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2024 Competition Review and 2025 Outlook: Key Insights and Trends

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BULGARIA



Legislative Updates

FDI Screening Regime

As we move into 2025, Bulgaria is preparing to finalise the full implementation of its foreign direct investment (**FDI**) screening regime, which officially came into force in 2024 following amendments to the Investment Promotion Act. Currently, a transitional period is in effect during which FDI notifications are not required, as the necessary implementing regulations have yet to be enacted. In December 2024, two essential drafts—the Regulations on the Organisation and Operation of the Interinstitutional FDI Screening Council (the authority responsible for FDI screening in Bulgaria) and Amendments to the Implementing Rules of the Investment Promotion Act—were published for public consultation. Their adoption, anticipated later in 2025, will mark a critical step in ensuring the operational functionality of the FDI screening regime.

These two pending instruments are key to operationalising Bulgaria’s FDI screening framework. The proposed Regulations on the Organisation and Operation of the Interinstitutional FDI Screening Council define the structure, roles, and operational procedures of the Council, detailing its composition, decision-making processes, and protocols for handling classified information. The Amendments to the Implementing Rules of the Investment Promotion Act integrate the FDI screening process into Bulgaria’s investment framework by establishing details on FDI application submission and the processing and allocation of responsibilities between the Bulgarian Investment Agency, the FDI Screening Council, and the Secretariat of the Security Council to the Council of Ministers.

Another crucial step towards the operation of the Bulgarian FDI screening regime is the formal designation of the FDI Screening Council’s members. Once the Amendments to the Investment Promotion Act’s Implementing Rules are enacted—expected in early 2025—the selection criteria will be in place, enabling the prime minister to appoint the FDI Screening Council. With the Council opera-

tional, the authority will begin reviewing FDI applications and implementing the screening process. For investors, this development will provide much-needed clarity and predictability.

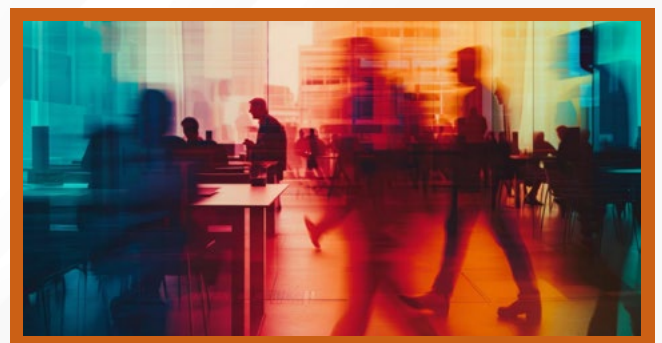
Block Exemption Decision

In January 2024 the Commission on Protection of Competition (the “**CPC**”) adopted a decision for the block exemption of certain categories of agreements, decisions, and concerted practices with effect on national markets from the prohibition in Art. 15, para. 1 of the Competition Protection Act (the “**CPA**”). Through this decision, the CPC continued its approach to set the scope and conditions for the exemption by virtue of a direct reference to EU block exemption regulations and guidelines.

Guidelines on Merger Control

In December 2024 the CPC adopted Guidelines on Merger Control (the “**Merger Control Guidelines**”), which aim not only to raise awareness of CPC investigations but also to ensure transparency, clarity, and efficiency in the implementation of the merger control regime.

The Merger Control Guidelines provide a detailed description of the entire merger assessment process, addressing aspects related to the obligation to notify, clarifications on acquisition of control, methods for calculating turnover, and the merger assessment procedure. The Merger Control Guidelines align with the current applicable guidelines of the European Commission.





CPC Activity at a Glance

Dawn Raids

In 2024 the CPC carried dawn raids at companies operating in different economic sectors, such as: in the business of construction equipment over suspicions of a cartel for potential bid-rigging of public procurements for construction equipment, at Froneri Bulgaria EOOD in view of an alleged abuse of dominance on the market of ice cream distribution, at the Association of Bulgarian Insurers as part of an investigation of a potential price fixing cartel, as well as at MUSICAUTOR for potential abuse of dominance through unfair practices for the determination and payment of remuneration to authors.

Major Sanctions

Vodosnabdiavane i Kanalizatsiya - Varna OOD was fined BGN 336,146 (approx. EUR 168,000) for abusing its monopoly by requiring consumers to fund the construction of public water infrastructure to access its services. In addition, the CPC ordered a revision contractual terms to be implemented within 60 days of the notification of the decision.

Major Ongoing Cases

The CPC has several ongoing investigations, focusing on insurance companies for a potential cartel regarding the provision of the mandatory insurance policy “Civil liability” to taxi drivers, Tir Parking Ruse OOD regarding potential abuse of dominance through unequal disadvantageous treatment of truck drivers entering via the border with Romania.

Sector Inquiries

The CPC conducted a sector analysis of the markets for the production and trade of sunflower oil and flour. It concluded that the recent price trends were a result of objective economic factors, thus no measures have been further taken in this respect.

Major Merger Control Cases

In 2024 the transactions reviewed for merger clearance spanned a variety of industries, including retail parks, rental market, healthcare, electric vehicle charging stations, the fitness industry, gambling and gaming, pharmaceuticals, road construction, and information technology.

The following merger cases reviewed by the CPC in 2024 worth being highlighted:

Merger clearance regarding the acquisition of Viva Corporate Bulgaria EOOD (“Viva Corporate”) by United Group Bulgaria EOOD (“United Group Bulgaria”)

United Group Bulgaria is part of United Group, which is wholly owned by Slovenia Broadband S.a r.l. Viva Corporate is a Bulgarian company controlled by the Luxembourg-based Viva Corporate S.a r.l. The transaction involved United Group Bulgaria acquiring direct sole control over Viva Corporate Bulgaria and indirect sole control over the following entities: Bulsatcom EOOD, Bulsatcom - Sales EOOD, Internet Group EOOD, Powernet EOOD, and Extremenet EOOD (the “**Transaction**”).

According to the CPC decision issued in February 2024, the Transaction results in a horizontal overlap in the retail TV programme distribution and retail fixed internet access markets, both of which are national in scope. Additionally, United Group Bulgaria and Viva Corporate have vertical relationships in the wholesale TV programme distribution market, which the CPC defines as national in scope.

Given the market positions of both entities and the structure of the relevant markets, the CPC concluded that the Transaction raises competition concerns regarding the market power of the newly formed group and reduces the number of competitors capable of exerting competitive pressure on the combined entity. As a result, the CPC initiated an in-depth investigation to assess the potential impact of the Transaction on the relevant markets. After thoroughly analysing all data collected during the investigation, the CPC concluded that the Transaction would not result in a significant impediment to effective competition in any of the markets assessed. The CPC therefore cleared the Transaction unconditionally.

Merger clearance regarding the acquisition of control over PPF Telecom Group B.V. (“PPF”) by Emirates Telecommunications Group Company PJSC (“e&”)

The transaction entails e& acquiring direct control over PPF, which exercises indirect control over two entities in Bulgaria: Yettel Bulgaria EAD, a provider of telecommunications services; and Cetin Bulgaria EAD, a provider of telecommunications infrastructure services (the “**Transaction**”).

The CPC evaluated that the Transaction will impact the following vertically connected product markets: the provision of wholesale international roaming services; wholesale voice call termination on mobile networks; and wholesale voice call termination on fixed networks in the countries where the parties involved in the concentration operate (upstream); and the provision of retail fixed voice telephony services and retail mobile voice telephony services in Bulgaria (downstream).

Following its analysis, the CPC concluded that the Transaction is unlikely to significantly hinder effective competition in the relevant vertically connected

markets, particularly through the creation or reinforcement of a dominant position. The CPC therefore approved the Transaction unconditionally.

Merger clearance regarding the acquisition of Tokuda Bank AD (“Tokuda Bank”) by Bulgarian-American Credit Bank AD (“BACB”)

Both BACB and Tokuda Bank are licensed credit institutions by the Bulgarian National Bank. The transaction involves BACB acquiring sole control over Tokuda Bank, which is controlled by Tokushukai Incorporated, Japan (the “**Transaction**”).

According to the decision of the CPC issued in July 2024, BACB aims to diversify its portfolio by focusing on corporate clients and sustainable sectors, including renewable energy and EU-funded projects, while expanding its retail banking services and offerings.

The CPC analysed BACB’s and Tokuda Bank’s activities in Bulgaria and identified a horizontal overlap in banking and financial markets, specifically retail banking, wholesale banking, payment services, and financial market services. Following its analysis, the CPC concluded that post-transaction, the market shares of both participants across all analysed segments remain insignificant. Consequently, the Transaction does not pose a risk of significantly impeding effective competition or creating a dominant position. The CPC therefore cleared the Transaction unconditionally.

Unfair Competition Cases

The CPC imposed fines for various unfair competition practices, such as:

- a fine of BGN 25,640 (approx. EUR 12,800) on AGRIA-2009 EOOD for violation of good commercial practice and misleading consumers as to the actual origin and manufacturer of products.
- on Vuum.BG OOD for violations committed in connection with the imitation of appearance of products in the amount of BGN 274,394 (approx. EUR 137,197); for violation of the prohibition against misleading consumers with respect to the essential characteristics of goods or services in the amount of BGN 137,197 (approx. EUR 68,598); and for violation of the general prohibition of unfair competition in the amount of BGN 137,197 (approx. EUR 68,598).
- a fine of BGN 98,415 (approx. EUR 49,207) for an infringement committed by Sana Trade OOD. It was established that Sana Trade OOD conducts a “Loyal Customer” program, which is valid for medicines dispensed under the National Health Insurance Fund, and every twelfth purchase of medicine from the company’s

pharmacies is free of charge. This is contrary to good commercial practice and statutory rules, affecting the interests of competitors.

Bid-Rigging Cases

The CPC is constantly monitoring public procurement procedures, latest caselaw revealing:

- a fine of BGN 55,770 (approx. EUR 27,885) on Total LC EOOD for a cartel for bid rigging of 22 public tenders between March 2020 and September 2021 on the markets for flowers and landscaping services.
- Technomat - Mercury EOOD, TPKI Zdravohod, and Cavalier Union 2001 EOOD being fined a total amount of BGN 2.75 million (approx. EUR 1,375,000) for a cartel for bid rigging of public tenders for work footwear between 2018–2022.

FSR Cases

The European Commission has conditionally approved the acquisition by Emirates Telecommunications Group Company PJSC (“**e&**”) of PPF Telecom Group B.V.’s operations, excluding its Czech business, under the Foreign Subsidies Regulation (the “FSR”). PPF’s telecom activities in Bulgaria, along with operations in Hungary, Serbia, and Slovakia, are part of the deal, serving over 10 million customers.

The Commission’s investigation raised concerns about foreign subsidies received by e& from the UAE, including an unlimited state guarantee, which could distort competition in the EU internal market. To address this, e& committed to removing the state guarantee, restricting UAE’s funding to EU operations, and notifying future acquisitions. An independent trustee will monitor compliance, ensuring fair competition. With these commitments, the Commission concluded that the transaction would not harm competition in the EU.

Furthermore, the EU Commission investigated a public procurement tender by Bulgaria’s Ministry of Transport and Communications for 20 electric “push-pull” trains and related services valued at approximately EUR 610 million. The probe was triggered by a notification from CRRC Qingdao Sifang Locomotive, a subsidiary of the Chinese state-owned train manufacturer CRRC Corporation, which has reportedly benefited from foreign subsidies. The Commission will assess whether these subsidies allowed CRRC to offer an unduly advantageous bid, potentially harming fair competition.



What's Next in 2025?

The CPC has announced its priorities for 2025, which include cartels and bid rigging discovery and sanctioning, and the update of the Guidelines for the prevention of bid rigging, whereas the following have been described as priority sectors:

Energy – The CPC will continue to monitor the electricity and natural gas markets. In particular, the CPC will focus on direct or indirect price fixing, unfair commercial terms or discriminatory practices, including restricting of access to production or transmission capacities through unjustified refusals to supply.

