

Competition  
& Regulation Report

*November - December 2015*

**EDITORIAL:** Resale Price Maintenance (RPM): The French Autorité de la concurrence provides useful clarifications.

**HIGHLIGHTS**

- The General Court annulled the decision by which the Commission imposed fines on several airlines for their participation in a cartel in the airfreight market.
- Greece: HCC fined Athenian Brewery S.A. for an abuse of dominance in the Greek beer market. The company refutes the charges.
- General Court judgment in joined cases T-233/11 and T-265/11: State aid for Greek mining company Ellinikos Xrysos
- The General Court annulled the Commission's decision finding that the 'Spanish tax lease system' was illegal State aid
- The General Court confirmed that the state aid in the sum of € 503 million granted by France to Sernam and conditionally approved by the European Commission in an earlier decision was wrongfully implemented
- The European Commission invited Greece to better target its "tonnage tax" and related support measures in the maritime sector.
- The European Commission opened formal investigation into Luxembourg's tax treatment of McDonald's
- Greece : The Ministerial Decision for the Greek interruptibility scheme was published in the Governmental Gazette

**TOPICS IN THIS ISSUE**

- Antitrust
- Mergers
- State Aid
- Energy
- Electronic Communications
- Pharmaceuticals
- Transport
- News of the Markets

© KLC Law Firm. The content of this Issue is designated only for general information purposes and should not be construed as legal advice in general or in any specific case neither as business or investment advice. Clients wishing to have legal advice on behalf of our Firm on a specific factual context should contact appropriately the Lawyers of the Firm.

**Editorial:**

**Resale Price Maintenance (RPM): The French Autorité de la concurrence provides useful clarifications.**

With its Decision No. 15-D-18 of December 1<sup>st</sup> 2015, the Autorité de la concurrence ruled in favor of Nintendo France and its Japanese parent company, Nintendo Co. Ltd., thus ending the procedure initiated by the General Directorate for Competition Policy, Consumer Affairs and Fraud Control (DGCCRF) against Nintendo eight years ago over alleged anticompetitive resale price maintenance (RPM) in relation to its “Wii” games console.

The European Commission has defined RPM as [vertical] “agreements or concerted practices having as their direct or indirect object the establishment of a fixed or minimum resale price or a fixed or minimum price level to be observed by the buyer.”<sup>1</sup> In the case at hand, the practice alleged against Nintendo dates back to the launch of the Wii console on the European market in December 2006. More specifically, to mark the launch of its Wii console on the European market, Nintendo held a press conference in London, during which the president of the group made several announcements on the sale prices of the Wii console, indicating that the “estimated” sale price of the new console was €249. This information was then reported on Nintendo’s European website and on several media platforms. With respect

to the above, the Autorité’s investigating service considered such practices could in fact constitute resale prices imposed by Nintendo, and a statement of objections was sent to Nintendo in that regard.

In its Decision of December 1<sup>st</sup> 2015, the Autorité first referred to its strict practice on resale price maintenance, pursuant to which the standard of proof of such unlawful agreements on resale prices, in the absence of express agreements between the parties, “results from the gathering of a bundle of serious, precise, and coherent evidence including cumulatively: 1) the disclosure of the resale price of the products between the supplier and its distributors, 2) the implementation of a system of monitoring the resale prices, and 3) the fact that the disclosed resale prices have in practice been applied. Together, these three types of evidence constitute a condition sufficient to establish the agreement of the supplier in general and between a distributor and its supplier in particular. Proof of each of these three types of evidence may be freely established by any means.”<sup>2</sup>

In the case at hand, the Autorité held that the first of the above conditions had been met, since the announcements made by the group’s president at the press conference, and subsequently reported in France through Nintendo’s European website and by the press, concerned the French market and were intended to inform the distributors of the recommended resale prices. However, as regards the second of the abovementioned conditions, the

<sup>1</sup> Commission notice - Guidelines on Vertical Restraints, Official Journal C 130, 19.05.2010, (the “Guidelines on Vertical Restraints”), paragraphs 48 and 223

<sup>2</sup> This standard of proof has also been confirmed by the Court of Appeal of Paris (Appeal Court of Paris, 26 January 2014, Beauté Prestige International)

Autorité concluded that it had not been proven that Nintendo had implemented a price monitoring system. Consequently, without there being a need to examine the third element of the required bundle of evidence, the Autorité considered that no resale price maintenance could be upheld against Nintendo and dismissed the proceedings against it.

