultural associations and on the regulation of certain issues concerning the agricultural markets (Act on inter-branch organisations) which related to competition proceedings have become more unequivocal and have been incorporated from the Act on inter-branch organisations into the Competition Act. It has been made clear that **special rules taking into consideration the specificities of agriculture will only be applicable if the primacy of the competition rules of the European Union do not prevail**.

The **amendments concerning the rules on access to the file** intend to foster the efficient and timely closure of the GVH's proceedings by assuring that the rights of the parties are not violated. The Competition Act guarantees in several ways that access to secured information does not lead to the violation of the rights of the person who supplied the secured information. This way it is not necessary to obtain the consent of the person who supplied the protected information or to guarantee the right for this person to ask for a court review against a decision of the GVH allowing access to the file / secured information by other parties – all of which would lead to the postponement of the proceeding. The amendment favours those undertakings which cooperate with the GVH by allowing leniency documents, declarations and documents of the settlement to be exclusively accessed by the clients and notes but not copies to be made about these

documents. **Access to files** may be exercised **against payment of costs** – as regulated by the relevant Government Decree.

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Hungarian Competition Authority

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