Fuels – The CPC has highlighted recent changes affecting the market, i.e., the repeal of the derogation of Bulgaria for Russian oil, the existence of armed conflicts in Ukraine and the Middle East, and the potential exit of the market leader in Bulgaria and that as a result there may be changes expected to the structure of the market in Bulgaria.

Foods – During 2024 the CPC carefully analysed the sector and, in particular, the price formation processes at the retail level. It intends to continue this monitoring, in particular based on so-called “signalling” from the public.

Pharmaceuticals – The CPC intends to keep an eye on potential anticompetitive practices that may lead to imbalances in the supply process or distortion of competition between participants at individual levels of the distribution chain, and if necessary, will take actions to support the competitive process and contribute to the proper development of the market environment, including improving the conditions for the parallel import of medicines and facilitating market entry for and access to generic medicinal products, etc.

Digital economy and e-commerce – The CPC will form its sector analysis during 2025. The competition authority will continue its in-depth monitoring, including of gatekeepers, and will contribute to keeping digital markets open and competitive.

Sustainability – The CPC considers that antitrust legislation is a useful instrument for achieving an optimal balance between sustainability goals to maintain modern markets that support efficiency and innovations and encourage consumers' choice. In particular, greenwashing will be a focus of the authority.

Financial services – The CPC has highlighted the digitalisation of the financial market, including trends in fintech and the growing consumer trend for digital payments. The aim of monitoring this sector is to guarantee stability, transparency, and fairness.

Telecommunications – The competition authority noted that the sector is at the focus of several regulatory authorities, including for consumer and personal data protection. In addition, the CPC recognises that the high concentration of the market does not necessarily mean less effective competition.

Labour market – The CPC has explicitly mentioned the market practice for inclusion of non-compete and non-solicitation clauses in employment agreements. However, the competition authority has identified as a particular risk for competition infringements agreements between employers that agree on employee remunerations and non-compete/non-solicitation agreements.

Unfair competition priorities – The CPC will focus mainly on advertising practices, in particular, promotional campaigns and discounts, behaviour of buyers (including big supermarkets) on the food supply chain, as well as on e-commerce, in particular misleading advertisements and the prohibited provision of supplements.

Moreover, the following two merger filings were announced in the last quarter of 2024 and are expected to be reviewed in 2025:

- the acquisition of United Health Insurance Fund Doverie ZAD, Bulgaria by Generali CEE Holding B.V., Netherlands, both active in the insurance sector; and
- the intention of EOS Invest EE GmbH (part of Otto Group) and the International Finance Corporation to establish a joint venture in Bulgaria, which is expected to engage in the acquisition of secured and unsecured portfolios of non-performing loans and bank-owned real estate portfolios, as well as the provision of short- and medium-term bridge loans to corporate borrowers/SMEs.

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CROATIA



Legislative Updates

There were no noteworthy legislative changes in Croatian Competition Law in 2024. The main source of competition regulations remains the Protection of Market Competition Act (“**Croatian Competition Act**”) enacted in 2009, materially amended in 2013 and 2021.

In 2024, minor changes were made to the Prohibition of Unfair Trading Practices in the Business-to-Business Food Supply Chain Act, enforced by the competition regulator (**Agency for the Protection of Market Competition – “AZTN”**).¹ The main amendments are as follows:

- The criteria for determining negotiating power now include a threshold of EUR 2 million in annual revenue for a buyer, which is considered significant unless the buyer can prove otherwise.
- Cancellation of perishable goods orders: it is clarified that cancelling orders for perishable goods with less than 30 days’ notice is considered an unfair practice.
- Unjustified fees: the law tightens restrictions on charging suppliers for listing their products, storage, or promotional activities unless such fees are based on reasonable and objective criteria.
- Sales below cost: new provisions clarify when selling below the cost price is prohibited, particularly for agricultural or food products, except in cases such as near-expiry goods or complete product clearance.

There are currently no draft bills under public consultation (either as primary or secondary legislation).



AZTN Activity at a Glance

In 2024, the AZTN outlined its key priorities, emphasising the need to ensure efficient market competition for the benefit of consumers, businesses, and the overall economy. Its priorities focused on identifying and addressing major violations of market competition, particularly in areas such as horizontal and vertical agreements (cartels), abuse of dominant market positions, and mergers and acquisitions.

A major focus has been the detection and sanctioning of illegal cartels by strengthening resources and introducing new tools, such as promoting leniency programs for cartel whistleblowers. The AZTN also prioritised addressing cartel activities in public procurement, collaborating with the relevant ministries and agencies to improve detection in this area.

Additional priorities included tackling anti-competitive vertical agreements, preventing the abuse of dominant market positions, and monitoring the effects of mergers on market competition.

Dawn Raids

At end-2023 and during 2024, the AZTN undertook several dawn raids, as follows;

- **Geodesic Sector Investigation:** In December 2023, AZTN initiated an investigation into potential anti-competitive practices involving the companies Aequitas d.o.o., Geoprojekt d.d., Eptisa Adria, and Ad Con. The investigation pertains to a public procurement process for monitoring the construction of a road segment managed by Hrvatske ceste. The AZTN is examining whether these companies colluded in a prohibited agreement during the tendering process. Unannounced searches were conducted at the offices of Aequitas and Geoprojekt to gather evidence.
- **Driving Schools Under Investigation:** On 6 May 2024, the AZTN conducted unannounced searches at the offices of driving schools Kružni tok and Hajduk in Split. This follows an investi-

¹ Us II-12/2024-3 of 10 April 2024.

gation into suspected illegal price-fixing agreements between these and other local driving schools. Notably, in 2020, penalties were imposed on 14 Split-based driving schools for engaging in prohibited price agreements. The AZTN is now investigating whether Kružni tok and Hajduk continued such practices, potentially restricting competition in the driver training services market.

- **Sports and Recreation Sector Scrutiny:** AZTN launched an investigation against Benefit Systems d.o.o., a company operating in the sports and recreation sector, following a complaint from PassSport d.o.o. The complaint alleges that Benefit Systems has been blocking competition by creating barriers for other companies attempting to enter the market for employee sports and recreation packages in Croatia. As part of this investigation, the AZTN conducted an unannounced search at Benefit Systems' offices in Zagreb.

Sanctions

In published decisions, the AZTN did not impose any fines in 2024 for violations of the Croatian Competition Act.

Merger Control Cases

As in previous years, the relatively high thresholds for merger filings in Croatia resulted in a limited number of merger control cases. In 2024, the AZTN issued 10 decisions approving mergers at the first level without requiring any conditions or commitments. Additionally, one merger filing was dismissed because the thresholds were not met.

Sector Inquiries

The AZTN concentrated on specific sectors, such as telecommunications and hotel accommodation, where significant market concentration remains a concern. Additionally, the agency continued monitoring digital markets under new EU regulations.

In late December 2023, the AZTN launched an investigation into potential anti-competitive behaviour by major telecom companies including Hrvatski Telekom (HT), A1 Hrvatska, Telemach Hrvatska, and the Croatian Employers' Association (HUP) ICT. The AZTN is examining whether HT, A1, and Telemach, with the involvement of HUP ICT, exchanged sensitive business information and coordinated their pricing strategies. Such actions could have reduced market uncertainty and restricted competition by signalling their pricing intentions in advance, potentially constituting a cartel.

The agency is also investigating whether HUP ICT tacitly approved the exchange of sensitive informa-

tion during meetings of the Telecommunications Working Group. Additionally, HUP ICT proposed changes to the regulatory framework that could have facilitated the introduction of clauses further enabling anti-competitive behaviour.

Unfair Competition Decisions

The AZTN published three decisions establishing violations of unfair trading practices in the business-to-business food supply chain.

The decisions addressed a range of unfair trading practices, and all identified unlawful delays in payments to suppliers. The fines imposed in these decisions ranged from EUR 30,000 to EUR 132,000.

Judgments on Antitrust Damage Claims

Since the introduction of the 2017 law regulating compensation for damages resulting from violations of competition law, no reported cases have resulted in awarded damages.

In a recent case, a plaintiff requested that the AZTN award damages against a legal entity that had violated competition legislation. However, the AZTN rejected the request. The High Administrative Court upheld this decision, citing Article 69.a of the Competition Act. According to the law, claims for compensation related to violations of national or EU competition rules must be resolved by competent commercial courts in accordance with regulations governing such claims.

Bid-Rigging Cases

In November 2024, a criminal investigation into a major corruption case involving bid-rigging in Croatia's healthcare sector gained public attention. Eight individuals, including the country's former health minister and key officials from two major Zagreb hospitals, are suspected of involvement in bribery, abuse of office, and money laundering between June 2022 and November 2024.

The investigation alleges that the suspects manipulated public procurement procedures to favour one company in the sale of robotic medical devices to Croatian hospitals, inflating prices for financial gain. The former health minister is accused of accepting bribes to facilitate these inflated procurements, which impacted several healthcare projects funded by the European Union and the Croatian state budget.

In one instance, an EU-funded project for a robotic surgery system was awarded to a different supplier despite bribes being offered. However, in other cases, inflated procurement prices for surgical microscopes resulted in public fund losses amounting to hundreds of thousands of euros.

The accused individuals deny the charges, maintaining their innocence until proven guilty in court.

The investigation has sparked outrage within the Croatian Medical Chamber, which expressed shock and disappointment over the scandal.

FSR Cases

While no significant FSR cases with a distinctly Croatian element arose in 2024, one notable case concerned third-country access to public procurement with a Croatian context.

In the case of Kolin İnşaat Turizm Sanayi ve Ticaret AŞ v Državna komisija za kontrolu postupaka javne nabave (Case C-652/22), the Court of Justice of the European Union examined Articles 36 and 76 of Directive 2014/25/EU, which govern procurement procedures in the water, energy, transport, and postal sectors.

The case arose from a dispute between Kolin İnşaat, a Turkish company, and the Croatian State Commission for Supervision of Public Procurement Procedures over the award of a public contract for railway infrastructure construction in Croatia. The Croatian court referred the matter to the Court of Justice, seeking a preliminary ruling on whether certain documents submitted after the tender deadline could be considered in evaluating the bid, particularly when those documents demonstrated conditions not initially specified.

The court first addressed the admissibility of the request and the applicability of EU law. It concluded that while EU law does not exclude third-country economic operators from participating in public procurement procedures, these operators, such as Kolin, cannot rely on the provisions of Directive 2014/25/EU. This is because Turkey has not concluded an international agreement with the EU that guarantees reciprocal access to procurement markets. Specifically, Turkey is not a party to the Government Procurement Agreement (GPA) or any equivalent agreement.

The court also noted that Article 57 of the Additional Protocol to the EU-Turkey Association Agreement envisions the gradual elimination of discrimination between EU and Turkish economic operators. However, these provisions have not yet been implemented, meaning Turkish operators cannot claim entitlement to the rights conferred by Directive 2014/25/EU.

The court also clarified that, in the absence of EU acts governing the participation of third-country operators, it is up to the contracting entity to decide whether to admit such operators and how to adjust the evaluation of tenders accordingly. However, since these operators cannot claim equal

treatment under EU law, the contracting authority is permitted to apply specific measures to reflect the legal differences.



What's Next in 2025?

Croatia is expected to implement its foreign direct investment (FDI) screening regime this year, a development that is highly important for investors. We will closely monitor these updates, as they have a significant impact on the economy.

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CZECH REPUBLIC



Legislative Updates

At the end of 2024, the Czech government submitted a bill amending the Competition Protection Act (“**Act**”), which expands the powers of the Office for the Protection of Competition (“**OPC**”) in several areas, namely mergers and sector inquiries. The bill is currently awaiting first reading by the Chamber of Deputies, and the expected effective date is 1 July 2025.

Request to submit an application for approval of a concentration

According to the bill, the OPC would newly acquire the power to request the merging undertakings to submit an application for merger approval within six months of the merger, even if the transaction does not meet the turnover criteria for a merger control under the Act. The conditions for enforcing the call-in regime are (i) a suspicion that the merger could result in a significant distortion of competition, (ii) the total turnover of the merging undertakings exceeds CZK 1.5 billion on the Czech market, and (iii) at least two of the merging undertakings have achieved a turnover exceeding CZK 100 million on the Czech market. If the turnover criteria are met, the undertakings may themselves submit an application for a merger approval. Despite this, it will not be possible to proceed with the simplified procedure in this case.