It must be noted that although Nintendo was not held liable in this case, the rationale of the decision shows that the announcement of resale prices by suppliers is interpreted in a very broad manner by the Autorité, and thus, the first condition for a vertical unlawful agreement on resale prices is easily met. Suppliers must therefore be careful in their public communications, and must also be very vigilant in ensuring that they do not monitor distributors' resale prices.

To read the full text of Decision No. 15-D-18 of December 1<sup>st</sup> 2015 of the Autorité de la concurrence click [here](#).

### **Antitrust**

#### **Court of Justice of the European Union: Preliminary ruling in case C-345/14 SIA "Maxima Latvija" vs. Konkurences padome**

In its judgment of 26.11.2015 in case C-345/14, the Court of Justice of the European Union (CJEU) ruled on preliminary questions referred by the Latvian Supreme Court regarding Article 101(1) TFEU. These concern a case where rental agreements of commercial property in shopping centres included a clause that granted the main lessee the right to oppose the letting of property to other tenants. The CJEU ruled that the mere fact that such

a clause is included in a rental agreement does not mean that the whole agreement was set up to restrict competition in the meaning of Article 101 (no restriction by object). The court held however that such agreements may result in restricting competition (possible restriction by effect), depending on the concrete facts of the case and the context in which the agreements occur. To read the full judgment of the CJEU in case C-345/14, click [here](#).

#### **European Commission: Public Consultation on "Empowering the national competition authorities to be more effective enforcers"**

The European Commission decided to consult stakeholders on how to empower the national competition authorities (NCAs) to be more effective enforcers. While EU law (Regulation 1/2003) gave NCAs the competence to apply the EU competition rules, it did not tackle the means and instruments by which NCAs apply those rules. As a result, NCAs encounter difficulties in carrying out their work and in tapping their full potential. Stakeholders are invited to answer those parts of the questionnaire which concern them and to provide any other comments or information which they consider to be relevant. The consultation period starts 04.11.2015 and ends on 12.02.2016. To read the relevant information of the European Commission click [here](#).

#### **New European Commission Guidelines on joint selling of olive oil, beef and veal, and arable crops**

The European Commission adopted new Guidelines on how specific agricultural derogations from EU

antitrust rules apply to the sale of certain agricultural products. The Guidelines will help explain to farmers how, if certain conditions are fulfilled, they can jointly sell olive oil, beef and veal, and arable crops in compliance with EU competition rules. The European markets for these three products are worth more than €80 billion annually. The new Guidelines complement the 2013 Common Agricultural Policy (CAP) Reform that introduced a number of changes to the rules on how EU farmers can cooperate. The aim of the CAP reform measures is to increase the competitiveness and sustainability of EU farmers and strengthen their bargaining power *vis-à-vis* buyers, while still preserving a market-oriented approach. To read the full press release of the European Commission (IP-15-6187) click [here](#).

#### **The European Commission to consult on boosting enforcement powers of national competition authorities**

The Commission invited the general public and stakeholders to share their experience and provide feedback on potential EU legislative actions to further strengthen the enforcement and sanctioning tools of national competition authorities. Responses to the public consultation can be submitted until 12 February 2016. The Commission will carefully review all input before deciding whether and to what extent it should take further action. To read the full press release of the European Commission (IP-15-5998) click [here](#).

#### **Greece: HCC fined Athenian Brewery S.A. for an abuse of dominance in the Greek beer market. The company refutes the charges.**

Following an investigation (ex officio and upon a complaint by Mythos Brewery S.A.), the Hellenic Competition Commission (HCC) found that Athenian Brewery S.A., a subsidiary of Heineken N.V. active in the production and distribution of beer in Greece, abused its dominant position, thereby infringing Articles 2 of the Competition Act and 102 EU Treaty. A fine totaling € 31.451.211 was imposed on Athenian Brewery S.A. for the said infringement. The company was also required to cease the infringement and to introduce written contracts with amended terms, so as to avoid the continuance of the infringement. However, pursuant to a press release dated 01.12.2015, Athenian Brewery S.A. refutes the aforementioned charges of the HCC and reserves its right to contest the decision of the HCC and to defend its rights before the competent Administrative Courts of Greece. According to the same press release of the Athenian Brewery, the company claims that the HCC did not take into account the documentation - information submitted by it during the hearing, nor did the HCC take into account the fundamental developments that have taken place in the market of beer during the past years, such as the fact that the market share of Athenian Brewery has fallen from 73% in 2000 to approximately 50% today. To read the full press release of the HCC click [here](#), to read the full text of decision No. 590/2014 of the HCC click [here](#), and to read the relevant press release of Athenian Brewery S.A., click [here](#).

