

## 1. Regulatory framework

### 1.1 What is the applicable legislation and who enforces it?

Mergers are regulated by the Control of Concentrations between Undertakings Law of 2014 (Merger Law). The Commission for the Protection of Competition (CPC), an independent body, is responsible for implementing the Merger Law.

### 1.2 What types of mergers and joint ventures (JVs) are caught?



The Merger Law applies to all transactions that result in a permanent change of control and meet the applicable thresholds, including the formation of joint ventures that function as an autonomous economic entity on a permanent basis.

## 2. Filing

### 2.1 What are the thresholds for notification, how clear are they, and are there circumstances in which the authorities may investigate a merger falling outside such thresholds?



A concentration is notifiable if all the following conditions are met:

- at least two of the participating undertakings achieve an annual turnover in excess of €3.5 million (\$3.7 million) each;
- at least two of the participating undertakings achieve a turnover in Cyprus; and,
- at least €3.5 million of the aggregate turnover of all the participating undertakings is achieved in Cyprus.

The Minister of Energy, Commerce, Industry and Tourism has the power to declare a concentration as being of major importance and so notifiable despite the thresholds not being met.

### 2.2 Are there circumstances in which a foreign-to-foreign merger may require notification, and is a local effect required to give the authority jurisdiction?



Foreign-to-foreign mergers require notification if the conditions in 2.1 are met. A local effect is not required to give the CPC jurisdiction.

### 2.3 Is filing mandatory or voluntary and must closing be suspended pending clearance? Are there any sanctions for non-compliance, and are these applied in practice?



Filing is mandatory and implementation (whether partial or in full) before clearance is expressly prohibited. Failure to comply can result in administrative fines of up to 10% of the aggregate turnover achieved by the notifying undertaking during the preceding financial year. In addition, the CPC has the power to partially or wholly dissolve a concentration that has been implemented without notification. The new law has not been in force long enough to indicate how the CPC will use these powers.

### 2.4 Who is responsible for filing and what, if any filing fee applies? What are the filing requirements and how onerous are these?



Concentrations must be notified either jointly or separately by the undertakings participating in a merger or in the acquisition of control of another undertaking. A filing fee of €1,000 is payable with the notification (the CPC will not commence the review until the fee has been paid). If the CPC determines that a full investigation is required there is a further fee of €6,000. The notification must be made in Greek and be accompanied by the supporting documents and other information (which can be in English) set out in schedule III of the Merger Law.

## 3. Clearance

### 3.1 What is the standard timetable for clearance and is there a fast-track process? Can the authority extend or delay this process?



The CPC must notify the undertakings concerned of its initial decision, either to clear the concentration or to require a full investigation, no later than one month after receiving the notification and filing fees or any additional information required under the Merger Law. It may extend this period by up to 14 days under certain conditions. If a phase II investigation takes place the CPC must issue its decision within four months after having received all the information required under schedule III of the Merger Law.

### 3.2 What is the substantive test for clearance, and to what extent does the authority consider efficiencies arguments or non-competition factors such as industrial policy or the public interest in reaching its decisions?



The substantive test is that the proposed concentration should not substantially impair competition in Cyprus or in a part of it. The CPC must take account of the interests of intermediate and end consumers of the relevant products and services and the contribution to technical and economic progress and the possible benefit to consumers.

### 3.3 Are remedies available to alleviate competition concerns? Please comment on the authority's approach to acceptance and implementation of remedies.



If the CPC's concerns are not resolved it is required to consider which of the circumstances causing its concerns may be removed, and to make suggestions and negotiate with the parties to resolve the outstanding issues. It may require the transaction to be amended or the participants to provide commitments, for example to divest certain activities.

## 4. Rights of appeal

### 4.1 Please describe the parties' ability to appeal merger control decisions – how successful have such challenges been?



As administrative executive acts issued by a public authority, decisions of the CPC are subject to recourse to the Administrative Court under article 146 of the constitution.

## 5. Your jurisdiction

### 5.1 In no more than 200 words outline any merger control regulatory trends in your jurisdiction.

Following the introduction of the new law in 2014 the merger control regime is aligned with Jurisdictional Notice Regulation 139/2004 and is more balanced and clearer than before. It remains to be seen whether the raising of the threshold for aggregate turnover in Cyprus to €3.5 million will go far enough to exclude insignificant foreign-to-foreign mergers from notification.

The new law has not been in force long enough to allow any firm conclusions to be drawn regarding how the CPC will implement it and exercise its significant powers. However, given that the CPC was one of the prime movers for the simplification of the law and the raising of thresholds to exclude insignificant mergers that took place in 2014, it is likely that it will implement the new law and exercise its powers in a balanced manner and with discretion. The CPC maintains close links with its counterparts in the European Competition Network and may be expected to adopt their general approach.

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