If the OPC uses this power and requests the parties to submit such application, this would enforce the standstill obligation. In cases where the undertakings are required to apply for a merger approval and fail to do so, or implement the merger in breach of the decision, the OPC will have the power to impose the same measures as in previous proceedings, such as divestiture of the undertaking or part thereof.

Public participation in sector inquiries and measures taken on relevant markets as a result

The bill intends to increase the transparency of sector inquiries by involving the public in commenting

on the final reports. The OPC will publish its inquiry reports and set a minimum 60-day debate period.

If, on the basis of the sector inquiry, the OPC concludes that a further merger of undertakings not subject to approval of the OPC may lead to a significant distortion of competition on the relevant market, or if such a distortion is already occurring on the relevant market, it will be able to designate such a relevant market by an administrative measure of a general nature.

In the first case, it will also set new criteria for mergers in such a relevant market, subject to approval of the OPC. In the second case, the OPC will be able to impose newly introduced, so-called non-structural measures on undertakings operating in such a defined market by individual administrative decisions in order to restore competition. Non-structural measures consist, for example, of an obligation to make data, networks, or facilities available; the introduction of transparent and non-discriminatory standards; the modification of contractual arrangements; the disclosure of information to reduce information asymmetry; the imposition of requirements on business relationships; or a prohibition on the disclosure of information promoting coordinated behaviour.

To this end, the bill defines circumstances where there is a significant distortion of competition on the relevant market, for example, where there are a limited number of undertakings with significant market power; barriers to entry; limited opportunities for undertakings to switch to other suppliers or customers; and information asymmetry between market competitors or the risk of coordination of conduct without the need to enter into prohibited agreements. In assessing distortions of competition, the OPC considers factors such as the market power and concentration of undertakings; links in related markets; price, quality, and availability of goods; market transparency; innovation dynamics; efficiency; consumer needs; and research contributing to the competitive environment.

An administrative measure of a general nature can only be issued for a period of three years with the

possibility of its repeated extension. The above-mentioned power does not apply to sectors regulated by other authorities such as the Czech Telecommunications Office, the Energy Regulatory Office, or the Czech National Bank.

Liability of managers

The bill also introduces the administrative offence of individuals who enter into a prohibited agreement or concerted practice on behalf of an undertaking. This offence will be punishable by a ban for up to five years or a fine of up to CZK 10 million.

The bill would also extend the Leniency Program to individuals, providing the opportunity to obtain a lower penalty for voluntarily reporting anticompetitive conduct. This change is intended to encourage more effective whistleblowing, detection and prosecution of cartel agreements.

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HUNGARY



Legislative Updates

New Exemption from the Prohibition of Restrictive Agreements

In line with EU law, the Hungarian Competition Act generally prohibits restrictive agreements and concerted practices between companies. Following a 2024 amendment, the Hungarian Competition Act no longer prohibits restrictive agreements or concerted practices between full-function joint ventures and its joint controllers, provided that the restrictive agreement or the concerted practice relates exclusively to conduct in the relevant market(s) in which the jointly controlled undertaking operates.

Maximum Fine Increase Retained Indefinitely

The Hungarian Competition Authority (“HCA”) may impose a fine of up to 13% of the company’s or group’s net turnover for the financial year preceding the year when the decision was adopted. However, starting 1 August 2024, that threshold was increased to 15% by way of Government Decree no. 184/2024 (VII. 8.). The Government Decree was retained in force indefinitely; therefore the fine threshold will likely stay in effect for the foreseeable future.

Sector Inquiries

The HCA can conduct sector and accelerated sector inquiries, which have resulted in the opening of competition supervision proceedings or even legislative proposals (e.g., in case of online travel agents). A 2024 amendment to the Hungarian Competition Act explicitly lays down the rules for competition supervision proceedings resulting from sector and accelerated sector inquiries.

According to the amendment, where the HCA finds, on the basis of a sector inquiry or an accelerated sector inquiry, that there is a significant and continuous restriction or distortion of competition in a given market, it may open competition supervision

proceedings against undertakings suspected of restricting or distorting competition. A significant and continuous restriction or distortion of competition exists, or is likely to exist, if it has existed continuously or recurrently for at least three years. In such cases, the HCA could even impose a structural remedy (e.g., divestment of a particular business) as a sanction.

The Principle of Effective Enforcement of Competition Law

A new general principle was introduced to the Hungarian Competition Act in 2024, stating that in administrative court proceedings against competition supervision decisions of the HCA, the adjudication of the dispute would need to ensure that the requirement of effective enforcement of competition law is not infringed.



HCA Activity at a Glance

Ongoing Investigations

Temu - The Consumer Protection Cooperation Network (“CPC”), consisting of EU consumer protection authorities—including the Hungarian Competition Authority and the European Commission—has initiated measures to ensure compliance with EU consumer protection rules by China-based online marketplace operator Temu. This collaborative effort enables European consumer authorities to address Temu’s commercial practices and ensure alignment with applicable EU rules. The HCA was the first European competition authority to initiate competition proceedings against Temu in March 2024.

Microsoft - The HCA has launched an investigation against Microsoft’s European services subsidiary, Microsoft Ireland Operations Limited, for potential unfair practices against Hungarian consumers in relation to its Bing-integrated, AI-based chat feature. The HCA suspects that the rules of the services and user information are extensive, fragmented and contradictory, and in some cases, only available in

English. This may result in consumers being misinformed about the reliability, timeliness, and accuracy of the answers and data management associated with the use of the service, for example, how the data they share with the service is used by Microsoft to train its AI algorithm, how it is displayed in response to other users' searches, and how to have it removed from the system.

Spar - The HCA is investigating the implementation of the commitments undertaken by food retailer SPAR Magyarország Kereskedelmi Kft. ("**Spar**") in the framework of a follow-up investigation. During the prior investigation, which was closed in December 2020 by the HCA, the retailer has undertaken to set up a new regional supplier system, increasing the sales opportunities of Hungarian small-scale suppliers and creating new jobs. In the course of the ongoing proceedings, the HCA is investigating whether Spar has implemented its voluntary commitments under the remedy programme in full and on time.

Major Closed Investigations

Railway development firms' bid-rigging - The HCA has uncovered unlawful collusion among several companies during the public procurement process for a railway development project near the city of Debrecen valued at tens of billions of forints. Following its investigation, the HCA imposed approximately EUR 3 million fines on two companies of the Homlok Group for coordinating the cartel. Additionally, the HCA also imposed procedural fines of approximately EUR 60,000 for hindering its proceedings, including the absence of the companies' representatives at a scheduled hearing.

Road-salting firms' bid-rigging - The HCA concluded a significant competition supervision procedure involving a bid-rigging cartel. Between 2011 and 2014, seven major road salt distributors were found to have colluded in seven public tenders. The GVH imposed fines totalling approx. EUR 970,000 on six companies, four of which admitted the infringement.

Plant protection machinery franchise cartel - The HCA investigated a franchise system for inspecting plant protection machinery and found that the operator, MANOK-Növényorvos Kft., had engaged in practices aimed at restricting competition, including market sharing and price-fixing clauses. The company cooperated with the HCA during the investigation, admitted the infringement, and waived its right to appeal. Considering these factors, the HCA imposed a fine of approx. EUR 12,600 on the company.

Sector Inquiries

The HCA has conducted an accelerated sector inquiry into the market of the procurement of diag-

nostic imaging equipment in Hungary. The sector inquiry was launched in the framework of an action plan described in a Government Resolution, aiming at the implementation of the conditionality mechanism requirements set out by the European Commission. According to the action plan, the HCA should conduct three accelerated sector inquiries in sectors where the proportion of tender procedures with only one submitted bid is high. The specific sectors that would be subject to further inquiries were not defined, but hints point toward transport equipment and ancillary transport items (e.g., the purchase of vehicles), laboratory, optical and precision equipment, and repair and maintenance services. Based on the accelerated sector inquiry's findings, the HCA might launch competition supervision proceedings against specific companies.

Market Analyses

AI market analysis - The HCA has conducted a market analysis into the effects of artificial intelligence ("AI"), focusing on whether the widespread availability of AI may result in the distortion of competition, thereby pushing consumers into a more vulnerable position. The HCA concluded that small and medium-sized enterprises risk facing competitive disadvantages if they do not adopt or adapt to the rapid advancements in AI technologies.

Market analysis of environmental claims - The HCA has concluded a market analysis on the formation and use of environmental claims by market actors, concluding that green claims on product packaging influence consumers' perceptions of a product's image and their purchase intentions. However, a significant portion of consumers lack a clear understanding of the specific content of these claims, often misinterpreting them. As a result, differences between claims may not consistently translate into variations in perceived environmental friendliness or purchase intentions.



Merger Control

The HCA examined a large number of mergers in 2024. The most notable - Cofidis / Cetelem - is described below:

The HCA examined the merger of Cofidis SA and Magyar Cetelem Bank Zrt. in a competition supervision procedure. Two primary competition concerns were identified by the HCA. Firstly, it was a 4-to-3 merger; both undertakings were active in the sales financing market with a combined market share of more than 50%, significantly exceeding the 20% benchmark, which increased the likelihood of adverse horizontal effects resulting from the transaction. Secondly, the HCA was of the view that innovation, which is fundamental to the provision of sales financing, may also decrease as a result of the merger, which would be detrimental to consumers. Despite the parties' submission of a prenotification form to the HCA, the national competition authority launched a Phase II procedure to examine the transaction.

After a competition supervision procedure lasting 10 months, the HCA ultimately permitted the transaction without conditions, reasoning that neither Cofidis nor Cetelem could be considered indispensable players offering indispensable products on the sales financing market, and therefore, in the event of a substantial increase in the products' price, or a material decrease of innovation, consumers are able to switch to the products of the two competitors, OTP Bank Nyrt. or MBH Bank Nyrt.

Unfair Commercial Practices

The HCA focused on unfair commercial practices in 2024. The most notable decisions are described below:

Vodafone follow-up investigation - The HCA fined Vodafone Magyarország Zrt., as the company failed to implement obligations prescribed by the HCA in a competition supervision procedure. Vodafone failed to demonstrate compliance with the obligation to redesign the information display on its website and failed to provide proof of compliance with the consumer compensation undertaking within the deadline imposed by the HCA. As a result, Vodafone was fined approx. EUR 290,000.

Booking.com - The HCA concluded a follow-up investigation into Booking.com and found that the company failed to fully comply with its obligations to cease previous infringements. The investigation revealed that the global online accommodation platform continued to engage in unlawful communication practices and psychological manipulation of consumers. As a result, the HCA imposed a fine of approx. EUR 930,000; the highest ever issued in a follow-up investigation by the Hungarian authority.

Airbox s.r.o. - The HCA imposed a fine of approx. EUR 460,000 on the Slovak company Airbox for misleading consumers by falsely claiming to lawfully sell electronic cigarettes and smoking imitation devices on its website, despite Hungary's prohibition on the distance selling of such products. As part of the proceedings, the HCA also blocked the company's website.

Wizz Air - The HCA found that Wizz Air engaged in unfair commercial practices by failing to meet professional diligence requirements regarding the key features of its automatic check-in service. Additionally, the company did not inform consumers that the "extra services" included in some service packages could be purchased separately, thereby influencing consumers toward choosing more expensive options. As a result, the HCA imposed a fine of approx. EUR 745,000 on the company. Although Wizz Air proposed several commitments during the proceedings, the HCA did not accept them due to concerns over their feasibility and the company's history of prior and ongoing proceedings.

Lottoland - The HCA found that Lottoland deliberately misled consumers by closely replicating games offered by the Hungarian gambling organizer, Szerencsejáték Zrt., with minimal changes to their names or content. The Maltese-registered company advertised its games in a manner that led bettors to believe they were engaging with Szerencsejáték Zrt.'s services. As a result, the HCA imposed a fine of HUF approx. EUR 835,000 on Lottoland. Additionally, the Authority for the Supervision of Regulated Activities blocked the company's website in September 2023.

