

SUPERVISION OVER FOREIGN SUBSIDIES BY THE EUROPEAN COMMISSION (FSR)

SUPERVISION IN CONCENTRATIONS

- Obligation of prior notification if the turnover of the merging entities exceeds EUR 500 million and the financial contributions received in the last 3 years exceed EUR 50 million.
- During the period of the Commission's review, the merger must not be implemented - violation of this obligation is punishable by a very high fine (up to 10% of the global turnover).
- The first stage of review is to last no more than 25 working days, the second stage 90 working days.
- The Commission can prohibit the merger or impose remedial measures, including the obligation to return the subsidy.

SUPERVISION BY THE EUROPEAN COMMISSION BY ITS OWN INITIATIVE

- A review of foreign subsidies over the past 10 years.
- The Commission's local inspection (dawn raid), including outside the EU, requests for information.
- Preliminary measures (e.g. suspension of payment).
- The Commission may impose remedial measures, including the obligation to repay the foreign subsidy.

SUPERVISION IN TENDERS

- The obligation of prior notification if the value of the tender exceeds EUR 250 million and the financial contributions in last 3 years exceed EUR 4 million.
- Violation of the obligation to notify is punishable by a very high fine (up to 10% of global turnover).
- The tender may not be terminated during the Commission's review.
- First phase review 20 working days, full review to be completed within 110 days of full notification.
- The Commission can prohibit the award of the tender to the winning bidder or impose corrective measures, including the obligation to return the foreign subsidy.

HOW CAN WE HELP YOU?

- ✓ Assess whether you have an obligation to notify the transaction according to the FSR
- ✓ Prepare notification according to FSR, incl. pre-notification contacts
- ✓ Help defend you against unlawful foreign subsidy provided to your competitor, another tenderer or an acquirer in a merger



FOREIGN SUBSIDY

Provision of a financial contribution, directly or indirectly by a third country which confers a benefit on an undertaking active on the internal market.



FOREIGN FINANCIAL CONTRIBUTION

E.g., a grant, contribution, loan, waiver of a fee or tax but also any purchase or sale of goods or services from a third country or an undertaking controlled by the country.



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The largest competition team in Central Europe is at your service.