



NEWSLETTER NO. 10

October 9



On September 10, the 11th Baltic Competition Conference took place in Vilnius.

More than 180 participants from seven countries had an opportunity to hear on competition enforcement trends from 14 prominent experts of competition law and economics representing international business law firms, law schools and national competition authorities.

The survey results showed that the 11th Baltic Competition Conference in Vilnius was a great success! All the speakers were highly appreciated and praised for both attractive presentations and interesting content. The participants of the conference enjoyed diverse and interesting programme as well as a long list of speakers. The organization was said to be great.

We do wish all the best to our Latvian and Estonian colleagues taking over the lead in organising Baltic Competition Conference and already start looking forward to the year 2017, when Vilnius will be hosting Baltic Competition Conference again. In the meantime, please take your time to have a look at the **photo gallery** and **conference materials**.

Competition Council of Lithuania favours Parliament's decision to reject the amendments to the Law on Competition and notes that the implementation of a non-notified merger is a serious procedural infringement. "Failure to notify a merger is one of the most serious infringements of competition law. Such infringement may have a strong negative effect on consumers as well as market participants. A merger has to be notified prior its implementation." – reminds Šarūnas Keserauskas, the Chairman of the Competition Council.



On 15 July, the Parliament introduced amendments to the Law on Competition. According to the proposed amendments, the maximum fine for implementing a non-notified merger should account for no more than 150 000 litas (43 443 euros), provided the merger did not significantly restrict competition within the relevant market.

On 18 September, 79 out of 99 members of the Parliament supported the President's veto and left the Law on Competition unamended.

On 29 July, the President of the Republic of Lithuania vetoed the amendments and returned the bill for reconsideration emphasizing that amendments would create possibilities for large cap companies to escape fines adequate to the committed infringements.

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MERGERS

- September 29** | Competition Council (the Council) cleared acquisition of 22.19 per cent of *UAB Fegda* shares by *UAB Milsa* and, thus, allowed Arvydas Gribulis, Rimvydas Šėrys and Gintaras Kazakevičius to gain joint control of *UAB Fegda*.
[More](#)
- September 29** | Competition Council cleared a merger between *KŪB Practica Venture Capital* and *UAB MCT*. *KŪB Practica Venture Capital* acquired convertible bonds of *UAB MCT* on the basis of investment agreement and, thus, gained the control of the latter company.
[More](#)
- September 23** | Competition Council cleared acquisition of 100 per cent of *AB Puntukas* shares by *AB ŽIA valda*. Hence, the latter company acquired sole control of *AB Puntukas*.
[More](#)
- September 23** | Competition Council cleared acquisition of 8.16 per cent of *AB Amilina* shares by *Roquette Freres* (all the company's shares together with already owned ones will amount to 53.676 per cent). Hence, *Roquette Freres* acquired sole control of *AB Amilina*.
[More](#)
- September 19** | Having examined merger notifications by *UAB Lukoil Baltija*, the Competition Council allowed the latter company to gain control of 14 petrol stations.
UAB Lukoil Baltija applied for the Council's clearance for the mergers fulfilling an obligation imposed on the company by the Council on 12 May 2014. The company was obligated to notify the mergers that had been implemented without the Council's clearance.
[More](#)
- September 18** | Competition Council cleared acquisition of *UAB Officeday*, *SIA Officeday Latvia* and *SIA E-SAVE* shares by *UAB SANITEX*.
[More](#)
- September 16** | Competition Council called stakeholders to express their grounded opinions on *PZU S.A.* commitments to the merger wherein the latter acquires up to 100 per cent of *AB Lietuvos draudimas* shares.
Having carried out an evaluation of the intended merger, the Council preliminary noted that the merger could create or strengthen the dominant position, or significantly restrict competition within the relevant markets. In response to the statement of objections sent by the Council's experts, *PZU S.A.* presented written commitments. The company suggested transferring a part of business related to the activities carried out in Lithuania within the aforementioned markets.
[More](#)
- September 11** | Competition Council cleared acquisition of 100 per cent of *UAB Personalo valdymas* shares by *UAB TELE2*.
[More](#)

After *UAB Kautra* had abandoned its intentions to acquire up to 100 per cent of *UAB Tolimojo keleivinio transporto kompanija* shares, the Competition Council terminated the examination of the intended merger.