Court Decision

Nitrogénművek Vegyipari Zrt. - In 2021, the HCA imposed a total of EUR 34.5 million in fines on Nitrogénművek Vegyipari Zrt. ("**Nitrogénművek**") and other undertakings for allegedly restricting competition on the Hungarian fertiliser market. Nitrogénművek challenged the decision, and although the Budapest Regional Court agreed to some elements of the decision, it repealed the decision and ordered the HCA to conduct a repeated procedure. Both parties filed for a review procedure to be conducted by Hungary's Supreme Court.



What's next for 2025?

Increased Administrative Service Fees

An amendment to the Hungarian Competition Act, taking effect on 20 January 2025, increased the administrative service fee for merger control procedures from HUF 1 million to HUF 1.3 million (approx. EUR 3,150). Similarly, the administrative service fee increased from HUF 19 million to HUF 21 million (approx. EUR 51,000) in case of procedures where the HAC decides that a full investigation of the concentration is necessary or if it is not clear from the notification that the concentration will not lead to a significant lessening of competition in the relevant market. In other cases, the administrative fee increased to HUF 5 million (approx. EUR 12,000) from HUF 4 million.

Establishment of a New Consumer Protection Authority

The Ministry of National Economy established the National Trade and Consumer Protection Authority to enhance the effectiveness of consumer protection efforts. Commencing operations on 1 January 2025, the authority will focus on four key areas: providing professional support for trade policy, overseeing consumer protection, supervising food safety, and conducting specific laboratory tests.

Your Key Contacts



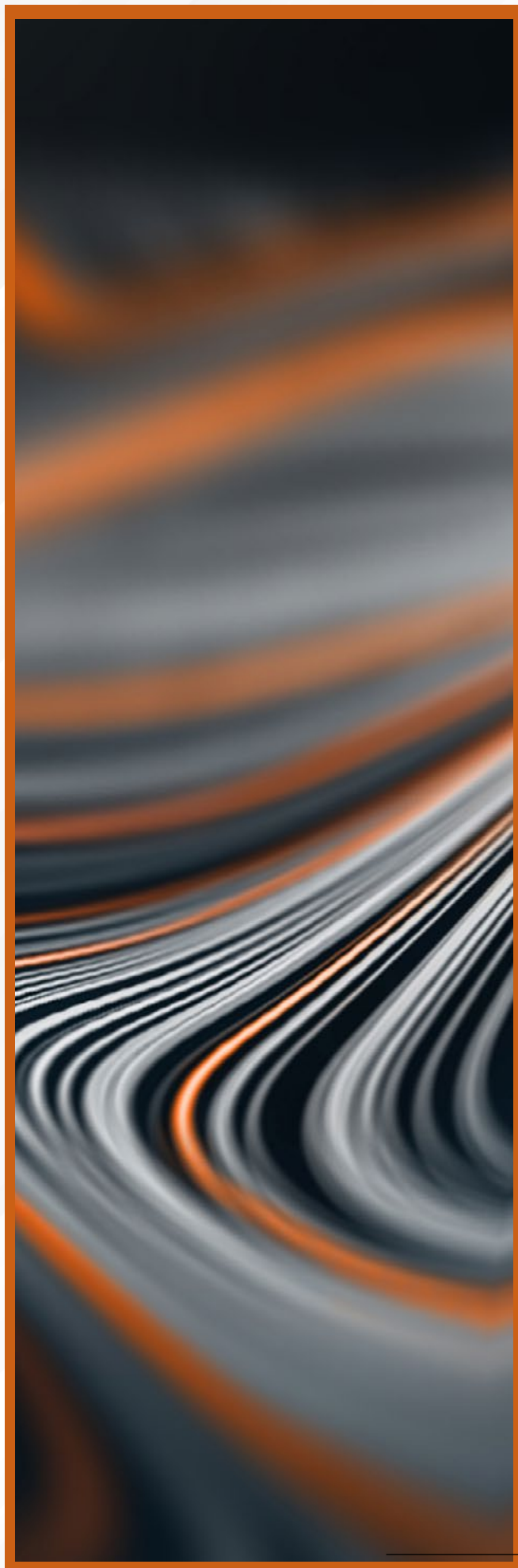
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KAZAKHSTAN



Legislative Updates

The Agency for the Protection and Development of Competition (“**Agency**”) continued to improve the legislation of the Republic of Kazakhstan in the field of competition protection, in particular, the adoption of the Law “On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Business”.

The Kazakh president in a public statement on 1 September 2023 noted that one of the serious problems is, in fact, the lack of the antimonopoly authority’s ability to take quick action to eliminate violations.

In practice, two-thirds of antimonopoly investigations are appealed in courts before they begin, and litigation can last for years.

To prevent the antimonopoly authority’s decisions from being artificially slowed down, the president instructed parliament to introduce legislative amendments to exclude the suspension of administrative acts of the Agency in case of their appeal.

To reduce the regulatory burden on business, the Law includes amendments to reduce the number of transactions requiring prior approval of the Authority and to completely exclude from regulation transactions involving certain assets (land plots, buildings, structures, facilities, premises/parts of premises, construction in progress without industrial purpose).

For the remaining transactions, the thresholds above which the consent of the Authority is required have been significantly increased.

In addition, the list of documents required for approval of these transactions has been reduced by approximately two times, and procedural terms have been optimised.

It is also envisaged to reduce the number of reports on tenders and purchases submitted to the Authority by business entities.



Agency Activity at a Glance

Major Cases

There are several ongoing cases involving the Agency:

Agency vs KTZ-Cargo transportation LLP – on abuse of dominant position in the freight transportation market, namely in terms of applying different conditions to equivalent agreements. KTZ-Cargo transportation LLP is a subsidiary of Kazakhstan Temir Zholy, a transportation and logistics holding company, a national rail carrier of freight and passengers, and the largest operator of Kazakhstan’s mainline railway network.

Agency vs NJSC KazMunayGas – on abuse of dominant position in terms of restricting the sale of oil products. NJSC KazMunayGas is Kazakhstan’s national oil company.

Agency vs NJSC KEGOC – on abuse of monopoly position expressed in infringement of rights and legitimate interests of the subjects of the electricity market. NJSC KEGOC is a company that performs the functions of system operator and operator of main power grids of Kazakhstan. It is also an operator of electricity trade between Kazakhstan and neighbouring countries.

Major Sanctions

1LLP KTZ-Cargo transportation on abuse of dominant position in the freight transportation market, namely in terms of applying different conditions to equivalent agreements. The amount of the fine was not disclosed.

NJSC KazMunayGas ignored the submitted applications for the sale of oil products, and in some cases created discriminatory conditions by reducing the volume of oil products with individual buyers when there was, at the time of application, the possibility of selling oil products. NJSC KazMunayGas was fined KZT 539.4 million tenge (approximately EUR 1 million).

The Agency took part in court proceedings in relation to the claims of KEGOC against energy supplying organisations. The relating decisions of the Specialised Economic Court ruled in satisfaction of the claims of KEGOC on debt recovery from Astanaenergobytt LLP (KZT 150.6 million), Energocompany-PV LLP (KZT 74.5 million) and Samga-Energo LLP (KZT 40 million).

Unfair Competition Cases

In January 2024, the Agency revealed an anti-competitive agreement between HILL Corporation and KTZ Cargo transportation for the supply of engine oil for locomotives valued at more than KZT 12 billion. KTZ Cargo transportation applied discriminatory conditions to potential suppliers when purchasing motor oils, which were aimed at eliminating their participation in the procurement. Thus, initially, the actions of KTZ-Cargo transportation were committed in the interests of HILL Corporation. The amount of monopoly income subject to seizure is: KZT 624 million.

Judgments on Antitrust Damage Claims

The Agency has completed its investigation against Petrosun LLP on abuse of dominant position by refusal to conclude contracts on the sale of gasoline AI-92 and diesel fuel with individual buyers, which led to the restriction of competition in the commodity market. Petrosun was fined KZT 875 million.



What's Next in 2025?

On 1 January 2025, changes to the Law “On Public procurement” and the rules governing this process entered into force. Below is a brief description of the changes concerning participation in public procurement, the selection of participants, and anti-competition issues:

- restrictions on affiliation between suppliers and customers;
- rejection of bids from state-owned enterprises in the case of bids from private entrepreneurs;
- established new reasons for rejecting bids when reviewing bid documents, including updated rules for public and private participation;
- minutes of results are now published electronically, improving transparency and reducing the likelihood of anti-competitive practices.
- register of unfair participants: the grounds for inclusion of suppliers in this register have been updated to better address anti-competitive practices.

These changes are aimed at improving transparency and efficiency of the public procurement system, strengthening control over anti-competitive practices and increasing the level of competition between participants.

Your Key Contacts



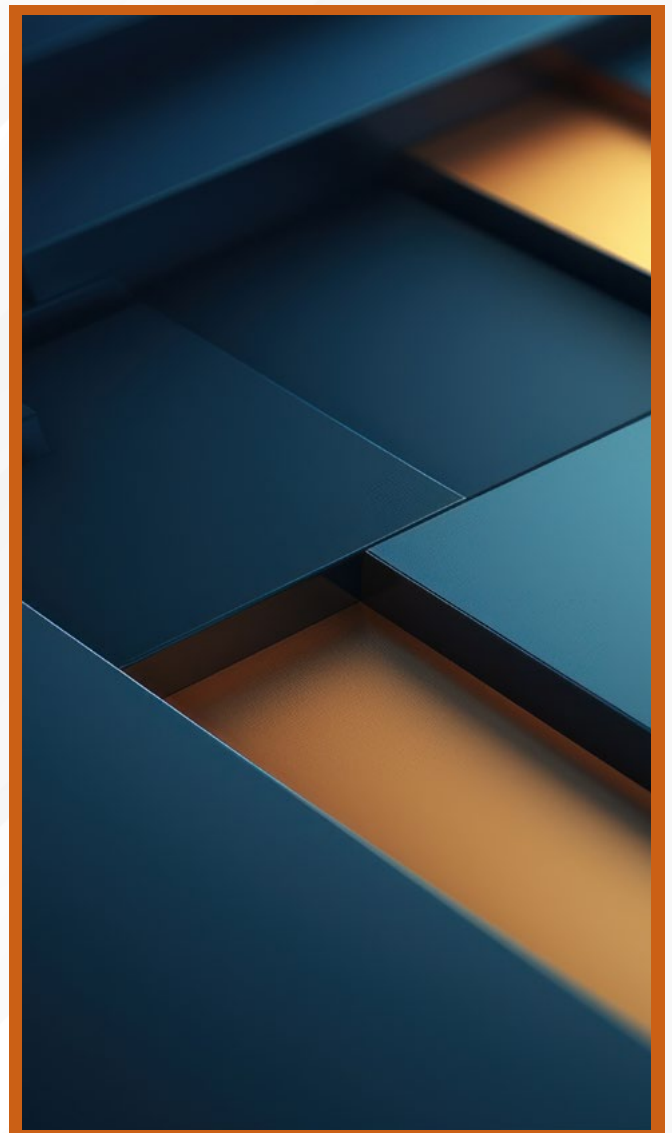
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ROMANIA



Legislative Updates

Recent Changes to Romanian Competition Law No. 21/1996 Regarding Investigations

Significant amendments to Competition Law No. 21/1996 were introduced in 2024, particularly with respect to investigations. One key change affects attorney-client privilege. The amended provision states that during inspections, after providing an adequate justification to the inspector as to why the communication should be privileged, if agreement cannot be reached regarding its protected character, the inspectors are no longer authorised to assess and decide the privileged character of the document on the spot.

In January 2024, changes were also brought to the scope of sanctions provided for in Romanian Competition Law. The scope of sanctions now includes failing to provide information or providing incomplete, inaccurate, or misleading information in response to a question addressed to any representative regarding facts or documents related to the object and purpose of the inspection, as well as tampering with official seals placed by the Romanian Competition Council (“RCC”) representatives during inspections.

