



GVH imposes fines for unauthorised acquisitions

Budapest, 6 October 2022 – The Hungarian Competition Authority (GVH) has imposed fines in two cases at the same time for notifiable mergers carried out by the concerned undertakings without informing the authority. The Competition Authority has taken into account the fact that the undertakings remedied the failure, admitted to the infringement, and that their mergers proved harmless to competition.

Parallel proceedings by the Hungarian Competition Authority revealed that two domestic mergers had taken place prior to regulatory approval. The parties failed to notify the GVH about the merger in time even though the transaction values reached the statutory thresholds. While HO-ME 2000 Kft., together with Belfry Holding GmbH, acquired control of REPÉT Környezetvédelmi és Építő Kft. (now called INETON Építő és Gyártó Kft.), the Central European Opportunity Private Equity Fund gained control of Global Refuse Holding Zrt. without notifying the authority. This prevented the GVH from assessing the effects of the mergers on competition and Hungarian consumers before implementation.

The GVH's Competition Council took into account the fact that in both cases the parties had voluntarily contacted the authority to remedy the situation, although with a delay. The GVH examined the mergers and found that they did not have any adverse effects on competition and therefore did not prohibit the transactions in either case. Nevertheless, it imposed fines on the undertakings for violating the prohibition of execution prior to official acknowledgement. Accordingly, HO-ME 2000 Kft. and Belfry Holding GmbH will be required to pay HUF 21.6 million, while the Central European Opportunity Private Equity Fund will have to pay HUF 2.3 million (in proportion to the length of time passed before notifying the authority). The GVH's Competition Council also considered the fact that all the companies concerned admitted to the infringement, which was their first violation of competition law, and waived their right to appeal against the decision.

The two cases highlighted that even in the case of infringement, the merging companies should voluntarily remedy the deficiency and cooperate with the competition authority afterwards, as this can be a significant mitigating factor and reduce the relevant fines.

Case reference numbers: **VJ/6/2022, VJ/7/2022**

Press Office of the GVH