

## **Administrative time limit governing simplified mergers decreases from 30 days to 8 days**

**The amendment to the Act on the Reduction of Public Administrative Bureaucracy, which entered into force on 1 January 2016, changes the administrative time limit of the Hungarian Competition Authority (GVH).**

According to the new provision, a decision has to be made within 8 days in those cases which are subject to an administrative time limit of less than two months (the so-called summary procedures); consequently, also in simplified merger procedures conducted in accordance with the Hungarian Competition Act.

The GVH grants authorisation in a simplified merger procedure if the transaction in question will clearly not significantly reduce competition on the relevant market. An amendment to the Competition Act, effective from 1 July 2014, decreased the administrative time limit applicable to this kind of procedure to 30 days (from the previous time limit of 45 days). Last year, in most of these procedures the GVH made a decision in a shorter time than the time limit provided for by the Competition Act (the actual, average, net duration of simplified merger procedures – i.e. without calculating the number of days pursuant to the law that elapsed until the remedy of deficiencies – decreased to less than 20 days in 2015.)

The GVH highlights that a decision can only be made within 8 days if the party in question submits a fully completed application. Consequently, the applicability of this kind of procedure is dependent on the party submitting the application. The fullness and reliability of the data which are submitted by the party and the full and complete filling of the form which is used to submit an application substantially influence the duration of the procedure.

In merger procedures, the pre-notification contact, which has been available since 2012, plays an important role because an adequately prepared pre-notification contact (especially if it was initiated on the basis of a draft form) can decrease deficiencies in later procedures. Pre-notification contact is regulated in [Notice No 4/2014 of the president of the Hungarian Competition Authority and the chair of the Competition Council of the Hungarian Competition Authority](#).

In the opinion of the GVH, summary procedures can primarily be applied in cases of so-called simplified decisions without justification. This type of decision was applied in one third of the cases in 2015.

This new type of procedure is in line with the series of measures (e.g. establishment of a separate Merger Section, new application form, possibility of pre-notification contact, simplified decision) which have been applied by the GVH in order to speed-up and increase the efficiency of the authorisation of mergers.

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