FDI Screening Regime

Important changes were also brought to the FDI screening regime. The Romanian FDI regime was introduced in April 2022 and was further amended since then. Currently, the FDI screening regime applies to investments by both EU (including Romanian) and non-EU investors. An important update was made regarding the application of gun-jumping sanctions, which now also apply to EU investors. Moreover, the scope of the fines includes negligently providing inaccurate, incomplete or misleading information during the filing process and failing to provide the necessary information for the screening and approval of the investment within the legal deadlines and in a complete and correct manner following requests for information from the Commission for the Examination of Foreign Direct Investments (“CEISD”).

In July 2024, additional amendments were made to the FDI law, providing that all agreements and contractual arrangements for carrying out a notifiable investment, where such investment was not duly filed for FDI clearance, are null and void.

Draft Bills Under Public Consultation

The RCC has published draft guidelines on its website proposing amendments to the current guidelines for calculating merger clearance fees. These changes aim to revise the fee amounts and adjust the turnover thresholds used to determine the clearance fees.

Furthermore, a draft bill amending Unfair Competition and Unfair Trade Practices Laws No. 11/1991 and No. 81/2022, as well as Competition Law No. 21/1996, is currently under review following its submission to the Chamber of Deputies. The draft bill aims to amend a series of definitions, as well as the practices which are considered unfair.



RCC Activity at a Glance

Dawn Raids

In June 2024, the RCC announced a dawn raid at a medical liquid oxygen supplier for potentially abusing its superior bargaining position towards a state hospital in Bucharest. The investigation was started ex-officio by the RCC based on media information.

In August 2024, the RCC announced that it was carrying out dawn raids at eight car repair shops as part of an extensive investigation into potential unfair competition practices. It was suspected that the car repair shops were abusing their superior bargaining position in the commercial relationship with an insurance company for repair work under mandatory car insurance policies.

Another major dawn raid was launched into the ITC sector for potential anti-competitive practices in public procurement. The inspections were conducted at 14 companies active on the ITC market, including Cisco’s local subsidiary, for alleged bid-rigging practices.

In December 2024, the RCC initiated an investigation into Nike Europe and two of its Romanian distributors over potential anti-competitive agreements. The investigation centres on allegations that Nike may have imposed restrictions on its distributors, limiting the customers to whom they could sell sporting goods.

Major Fines

In 2024, major fines were imposed by the RCC across various sectors. The RCC fined Samsung, along with retailers eMag, Altex Romania and Flanco, a total of approx. EUR 25 million due to anti-competitive agreements, where resale prices were fixed, leading to higher prices for consumers.

Moreover, six companies active in the book supply market were sanctioned by the RCC with fines totalling approx. EUR 1.2 million for participating in anti-competitive practices. The investigation revealed that these companies coordinated actions designed to limit the availability of books supplied to Bookster, a library providing books to employees based on a subscription, thereby restricting competition in the market.

Merger Control Cases

In 2024, there were several sectors that remained subject to merger control scrutiny due to their potential impact on market competition, including the IT, retail, energy and banking sectors.

In December 2024, the RCC conditionally approved Mega Image's acquisition of Profi, imposing several structural and behavioural commitments that are meant to maintain a competitive market in the food retail sector. In order to mitigate the potential anti-competitive effects, Mega Image was required to divest 87 of its stores where its presence significantly overlapped with Profi. Moreover, Mega Image was also required to establish transparent criteria for listing and delisting suppliers, with special protections for key suppliers. These measures address competition concerns and ensure the protection of both consumers and suppliers.

The RCC also announced in December that it was reviewing the transaction involving the acquisition of Telekom by Vodafone, with Digi intending to acquire certain assets from Telekom. Previously, the sale of Telekom to other buyers was being reviewed by the RCC.

FDI Decisions

Given the extensive scope of the Romanian FDI screening regime and its broadly defined sensitive sectors, there is a wide variety of industries that are subject to scrutiny. Among the key sectors under review are IT, energy, and industrial sectors, each

of which plays a vital role in Romania's economic stability and development.

Unfair Competition Decisions

In November 2024, the Romanian High Court of Cassation and Justice ("ICCJ") upheld the RCC's decision to impose fines on major retailers Cora and Auchan, along with several of their suppliers for price-fixing. The RCC found that the retailers and suppliers set a fixed or minimum resale price, leading to higher prices for consumers. The initial sanctions, totalling approx. EUR 19 million, were imposed by the RCC in 2019.

The ICCJ also upheld the RCC's decision against Roche Romania. The RCC imposed a fine of approx. EUR 9 million for abusing its dominant position in the pharmaceutical market and engaging in anti-competitive practices during public tenders.

Bid-Rigging Cases

In August 2024, the RCC fined three companies for rigging bids in public tenders for archiving services. The companies coordinated their bids and exchanged sensitive information to secure contracts, distorting the competitive process and leading to higher costs for the contracting parties.

FSR Cases

In 2024, the European Commission initiated several investigations under the Foreign Subsidies Regulation, some also concerning entities operating in Romania.

Among the most notable cases are the investigations into two China-based consortia in the renewable energy sector, which were participating in a public tender for the design, construction, and operation of a solar farm in Romania. The investigations focused on potential foreign subsidies that could provide these companies with competitive advantages in the EU market.





What's Next in 2025?

Further developments are expected in Romania's competition landscape in 2025, focusing on legislative updates and the RCC's ongoing efforts to ensure fair competition, while staying aligned with EU regulations and strengthening enforcement against anti-competitive practices.

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SERBIA



Legislative Updates

In 2024, the Serbian Competition Authority (“SCA”) conducted public consultations regarding four vertical block exemption regulations. These regulatory changes aim to amend the previous block exemption regulations adopted 14 years ago and to introduce new ones in sectors that have not been covered by a block exemption regulation to date.

The four new draft vertical block exemption regulations for which consultations were conducted are: (i) the motor vehicle block exemption regulation; (ii) the technology transfer block exemption regulation; (iii) the transport block exemption regulation (rail and road sectors); and, importantly, (iv) the vertical block exemption regulation.

These legislative changes, once introduced, will be relevant for the application of competition rules in Serbia as, unlike in the EU, there is no self-assessment process. If an agreement or a restrictive practice is not covered by the block exemption regulation, parties are then obligated to seek approval for their activity from the SCA in an individual exemption application process.

As the most important change, if adopted, the new vertical block exemption will bring further elaboration of distribution models (exclusive, selective distribution, franchise), as well as new rules for online sales. Some of the proposed changes include: (i) raising the market share threshold for the application of the vertical block exemption from 25% of the relevant market to 30% to align it with the EU’s approach; (ii) clarifying rules relating to online trade, internet platforms, online advertising, and passive and active online sales; (iii) changes to the regime of non-compete provisions, parity obligations, regulation of dual distribution, etc. The vertical block exemption regulation thus strives to align the regulation on vertical restraints with the EU’s approach. Recently, in January 2025, the draft block exemptions were submitted by the SCA as proposals for adoption to the Serbian government.



SCA Activity at a Glance

The Retail Price Cartel

In October 2024, the SCA announced the initiation of an antitrust proceeding against four major retail chains operating in Serbia, collectively holding over 50% of the retail market share in the country, namely, Delhaize, Mercator-S, Univerexport, and DIS. The proceeding was initiated based on the assumption that these retail chains breached competition rules by concluding a restrictive horizontal agreement, i.e., by forming a price cartel.

The rising prices of foodstuffs have been a cause of concern for the general public for a number of years and particularly during 2024. The SCA conducted a sector analysis of the markets of certain food products in the territory of the Republic of Serbia for the period 2018–2022, seeking to establish sales margins and to investigate whether prices were rising at the level of supply or retail. Based on the findings of the sector analysis, the SCA conducted unannounced dawn raids at the retailers. The SCA concluded in the investigation’s opening statement that: (i) there was a significant increase in retail prices, which was nearly doubling the rate of inflation; (ii) there was a substantial growth in revenues and gross margins of the observed retailers; and (iii) there was identical pricing of several key products across all observed retailers. The investigation is still ongoing.

The Coffee Phase II Merger Control Case

In February 2024, the SCA issued a conditional merger control approval of the acquisition of Strauss Adriatic by Atlantic Group. The merger case involves the two largest undertakings on the Serbian coffee market with a combined market share exceeding 70%. This merger underwent a comprehensive analysis, resulting in a conditional approval, with behavioural and structural remedies imposed. The remedies include a divestment of their business operations, reporting obligations, and a five-year restriction on entering into new contracts for coffee production.

In the “Coffee” merger case, the SCA imposed a joint fine of approximately EUR 2 million on the Strauss Adriatic and Atlantic Group. This decision followed the determination of the SCA that Atlantic and Strauss had aligned and coordinated their business strategies, including the exchange of information on pricing policies and future wholesale prices of ground coffee in Serbia. This practice led to a EUR 1.6 million fine on Atlantic and a EUR 400,000 on Strauss. This is one of the highest fines ever imposed by the SCA.

Pharma Sector and Exclusive Distribution Concerns

During 2024, the SCA issued two separate decisions in the individual exemption process in the pharma sector. In one it denied approval, while, in the other it only conditionally approved individual exemptions for exclusive distribution agreements between pharmaceutical companies. The cases relate to exclusive distribution agreements between Roche (the manufacturer) and Phoenix Pharma (the distributor), and Novo Nordisk Pharma (the manufacturer) and Phoenix Pharma (the distributor). These developments show a noticeable shift in the SCA’s stance towards exclusivity arrangements, with the SCA taking a stringent approach and limiting the parties’ ability to contract exclusivity arrangements in the sector.



What’s Next in 2025?

The following activities can be expected to take place in 2025:

- Adoption of the block exemption regulations;
- Sector analysis of the pharmaceutical market.

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SLOVAKIA



Legislative Updates

In 2024, the Competition Act was amended to reflect the EU Digital Markets Act (“**DMA**”). This amendment granted the Slovak Antimonopoly Office (“**PMU**”) new rights and competencies related to the DMA, the goal of which is to ensure fair competition in digital markets. In particular, the amendment mentions new tasks that the PMU must fulfil under the DMA. The European Commission (“**EC**”), the sole enforcement authority under the DMA, will be able to request the PMU’s support, for example, in market investigations. According to the PMU’s chairman, the PMU will become a full-fledged partner of the EC in enforcing the rules arising from the DMA while also strengthening its capacity to apply competition rules in the digital markets sector effectively.



PMU Activity at a Glance

Major Dawn Raids

Dawn raid targeting providers of inpatient health care

In October 2024, the PMU carried out unannounced raids at the premises of multiple providers of inpatient healthcare, in particular regional hospitals belonging to the private hospital networks Penta Hospitals and Agel. These followed suspicions about the possible existence of an agreement between the entrepreneurs that could have restricted competition through price agreements, coordination of practices, and exchange of sensitive commercial information in negotiations with health insurance companies. According to the PMU, this could be considered a horizontal agreement between direct competitors, which is one of the most serious infringements of the competition rules and is classified as a hard-core cartel. Penta denied any unfair practices; Agel did not comment on the matter. The investigation is ongoing as of January 2025.

Inspections at companies in the FVE sector

In February 2024, the PMU conducted unannounced inspections at companies operating in the photovoltaic (“**PV**”) sector. PMU suspects that the

companies involved may have entered into agreements restricting competition, particularly concerning their participation and bid submissions in a public tender for the supply of industrial PV systems intended for self-consumption. Such agreements, if proven, are considered serious violations of competition rules, classified as horizontal agreements between direct competitors, commonly referred to as cartels. This action reflects the PMU’s commitment to enforcing competition law within Slovakia’s renewable energy sector, ensuring fair practices in the growing photovoltaic market. At this stage, the PMU has not provided further information about the ongoing investigation.

Inspections at medical devices’ suppliers

In November 2024, the PMU conducted unannounced inspections targeting suppliers of medical devices for cardiovascular treatments. The inspections were based on suspicions of anti-competitive agreements, including price-fixing, market division, and the exchange of sensitive information related to public procurement.

Ongoing Investigations

Historically first investigation of a cartel agreement in the labour market

In May 2024, the PMU investigated a possible restrictive agreement in the labour area. An unnamed association of entrepreneurs reportedly adopted a Code of Conduct containing a provision that may have constituted an agreement between the association’s members not to compete in the process of hiring employees. According to the PMU, agreements on the labour market between employers not to hire each other’s employees, agreements on wage-fixing, or a decision by an association of entrepreneurs containing similar commitments may constitute a serious infringement of the Competition Act. The PMU also noted that this is the first such case that it is investigating related to possible agreements in the labour market.

