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Competition Law

(Zakon o zaštiti konkurencije, Službeni glasnik RS n. 51/09)

The new Serbian Competition Law ("Law") will come into force on 22 July 2009. The two most important changes from the previous competition legislation pertain to the relaxing of the thresholds for concentration approval and boosting of the powers of the Competition Commission.

One of the most significant drawbacks of the former Competition Law was a very low threshold for concentration filings, which effectively created a tax on acquisitions and mergers. Pursuant to the new Law, approval will be necessary if:

- a) the combined annual income of all entities involved in the concentration generated world-wide in the year preceding the concentration exceeds €100 million, provided, however, that at least one entity involved in concentration generated more than €10 million on the Serbian market; or
- b) combined annual income of all entities involved in concentration generated on the Serbian market in the year preceding the concentration exceeds € 20 million, provided, however, that at least two entities involved in concentration generated more than €1 million each on the Serbian market

The deadline for submission of the concentration filing has been increased from seven to fifteen days from the occurrence of the relevant event (e.g. signing of the SPA, publication of the takeover offer, etc.).

Much of the complaints about the previous legislation were directed at the ineffectiveness of various prohibitions resulting from the lack of authority of the Competition Commission to impose any measures. The Law now vests the Competition Commission with the power to autonomously impose penalties and administer measures in cases of non-compliance with the Law, including the power to annul the act of concentration if the involved parties conducted it without obtaining a clearance or if they did not act in accordance with the imposed conditions in case a conditional clearance was given.

In the area of restrictive agreements, the Law introduces *de minimis* rules for both vertical and horizontal agreements.

The conditions for block exemption are that the agreement contributes to the improvement of production or distribution, contains only restrictions necessary for the achievement of the relevant goal of the agreement, and does not limit the competition on the relevant market.

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