



The GVH exercises its new power for the first time to investigate the acquisition of the cable network in Oroszlány

The Hungarian Competition Authority (Gazdasági Versenyhivatal, hereinafter GVH) initiated a competition supervision proceeding against DIGI Távközlési és Szolgáltató Kft. for the first time to investigate a concentration meeting the enforcement threshold of HUF 5 billion and not having been notified to the GVH.

Pursuant to the Hungarian Competition Act, in the case of a concentration of undertakings the authorisation of the GVH must be sought in cases where the aggregate net turnover of all the undertakings concerned exceeds HUF 15 billion and the net turnover of each of at least two of the groups of undertakings concerned exceeds HUF 1 billion. In addition, according to the rules applicable from 15 January 2017, the GVH is empowered to investigate smaller concentrations in a separate competition supervision procedure where the aggregate turnover of the participating undertakings concerned exceeds HUF 5 billion and the possibility of a significant decrease in competition on the relevant market cannot be excluded. Such transactions can be investigated by the GVH within 6 months after their realisation. The GVH has not launched such an investigation ex officio since the entering into force of the new rules.

In August 2017 DIGI Távközlési és Szolgáltató Kft. took over in twenty municipalities the communication system and the related portfolios of subscribers and contracts of Greencom Kft. within the framework of a transaction which qualifies as a concentration. In order to investigate this concentration the GVH launched a competition supervision transaction under the case number Vj/49/2017, as the concentration reached the threshold of HUF 5 billion subject to authorisation and in the case of one municipality (Oroszlány) the possibility of a significant decrease in competition arose. The GVH deliberated the necessity of initiating the procedure after receiving a complaint from a private person.

The initiation of the competition supervision procedure does not mean that the concentration will in fact lead to harmful effects that necessitate intervention; furthermore, in such cases the realisation of such a transaction without prior notification does not qualify as a violation of the stand still obligation. The procedure intends to clarify the facts in order to allow possible competition effects to be assessed and evaluated. In accordance with the applicable law the GVH has to close the procedure within four months.

Case number: Vj/49/2017

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Hungarian Competition Authority

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