Suspected hard-core cartel in the drugs distribution market

In June 2024, the PMU started an investigation concerning a possible restrictive agreement between undertakings active on the market for the supply and wholesale distribution of medicinal drugs, which is regulated by law. Based on available information, the PMU also applies Article 101 of the Treaty on the Functioning of the European Union (“TFEU”) to this case. The information obtained during the investigation by the PMU suggests that at least two undertakings active in the supply and distribution of medicinal drugs coordinated their bidding behaviour in public tenders; cooperated in price fixing and market and customer allocation; and exchanged sensitive information.

Investigation of a possible cartel among the five largest medical laboratories in Slovakia

The PMU began an investigation about a possible restrictive agreement between undertakings in the field of medical laboratory diagnostics in May 2024, after previous dawn raids conducted in December 2023 at the premises of the laboratories. The investigation concerns the five largest and most profitable medical laboratories in Slovakia—Unilabs, Medirex, Synlab, Klinická biochémia and Martinské bioptické centrum. The laboratories are suspected of coordinating their bidding behaviour in public tenders, cooperating in price fixing, market and customer allocation, and exchanging sensitive information.

Fine for a hosting provider

In October 2024, the PMU imposed a fine of over EUR 60,000 on a hosting provider. During an investigation into a suspected cartel involving hazardous hospital waste management, the PMU found that one party had deleted around 500,000 emails, but these emails were still stored by this hosting provider. Despite multiple requests, the provider refused to supply the emails, which were critical to the investigation. Given that the information is a critical source without which the cartel investigation cannot proceed, the PMU imposed a fine on the hosting provider near the upper limit set by law. The decision is not yet final, and the provider can appeal.

Sector Inquiries

Fibre-optic networks

In February 2024, the PMU launched a sector investigation to assess the situation regarding the construction of new fibre-optic networks on electricity pylons, and access to them. The main objective is to ensure that there is an adequate level of competition in this emerging market. The PMU clarified that it mainly intends to focus on two points in this investigation: (i) access to the physical infrastruc-

ture (power line poles) for operators interested in building their fibre-optic networks on it, and (ii) operator access to the already built fibre-optic network owned by distribution system operators in individual locations in the Slovak Republic. In the first phase, the PMU collected information primarily from the distribution companies that have initiated the construction of new fibre-optic networks on their power line poles. In November 2024, the PMU announced that the preliminary findings show that there is room for significant improvement with regard to facilitating more intense competition, which would bring more supply, higher quality, and lower prices for clients. It intends to continue the investigation in 2025.

Mobile network operators

In October 2024, the PMU launched a sector investigation concerning the wholesale access to mobile networks for mobile virtual network operators (“MVNO”). The investigation was initiated because no MVNO that is independent of regular mobile operators operates in Slovakia. Regular mobile operators are operators that have their own mobile network. There are four such operators in Slovakia: Orange, O2, Slovak Telekom and 4ka. Virtual operators do not have their own networks but offer services as regular mobile operators by using the network of one of the regular mobile operators in the form of wholesale access to its network. Despite the fact that there are operators in Slovakia other than the four mentioned above, there is currently no such operator that is fully independent from them. The purpose of this investigation is to ensure there is room for adequate competition in this market.

Major Sanctions

Waste management company penalised for abuse of dominance

2024 marked the conclusion of a two-year investigation of a major player in the waste management industry. The PMU ruled that the company abused its dominant position in the market by charging some municipalities significantly higher prices for the landfilling of mixed municipal waste than other municipalities, doing so without any objective justification. The PMU imposed a fine of EUR 180,000 on the company, while in its initial decision, the fine amounted to almost EUR 300,000.

Abuse of dominance among bus station operators

The PMU imposed fines on two entrepreneurs operating bus stations in the Žilina region in the aggregate amount of more than EUR 252,000 for abusing their dominant position in the market. The investigation started in response to a complaint by the Žilina Self-Governing Region, which had to

refund the disproportionately high fees charged by the bus station operators to the transportation providers. The first of the entrepreneurs, whose behaviour was in breach of the Competition Act, was fined EUR 218,500 for applying disproportionately high fares at four bus stations from 1 January 2019. A considerably lower fine, EUR 34,000 was imposed on the second company, which abused its dominant position from 1 July 2020 in connection with one bus station.

Cartel agreement in public procurement

In the second half of September 2024, the Council of the PMU imposed a fine of more than EUR 261,000 on three entrepreneurs who entered into a cartel agreement (RM Gastro – JAZ, PekaStroj and Albertina Packaging). The companies were proven to collaborate in the process of preparing their proposals in a tender for the supply of efficiency-enhancing production technologies in the bakery industry, with the goal of ensuring that a pre-agreed participant wins. In its decision, the Council stressed that the purpose of public tenders is for the procuring entity to obtain a wide range of goods or services at the best possible value for money; however, cartel agreements between suppliers undermine this purpose by removing competitive pressure and allowing suppliers to make offers that do not correspond to market conditions. Two of the three entrepreneurs responsible were also prohibited from participating in public procurement for a period of time.

Investigation of Slovakia's largest parcel delivery company

The PMU initiated an investigation into the area of parcel delivery to pick-up points in Slovakia. The investigation was triggered by publicly available information on the website of Packeta Slovakia s.r.o., the largest parcel delivery company to pick-up points in Slovakia, which indicated that the terms and conditions of Packeta could have restricted pick-up point operations in cooperation with other delivery companies. PMU's findings revealed that pick-up points were obligated, during and for some time after the termination of their contractual relationship with Packeta, to refrain from any competitive actions against the company. In other words, they were prohibited under the threat of a fine from offering the same services for other parcel delivery companies. Thanks to the active involvement of both PMU and Packeta, a quick market correction was achieved. Packeta immediately declared changes to its business terms upon the initiation of the investigation. Shortly after the investigation began, the changes were implemented, and pick-up points were informed that parallel cooperation with other delivery companies was no longer restricted. Given the company's active approach and the prompt alignment of its business terms with com-

petition rules, PMU closed the investigation, as its competition concerns were resolved.

Investigation against Slevomat.cz

In January 2024, the PMU issued a commitment decision against Slevomat.cz, which operates in Slovakia through the online portal Zlavomat.sk. The proceedings were initiated following an investigation during which the PMU obtained information suggesting that, since at least 2018, Zlavomat could have been violating the Competition Act and the TFEU in several ways:

- Requiring exclusivity from its business partners, thereby restricting their ability to promote and sell their products and services on competing online portals.
- Imposing price restrictions on its business partners, thus prohibiting them from promoting and selling their products and services through other online sales channels at the same or lower prices than on the Zlavomat.sk portal.

During the proceedings, Zlavomat proposed commitments, i.e., it suggested changing its business policy in line with the PMU's concerns. After testing the proposed commitments, the PMU concluded that they appropriately addressed the preliminary assessment of the case. Their adoption would effectively, in a short period, and with lower administrative costs, eliminate the competition concerns identified by the PMU.

Investigation against Dôvera

In April 2024, the PMU began investigating the management of pharmaceutical care services in Slovakia. The investigation was initiated after the health insurer Dôvera announced plans at the end of 2023 to introduce a prescription medication reservation service for its policyholders via its mobile application. Initially, this service was intended to be available only in pharmacies within the Dr. Max network, which is owned by the same entity as Dôvera (i.e., Penta Group) and which would indicate preferential treatment. The PMU's findings revealed that the first phase of the project was a "pilot version" of the application, and Dôvera planned to gradually include additional "external" pharmacies or pharmacy chains in the medication reservation service through its mobile app, resulting in an open system for pharmacies. The PMU subsequently concluded its investigation, as its competition concerns were alleviated by Dôvera's active approach to involving additional "external" pharmacies in the reservation service.

Major Merger Control Cases

Rare exemption granted to a company in the gas station operation sector

In February 2024, the PMU issued a decision granting OMV Slovensko an exemption from the prohibition to exercise the rights and obligations arising from the concentration before the issuance of a final decision approving the concentration, in connection with OMV's acquisition of gas stations from the company Benzinol. The approval of the concentration itself was at the time subject to a separate proceeding, in which OMV requested to be allowed to carry out certain acts related to the merger before the PMU issues a clearance decision in the matter. The granting of such an exemption is rare in practice. In this case, the PMU considered factors such as the stage of the main proceeding and the scope and necessity of the acts for which OMV Slovakia requested the exemption as key in its evaluation of whether all conditions required by law were met. The concentration was later approved in May 2024.

EUR 21 million fine issued in the AGROFERT merger case

In September 2024, the Council of the PMU upheld the PMU's first-instance decision, which imposed an aggregate fine of EUR 21 million to the company AGROFERT (owner of the bakeries Penam) for failing to notify a concentration by which it acquired control over two competing bakeries and subsequently exercised the rights and obligations arising from the acquisition without the PMU's approval. According to the PMU, in an attempt to evade the law, AGROFERT formally acquired the two bakeries gradually, in 2013 and 2016, to avoid having to notify the PMU. Evidence obtained by the PMU shows that the company acquired control of both bakeries simultaneously in 2013. However, control over one of the bakeries was to be exercised in secret for two years through another entity, from which AGROFERT planned to formally buy the bakery, which it also did in 2016. The fine of EUR 21 million represents the third-highest fine ever imposed by the PMU.

PMU stopped by lack of authority in an investigation of an acquisition in the print media sector

In November 2024, the PMU concluded an almost year-long investigation into the acquisition of the newspaper Nový Čas by the company News and Media Holding, a.s., which belongs to the Penta Group. The PMU considered the purchase possibly problematic, as Penta Group's portfolio consists of various magazines, including Plus Jeden Deň, the closest competitor of Nový Čas. The purpose of the investigation was to determine whether this could be a concentration that should have been notified

and that was implemented prematurely, or whether an abuse of a dominant position could have occurred in this case. The PMU has concluded that due to the non-fulfilment of the turnover criteria on the part of Nový Čas as the acquired entity, it is not competent to assess the concentration. The PMU was also evaluating whether the concentration, despite not being subject to its control, could constitute an abuse of a dominant position according to the judgment of the Court of Justice of the EU in the Towercast case. However, the criteria necessary for the application of this case were not met. The PMU noted that although the statutory criteria for notification of concentrations were set with the intention of catching all potentially problematic transactions, practice shows some significant concentrations still fall under the radar for various reasons and a legislative change is due.



What's next in 2025?

Legislative Change of the Competition Act

The PMU has announced that it plans to open a wider discussion regarding a so-called complementary model of assessing concentrations and propose a legislative change to the Competition Act in 2025. This initiative of the PMU came about as a reaction to the result of the investigation regarding the acquisition of the newspaper Nový Čas, where the PMU was stopped by a lack of authority to investigate the merger, despite considering it to be a significant transaction with possible considerable effects on competition in the print media market. The PMU noted that legislative changes need to be adopted to address the problem of such acquisitions, where a larger player individually acquires smaller competitors, while such concentrations are not notified to the PMU due to the insufficient size/turnover rate of the acquired subjects. It has also mentioned the so-called call-in model, adopted in some European countries, as a possible effective solution, whereas the PMU would be granted the competence to require notification of a potentially problematic concentration in a certain timeframe, even though it does not meet the turnover criteria.

