



Changes to the Hungarian competition rules – proceedings become more predictable

The amendments made to Act LVII of 1996 on the Prohibition of Unfair and Restrictive Market Practices Act (the Hungarian Competition – Tpv.) which will enter into force on the 1st of July will constitute several substantive and procedural modifications. The changes, which are the result of the experiences gained over the last couple of years in the law enforcement, will result in the GVH's proceedings (Gazdasági Versenyhivatal - Hungarian Competition Authority) becoming more clear and predictable.

The more **up-to-date legal background** that the modifications will result in will enable the GVH to fulfil its role more effectively. The **clearer legislative conditions** that will exist will also allow **better adaptation** to the economic changes that have taken place since the last modifications were made to the Act and **to current European legal practices and standards**.

Merger procedures are significantly affected by the amendments. Due to the procedural changes made to **merger control**, the **administration deadline** for simpler (first phase) merger cases has been reduced from 45 to **30 days**. Furthermore, another significant change is that a merger cannot be realised until the approval of the GVH has been attained. In the GVH's opinion, these alterations will result in a **reduction in the administrative burdens faced by market players** without substantially increasing the risk that restrictive mergers would be approved, and they will also **provide the GVH with effective tools** against undertakings that disobey merger legislation.

Rules regarding **access to files and data management** have also undergone **significant changes** in order to enable the GVH to conduct its investigations even more effectively, while continuing to comply with data management and data protection standards.

The **changes concerning cartel and abuse of dominance cases** involve **corrections to the rules of the so-called leniency policy**. This policy allows the Authority to reduce or waive fines for those undertakings that voluntarily cooperate in discovering cartels or providing evidence of them.

To strengthen transparency in the area of **consumer protection** the provisions of the **Act on Business Advertising Activity** regarding the **prohibition of misleading and unlawfully comparative advertising** have been incorporated into the Competition Act.

The modifications also aim to highlight the fact that **the development of competition advocacy and competition culture** is a key task. These two areas are of high priority in the GVH's work as by shaping the legal environment to be competition-friendly, increasing the recognition and compliance of competition law through improved consumer awareness, the GVH can effectively contribute to improving the intensity of competition and thus to economic growth, employment and living standards, and overall, to social welfare.

Budapest, 30 June 2014

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