September 3

UAB Kautra abandoned its intentions to implement the merger after hearing the preliminary conclusions made by the Council's experts. According to them, the intended merger could create or strengthen the dominant position, or significantly restrict competition within certain markets of regular passenger carrying services on local, long-distance and international routes.

[More](#)

ANTICOMPETITIVE AGREEMENTS

Competition Council found that the actions of *UAB G4S Lietuva (G4S)* breached Article 5 of the Law on Competition and Article 101 of the Treaty on the Functioning of the European Union. The company was fined 9 437 800 litas (2 733 375 euros).

September 30

The Supreme Administrative Court obligated the Council to evaluate whether the commitments proposed by *G4S* could have helped the company avoid sanctions in the case concerning anticompetitive agreements.

Having taken into consideration all the circumstances the Council held that the commitments proposed by *G4S* could not have helped the company avoid sanctions.

[More](#)

Competition Council closed investigation into suspected anticompetitive agreements between the producers and distributors of bread and other food products.

September 18

Having evaluated all the collected data, the Council's experts found that the supply contracts concluded between *UAB MAXIMA LT* and *UAB Mantinga* could have breached Article 5 of the Law on Competition and Article 101 of the Treaty on the Functioning of the European Union.

The Council has informed the suspected undertaking about the conclusions of an investigation; however, it does not mean that the infringement has already been established.

[More](#)

ACTIVITY OF PUBLIC ENTITIES

Competition Council sent a Statement of Objections to Šalčininkai municipality suspected of antitrust violation. According to the preliminary evaluation carried out by the Competition Council's experts, municipal council's decision authorising *UAB Tvarkyba* and *UAB Eišiškių komunalinis ūkis* to arrange waste management system breached Article 4 of the Law on Competition.

September 25

The Statement of Objections suggested the Municipality to repeal the aforementioned municipal decision and, thus, eliminate the breach.

[More](#)

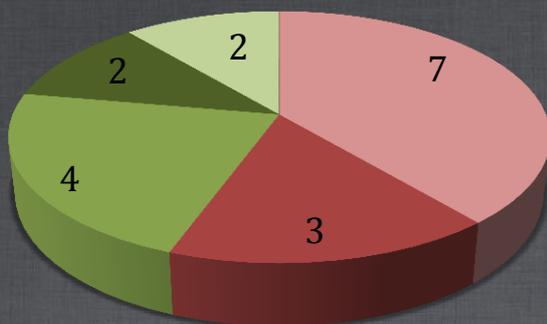
- September 16** | Competition Council closed the investigation concerning Vilnius City Municipality decision to establish a taxi company *VŠĮ Vilnius veža*. Preliminary conclusions of the Council state that the decision fails to comply with the Law on Competition.
- The Council's experts found that establishment of *VŠĮ Vilnius veža* created a conflict of interests as the Municipality got involved into a self-administered economic activity. The Statement of Objections suggested the Municipality to repeal the aforementioned municipal decision and, thus, eliminate the breach.
- [More](#)

ADVERTISING

- September 29** | Competition Council opened an investigation into a suspected misleading advertising by the supermarket chain *Rimi*.
- The Council will evaluate whether the toy discount advertisements promoted in the press, radio and television may have mislead consumers.
- [More](#)
- September 2** | Competition Council opened an investigation into a suspected misleading advertising by *UAB Electronic Trade*.
- The Council suspect that the advertisements wherein one of the two sales prices indicated alongside the product is crossed out may have misled consumers.
- [More](#)

FACTS AND FIGURES

ENFORCEMENT OF THE LAW ON COMPETITION



- Ongoing investigations into misconduct of public administration bodies.
- Ongoing investigations into anticompetitive agreements.
- Ongoing investigations concerning the failure to fulfill obligations.
- Ongoing investigations into dominance abuse.
- Ongoing investigations into the breaches of merger procedure.



ADVERTISING

5

ongoing investigations into allegedly misleading advertising.

24

complaints about the suspected breaches of the Law on Advertising.

11

warnings for improper advertising.

62

warnings for the advertising incompatible with the requirements of euro adoption.



LEGISLATION

13

draft legal acts that the Council's experts reviewed and commented on.



CASES IN COURTS

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cases pending in courts.

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Lithuanian Competition Council