Your Key Contacts



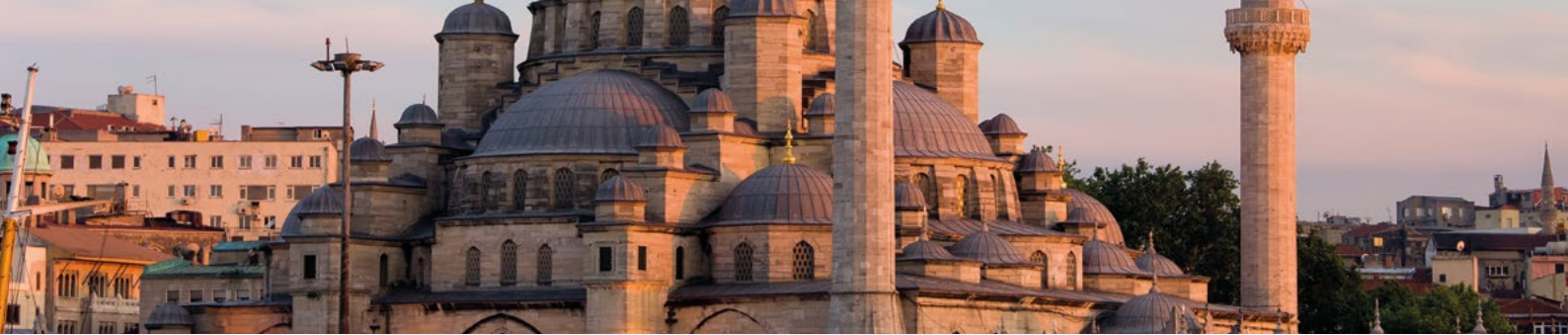
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TURKEY



Legislative Updates

TCA Streamlines Investigation Procedures

The first legislative update in terms of competition law in 2024 concerns the amendment of the procedure for the Turkish Competition Authority's ("TCA") full-fledged investigations.¹ Before the amendment, the TCA's case handlers prepared an investigation notice, followed by an investigation report, and an additional written opinion in all cases (unless an investigation is closed earlier through commitments or a settlement). Concurrently, investigated parties were invited to submit a first written defence in response to the investigation notice, a second written defence responding to the investigation report, and a third written defence addressing the additional written opinion.

The amended procedure streamlines this process by eliminating the requirement for investigated parties to submit a first written defence to the investigation notice. This change is based on the premise that the investigation notice merely indicates a suspected violation and does not constitute a formal accusation of infringement. Furthermore, the case team of the TCA will now only prepare an additional opinion in response to undertakings' second written defences if the defences lead the TCA to change its conclusions in the investigation report. This reduction in the number of mandatory responses from the TCA further streamlines the procedural steps; however, it limits the number of opportunities to present written defences throughout the investigation. It also results in the investigated parties not having any written response on why the case team disagrees with the defensive arguments.

Finally, the amended procedure removes the time extensions previously granted to both the TCA and investigated parties for submitting their additional written opinion and third written defence, respectively. These time extensions have been eliminated to further expedite the overall process.

¹ On May 29, 2024, Law No. 7511 on the Amendment of Turkish Commercial Code and Certain Acts published in the Official Gazette (No. 32560) introduced amendments to Article 43 and Article 45 of Law No. 4054 on the Protection of Competition

TCA Issues Landmark Guidelines on Labour Market Competition

In addition to the procedural changes, the TCA issued its highly anticipated Guidelines on Competition Violations in Labour Markets in 2024. The Guidelines explicitly identify wage-fixing and no-poaching agreements, as well as the exchange of workforce-related information between competitors, as potential anti-competitive practices, which aligns with the TCA's existing case law. The Guidelines also establish a safe harbour for information exchanges between competitors, provided they meet specific criteria outlined in the Guidelines.

Furthermore, the Guidelines clarify the conditions under which a labour market restriction may be considered an ancillary restraint and, therefore, falls outside the scope of Article 4 of Law No. 4054 on the Protection of Competition. Similarly, the Guidelines provide that restrictions satisfying the relevant conditions set out under Article 5 of Law No. 4054 can benefit from an individual exemption.

For further details, please read our summary of the new Guidelines [here](#).

TCA Revamps Fining Regime With More Discretion

The TCA ended 2024 with an overhaul of its Fining Regulation, granting itself greater discretion in determining fines. The most notable change lies in the removal of fixed base rates for fines, allowing the TCA to set fines based on the violation's severity. The TCA now has more flexibility in applying both aggravating and mitigating factors, while also considering factors like limited participation in the violation and the existence of export turnover. The revised Regulation also introduces shorter duration ranges for calculating fine increases based on the infringement's duration.

For further details, please read our summary of the new Regulation [here](#).



Enforcement Actions in the Digital Sector

The TCA's focus on digital platforms continued in 2024, as several tech giants were subject to investigations and hefty fines. It should be noted that the TCA also issued a draft amendment to Law No. 4054 on the Protection of Competition, which is closely modelled on the EU Digital Markets Act ("DMA") and would further expand the TCA's powers to regulate the digital economy. While the DMA-like law amendment has not yet passed, the TCA has continued to tackle potentially anticompetitive conduct by large tech companies through existing competition law instruments. Below are the key case highlights of the TCA's enforcement actions in 2024:

Google under the TCA's radar

- **Google passes scrutiny of its general search market:** The TCA concluded its investigation into Google's practices in the general search market in 2024.² The TCA probed allegations that Google was abusing its dominant position in the general search market by using features like "videos", "people also ask", and "translation box" to disadvantage other websites. However, the TCA ultimately decided that Google had not engaged in anti-competitive behaviour and determined that, while Google holds a dominant position in the Turkish general search market, the company's use of these features did not constitute an abuse of that dominance.
- **Google fined twice for non-compliance:** In June 2024, the TCA announced that it fined Google TRY 482 million (approx. USD 14.7 million³) due to Google's non-compliance with a previous ruling that found the tech giant had abused its dominant position in the local search market. The TCA had initially imposed a fine on Google in 2021 for favouring its own Local Unit and hotel booking (Google Hotel Ads-GHA) services in search results, thereby harming competition. This led the TCA to fine Google TRY 296 million (approx. USD 33.5 million⁴) in 2021.⁵ To remedy the competitive concerns, Google was ordered to implement specific measures. However, the TCA later determined that Google had failed to fully comply with these measures, particularly regarding hotel search results. Consequently, the additional fine was levied on Google for the period of non-compliance.

- **Google hit with hefty fine for favouring its advertising products:** The TCA imposed a fine of TRY 2.6 billion (approx. USD 80 million) on the tech giant in December 2024.⁶ The TCA found that Google abused its dominant position in the demand-side platform ("DSP") services market by unfairly favouring its own advertising products over those of its competitors. The investigation focused on Google's practices in the online display advertising and advertising technology services markets. The TCA ordered Google to grant third-party DSPs equal access to YouTube inventory and to provide non-discriminatory conditions to third-party SSPs.

Apple under investigation for App Store practices

The TCA is currently conducting a mobile ecosystem sector inquiry to understand the structure and functioning of the market for mobile smart devices and software. The inquiry aims to identify potential structural and/or behavioural competition problems within this sector.

As part of this sector inquiry, an examination of contracts signed between Apple and app developers raised suspicions that Apple may be abusing its dominant position by imposing certain restrictions on payment systems for app developers within the App Store. Specifically, the TCA is investigating whether Apple's policies, such as the alleged mandatory use of its in-app payment system and restrictions on developers' ability to inform users about alternative payment methods, violate Turkish competition law.

Meta's 2024 battles with the TCA

- **TCA clears Meta in WhatsApp Channels investigation:** The TCA has concluded its investigation into Meta's potential discriminatory practices regarding access to the Channels feature of WhatsApp within Turkey.⁷ The TCA assessed hypothetical markets for (i) consumer communication services, (ii) consumer communication services that offer channel features, and (iii) consumer communication services that offer social media applications and channel features and acknowledged Meta enjoys an appreciable market power in each of these markets. Nevertheless, the TCA did not find any evidence to suggest that Meta has abused its dominant position by engaging in discriminatory practices regarding both the creation and listing of channels on WhatsApp.

² Google General Search Case (04.07.2024, 24-28/682-283).

³ The 2024 fine of TRY 482 million translates to approximately USD 14.7 million based on the 2024 average yearly USD buying exchange rate of the Central Bank of the Republic of Turkey (TRY 32.78 per USD).

⁴ The 2021 fine of TRY 296 million translates to approximately USD 33.5 million based on the 2021 average yearly USD buying exchange rate of the Central Bank of the Republic of Turkey (TRY 8.83 per USD).

⁵ Google Local Unit and Hotel Ads (08.04.2021, 21-20/248-105).

⁶ Google DSP (12.12.2024, 24-53/1180-509).

⁷ Meta Channels (18.01.2024, 24-05/80-32).

- **Meta resolves TCA's concerns over Threads:** The TCA has concluded its investigation into Meta's Threads app following a series of regulatory actions. The TCA initially ruled that Threads violated competition laws by automatically linking user data between Instagram and Threads. This led to an interim measure⁸ prohibiting such data sharing and subsequently a significant fine imposed on Meta for non-compliance.⁹ To address the TCA's concerns, Meta agreed to a set of commitments. These commitments ensure that users can create Threads accounts independently of their Instagram accounts and that user data from Threads will not be merged with Instagram data unless explicitly chosen by the user. With these commitments in place, the TCA closed its investigation into Meta's Threads app.¹⁰
- **Meta fined for privacy abuses:** The TCA had previously determined in October 2022 that Meta was illegally combining user data across its platforms, including Facebook, Instagram, and WhatsApp, to gain an unfair competitive advantage.¹¹ Meta was initially ordered to provide a plan to rectify these violations, but its initial proposals were deemed insufficient.¹² The TCA noted that users should be given a real opportunity to confirm the use of their data across Meta's platforms, and that the confirmation screen should be neutral, informing users that they can continue using the app even if they decline consent. The company subsequently submitted revised proposals, which the TCA eventually accepted. However, due to the delays and the severity of the initial violations, Meta was still subject to a substantial fine of approx. TRY 552 million (approx. USD 17 million). Under the terms of the final agreement, Meta is required to provide users with greater transparency and control over their data. Users will now have the option to separate their accounts on different platforms and will receive clearer information about how their data is being used.

Alibaba's Trendyol agrees to curb automatic pricing practices

The TCA has concluded its investigation into Trendyol, a leading e-commerce platform in Turkey owned by Alibaba.¹³ The investigation focused on allegations that Trendyol's automatic pricing mechanism for sellers on its marketplace could restrict competition between sellers. While the investigation was ongoing, Trendyol offered a set of commitments to the TCA to address the concerns raised. Trendyol committed to changes in its auto-

mated pricing tools, including removing the "Match Buy Box Price" option and limiting the use of the automated pricing tools in its algorithms, to ensure fairer competition for all sellers on its platform. The TCA found these commitments to be sufficient to remedy the competitive issues and accepted them, bringing the investigation to a close without fines.

Hepsiburada modifies pricing tools to address competition concerns

Turkish e-commerce giant Hepsiburada agreed to modify its automated pricing tools to address concerns raised by the TCA.¹⁴ The TCA investigated potential anti-competitive practices related to Hepsiburada's pricing mechanisms, which it believed could have unfairly disadvantaged some sellers. Key changes include the removal of options that allow sellers to automatically match the lowest price on the platform and limitations on the use of automated pricing tools within Hepsiburada's algorithms.

These measures aim to create a more level playing field for all sellers and enhance competition within the e-commerce market.

Çiçeksepeti to open marketplace to third-party sellers following competition probe

Following an investigation by the TCA, popular Turkish online florist Çiçeksepeti has agreed to open its marketplace to third-party sellers in key categories such as flowers, edible flowers, and chocolates and sweets.¹⁵ The TCA had previously raised concerns that Çiçeksepeti was unfairly favouring its own products and restricting competition from other sellers. To address these concerns, Çiçeksepeti will implement measures to ensure greater transparency and fairness for all sellers on its platform.

Delivery Hero's Yemeksepeti under investigation for anti-competitive practices

The TCA has launched an investigation into Yemeksepeti, a leading online food delivery platform owned by Delivery Hero.¹⁶ The investigation was prompted by allegations that Yemeksepeti has been forcing restaurants to use its own delivery service and has implemented practices that make it difficult for these restaurants to operate on its platform.

⁸Meta Threads Interim Measures (08.02.2024, 24-07/125-50).

⁹Meta Threads Interim Measures Non-Compliance (24.04.2024, 24-20/467-197).

¹⁰Meta Threads (23.11.2024, 24-45/1053-450).

¹¹Meta Data Combination (20.10.2022, 22-48-706-299).

¹²Meta Data Combination Commitments Rejection (21.12.2023, 23-60/1162-417).

