

LATEST INTELLIGENCE

Merger Review

Lukoil Baltic shoulders EUR 3.4m fine for failure to file Lithuanian fuel station transfer (Regulatory Authority Press Release (Translated))

The Lithuanian Competition Council (CC) fined **Lukoil Baltic** LTL 12m (EUR 3.4) for gaining control of several fuel stations without prior merger clearance, the CC [announced](#).

The CC's investigation revealed that under a joint venture agreement with **Baltic Petroleum**, 15 filling stations were transferred to Lukoil Baltic in 2003; and one more in 2008. But the energy company failed to notify the transaction with the CC.

In addition to the fine, Lukoil Baltic was ordered to rectify the infringement. It can either transfer the relevant assets back to their previous owner or notify the change of control of these assets to the CC in accordance with Lithuanian merger control rules, the country's competition watchdog said.

In the latter scenario, the CC would carry out an in-depth merger review and would then decide whether to clear the transaction post factum.

The EUR 3.4m fine accounts for 0.5% of Lukoil Baltic's annual revenues in 2012. For failure to file notifiable transactions, the CC can impose up to 10% of annual company turnover.

"The business community still perceives merger control in the country as a mere formality," the release quotes CC chairman Šarūnas Keserauskas. "But the perception is incorrect because transactions can restrict competition and thus lead to real negative consequences to consumers such as increased prices for services due to the reduced number of market participants and weakened competition."

Keserauskas has previously [told PaRR](#) that the energy sector would be at the top of the CC's "to-do" list. This year, the authority aims to wrap up probes into alleged collusion in the power cogeneration and biofuels sectors.

The authority also expects to conclude antitrust proceedings against **Gazprom** for alleged failure to comply with commitments the Russian gas supplier had provided to secure clearance for its acquisition of a 34% stake in a Lithuanian gas distributor **Lietuvos dujos** several years ago.