¹³Trendyol (03.10.2024, 24-40/950-409).

¹⁴Hepsiburada (03.10.2024, 24-40/951-410).

¹⁵Çiçeksepeti (21.11.2024, 24-49/1096-466).

¹⁶Yemeksepeti (07.03.2024, 24-12/211-M).

Zero Tolerance for RPM Practices

The TCA recognises RPM (resale price maintenance) as a clear and severe violation of competition. In 2024, the TCA continued its strict approach in dealing with RPM cases.

To cite a few examples, the TCA fined Nestle nearly TRY 367 million (approx. USD 11.2 million) for among others setting minimum resale prices for its products, thus limiting the ability of distributors to set their own prices. Similarly, the TCA also imposed a fine of over TRY 27 million (approx. USD 823,367) on Electrolux due to RPM. The decision was primarily based on evidence showing that company officials contacted resellers who were selling products at prices lower than those set by Electrolux, warning them and ensuring that the resellers increased their selling prices to the specified level.

In 2024, the TCA concluded at least 17 RPM investigations, including cases against Duracell, Koroplast, Canon Eurasia, Neolife, and Oriflame. While a significant portion of these investigations resulted in monetary fines, a considerable number were resolved through settlements, granting the parties a reduction in fines. Numerous other investigations into potential RPM practices are currently ongoing.

Competition for Labour Remains a Hot Topic on the TCA's Agenda

The TCA significantly intensified its scrutiny of labour market practices in 2024. Prior to issuing its Guidelines on Competition Infringements in Labour Markets, the TCA concluded several investigations. These included actions against companies in the IT and software sector for potential "gentlemen's agreements", pharmaceutical companies for practices restricting employee mobility, and private schools in Kocaeli for no-poaching and wage-fixing agreements. Furthermore, the TCA imposed fines on French high schools in Istanbul for fixing school registration fees and teacher salaries. Additionally, an investigation into potential labour market infringement in the ready-mixed concrete sector in Ankara is currently ongoing. The TCA recently launched investigations into numerous casting agencies, and film and series production companies, raising concerns about potential anti-competitive practices within the labour market.

TCA Cracks Down on Exclusionary Practices by Dominant Companies

In addition to a number of enforcement actions for exclusionary practices occurring in the digital sector (referred to above), the TCA has also taken a strong stance against exclusionary practices by dominant companies in traditional sectors. To provide a few notable examples, the TCA fined Tetra Laval and Tetra Pak over TRY 130 million (approx. USD 4 mil-

lion) for abusing their dominant position in the aseptic packaging market. The companies were found to have engaged in anti-competitive practices, such as tying the sale of their machines to the use of their specific packaging and leveraging their intellectual property rights to restrict competition. Frito Lay is also currently under investigation by the TCA for potentially abusing its dominant position in the packaged chips market. The investigation centres on allegations that Frito Lay has engaged in practices that exclude competitors and limit consumer choice. Another investigation into potential exclusionary behaviour concerns Novozymes A/S and its subsidiaries' practices in the industrial enzymes market.

Merger Control Cases

The TCA reviewed a record-high 311 merger and acquisition transactions in 2024, surpassing its workload in previous years.

For further details on TCA's merger control statistics, please read our summary [here](#).

In terms of ongoing Phase II investigations, while the Param/Kartek merger was recently cleared, the Curium International Trading/Eczacıbaşı Monrol, and Speyside/Metser deals are still under review.

In a significant setback for the long-awaited EUR 400 million deal, the TCA has rejected the proposed remedies for the acquisition of Stellantis Turkey by TOFAŞ, a major Turkish automaker jointly controlled by Stellantis N.V. and Koç Holding. The TCA concluded that the undertaking's proposed remedies to address competition concerns were inadequate. The Phase II review of the transaction is ongoing.





What's Next in 2025?

Turkey moves to modernise competition law for the digital age

Turkey is modernising its competition law framework to address the challenges of the digital economy. The Ministry of Trade has drafted amendments to Law No. 4054 on the Protection of Competition, with significant input from the TCA. While public consultations have been held and the draft has been shared with stakeholders, the timeline for its adoption remains uncertain. Although standalone legislation such as the Digital Markets Act is not expected, these amendments to the primary competition law aim to equip the TCA with the tools needed to address competition issues in the digital sphere.

The TCA unveils its 2024-2028 strategic plan

According to the Strategic Plan, the primary goals of the TCA are to ensure the effective enforcement of competition law, enhance public awareness and understanding of competition law at all levels, increase the agency's international visibility and impact, promote research and knowledge sharing in competition law and economics, optimise human resources, and improve overall institutional performance.

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UKRAINE



Legislative Updates

Over the past years, Ukraine has undertaken significant reforms to its competition law framework, driven by the Antimonopoly Committee of Ukraine (“**AMC**”). These efforts aim to harmonise Ukraine’s competition laws with European Union (EU) standards, fulfilling obligations under the 2017 Association Agreement. With the start of EU accession negotiations in 2024, Ukraine has accelerated its efforts to align its practices with those of the EU.

The reform process has been divided into two main phases. The first phase focused on modernising existing laws and strengthening the AMC’s authority. The second phase, unveiled in July 2024, emphasises deeper integration with EU competition law practices. While the second phase remains in draft form, its implementation is anticipated in 2025–2026.



2024 in Review: Key Reforms

The first phase of reforms introduced the following key changes:

Leniency Policy Enhancements. While leniency procedures have existed in Ukraine for over a decade, they were rarely applied. In February 2024, Ukraine introduced an improved leniency framework modeled on EU Directive 2019/1. Companies providing significant evidence in cartel investigations can now receive reductions in fines—50%, 30%, and 20%, depending on their cooperation level. For more details about this procedure, see our legal alert [here](#). In December 2024, the AMC granted its first full immunity under this framework for a bid-rigging case, showcasing its potential. Complete immunity was awarded to the tender participant who was the first to disclose the infringement and met specific additional criteria, including the provision of essential evidence and ongoing cooperation with the AMC during the investigation.

Settlement Procedures. The revised law allows settlement agreements in cartel and abuse of dominance cases, providing a 15% fine reduction and expediting investigations. Inspired by the EU’s set-

tlement model introduced in 2008, this procedure is expected to reduce administrative burdens and enhance efficiency in enforcement. For more details about this procedure, see our legal alert [here](#).

Merger Control. Key changes in merger controls aim to align Ukrainian regulations with EU standards, particularly Council Regulation (EC) No. 139/2004:

- **Acquisition of Control:** Concentrations are now recognised, inter alia, as an acquisition of control, meaning that acquisitions of 25% or more shares without decisive influence no longer require clearance.
- **Joint Ventures:** Previously, the establishment of any joint venture (“**JV**”) could potentially trigger merger requirements in Ukraine. Now, only fully functional joint ventures require merger clearance. Non-functional JVs may require antitrust approval instead.
- **Filing Thresholds:** Unlike previous years—where a second test specifically references the target’s assets or turnover in Ukraine at over EUR 8 million—the revised law extends this test to situations when only the acquirer’s group has a nexus to Ukraine. In addition, while calculating filing thresholds, a seller’s financial indicators can now be excluded from a filing threshold calculation if (1) the target owns no assets in Ukraine, (2) has not been active in Ukraine during the past two fiscal years, and (3) as a result of the concentration, the control relations between the seller and the target is terminated.
- **Fines and Enforcement.** To improve transparency and predictability, the AMC introduced a new procedure for setting fines, inspired by EU practices. The methodology allows businesses to anticipate potential penalties more accurately. In February 2024, the AMC tightened enforcement efforts via a new fine calculation procedure, replacing its earlier “Recommendations on the Calculation of Fines for Violations of Ukrainian Competition Laws” methodology, thus allowing the authority to impose signifi-

cantly higher fines for competition law violations in Ukraine. For more details about this procedure, see our legal alert [here](#).

Moreover, AMC decisions now carry the status of enforcement documents, which streamlines the fine collection process as the authority no longer needs to appeal to the courts to impose a fine.

Application of EU Standards for Evaluating Vertical and Horizontal Agreements. To align Ukrainian competition law enforcement with EU practices and leverage the European Commission's experience in assessing vertical and horizontal agreements, the AMC recommends its bodies:

- Apply the approaches outlined in the European Commission's Vertical Restraints Guidelines (2022/C 248/01) for evaluating vertical agreements against standard requirements, identifying competition law violations, and performing other related tasks.
- Use the principles from the Guidelines on the Application of Article 101 of the Treaty on the Functioning of the European Union ("TFEU") to Horizontal Cooperation Agreements (2023/C 4752) for assessing R&D agreements, production specialisation agreements, and potential competition law violations in horizontal agreements. These guidelines should also be referenced when evaluating actions under Ukrainian competition law and approving horizontal agreements.

These EU guidelines should be followed by the authority to the extent that they are consistent with Ukrainian competition law, including the specific model requirements for such agreements.



Looking Ahead: Phase Two Reforms in 2025

On 24 July 2024, the AMC presented a draft law containing proposed amendments for the second stage of reforms. This draft law seeks to enhance the legal framework governing the AMC's activities and to further align Ukrainian competition laws with the EU acquis. Key proposals of the draft include:

Elimination of Antitrust Clearance Requirement. Under the Ukrainian Competition Act,¹ the conclusion of agreements by companies in any form qualifies as concerted practices. Currently, implementing concerted practices may require the approval of the AMC if they do not fall within the block exemptions adopted by the authority. The draft law replaces the need for AMC approval with a self-assessment approach for arrangements not covered

by block exemptions. This aligns with EU practices, where such requirements were abolished in 2004.

Introduction of Economic Dependence Abuse.

The draft introduces the concept of "economic dependence abuse" targeting situations where businesses exploit superior bargaining positions, even without market dominance. This provision mirrors competition laws in countries like Germany and France, where significant fines have been imposed for similar violations.

Clarifications on Abuse of Dominance.

The draft law proposes amendments to clarify what constitutes abuse of dominance, specifically highlighting that: (1) not all refusals to supply goods to counterparties are illegal—only those that result in competitive disadvantages for them; and (2) creating barriers to market entry or exit, or removing businesses from the market, qualifies as abuse of dominance, unless such actions are part of standard competitive practices. These changes aim to align Ukrainian competition laws with EU legislation, particularly Article 102 of the TFEU, by offering clearer guidelines on abuse of dominance and focusing on the illegality of actions that harm competitors or restrict market access.

Behavioral and Structural Remedies.

The draft law introduces the concepts of "behavioral" and "structural" remedies, outlining the means and circumstances under which they can be applied. The current procedure for making decisions on remedies in infringement cases, as established by the AMC, is set to be refined to align with Article 10 of EU Directive 2019/1. Specifically, structural remedies will only be applied when conditions requiring such actions cannot be addressed through alternative methods. At the same time, the draft law seeks to clarify the principles for applying structural remedies, including forced separation.

Furthermore, in line with Article 12 of EU Directive 2019/1, certain provisions allow the AMC to accept commitments proposed by defendants in infringement cases. If these commitments are accepted, no fine will be imposed on the business entity. This approach, already used by EU competition authorities to quickly resolve negative impacts on competition, is expected to be adopted by the AMC soon.

Periodic Penalty Payments.

Periodic penalties are proposed to ensure compliance with AMC decisions, encouraging businesses to adhere to competition rules proactively. Unlike fines, which are imposed as punishment for past violations, periodic penalty payments aim to ensure future compliance.

Interim Measures.

The AMC's authority to issue interim decisions has been broadened, enabling the regulator to act on its own initiative during investigations.

¹ The Law of Ukraine 'On Protection of Economic Competition', dated 11 January 2001, No. 2210-III (as amended).

Integration with the EU Commission and NCAs.

While Ukraine is not yet part of the European Competition Network (ECN), the proposed reforms emphasise cooperation with EU authorities. The AMC is set to exchange information with the European Commission and national competition authorities, enhancing cross-border enforcement.



What's Next in 2025?

Despite the ongoing war, Ukraine's competition law reforms represent a significant step toward EU integration. These reforms strengthen Ukraine's alignment with EU standards and enhance its businesses' global competitiveness.

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