**Greece: HCC issued its report of activities for the year 2014**

On 02.11.2015, the HCC issued its report of activities for 2014. To read the report of activities click [here](#).

**France: the Autorité de la concurrence fined two anticompetitive agreements in the delivery service industry for a total amount of 672.3 million euros**

On 15.12.2015 the Autorité principally fined 20 delivery service companies for coordinating on annual price increases that they charged their respective clients. This information sharing process, which occurred between September 2004 and September 2010, mainly took place during meetings held within the framework of a professional trade union body (TLF) which has also been fined. The following companies were involved in the agreement: Alloin, BMVirolle, Chronopost, Exapaq (now known as DPD France), Ciblex, Dachser France, DHL Express France, FedEx Express France, Gefco, Geodis, GLS France, Heppner, Lambert et Valette, XP France, Norbert Dentressangle Distribution, Normatrans, Schenker-Joyau (now known as Schenker France), TNT Express France, Transports Henri Ducros, Ziegler France. To read the full press release of the Autorité click [here](#).

**Germany: Bundeskartellamt opened proceedings against Audible/Amazon and Apple**

The Bundeskartellamt initiated administrative proceedings against the Amazon subsidiary Audible.com and Apple Computer Inc. The companies have a long-term agreement on the purchase of audiobooks by Apple from

Audible for sale in Apple's download shop iTunes Store. Audible is a leading supplier of audiobooks in Germany and specialises in audiobook downloads which can be accessed both from Audible.de as well as from the Amazon trading platform. In addition, Audible is one of the largest producers of audiobooks in Germany and Europe. With its iTunes Store Apple operates one of the largest digital media trading platforms which in addition to music, videos and apps offers eBooks and audiobooks for download. To read the full press release of the Bundeskartellamt click [here](#).

**Mergers****The European Commission cleared acquisition of Swissport by HNA Group**

The European Commission approved under the EU Merger Regulation the acquisition of the Swissport group of companies by HNA Group Co., Ltd., a Chinese conglomerate. Swissport is a major provider of airport ground handling, cargo handling, and related ground handling services, to airlines in Europe and abroad and HNA Group manages several airlines active in the European Economic Area (EEA) and other aviation related enterprises. The Commission concluded that the proposed acquisition would raise no competition concerns because the companies' activities do not overlap. Moreover, the merged entity would not be able to shut out suppliers of ground handling, cargo handling or offline cargo handling services competing with Swissport, given that HNA Group has a limited share in the demand for such services. The transaction was examined under the normal merger review



procedure. To read the relevant press release of the European Commission click [here](#).

**The European Commission cleared joint venture of Michelin and Fives**

The European Commission approved under the EU Merger Regulation the creation of a joint venture by the Michelin group and the Fives group, both of France. Michelin manufactures and distributes tyres through retail stores and online networks. Fives is an industrial engineering group which designs and supplies machines, process equipment and production lines. The joint venture will develop and produce additive manufacturing machines (more commonly known as 3D printers) as well as related services. The Commission concluded that the proposed transaction would raise no competition concerns as it would increase the number of competitors by creating a new player in additive manufacturing in the European Economic Area (EEA). The operation was examined under the simplified merger procedure. To read the relevant press release of the European Commission click [here](#).

**The European Commission approved Solvay's acquisition of Cytec, subject to conditions**

The European Commission approved under the EU Merger Regulation the proposed acquisition of Cytec by Solvay. Cytec manufactures and supplies chemicals for the mining industry and composite materials and adhesives for the aerospace and automotive industries. Solvay manufactures a wide range of chemicals and plastics. Both parties are present in the business for specialty chemicals for

the mining and refining industry. The Commission had concerns that the merger would eliminate significant competition in the market for phosphor-based solvent extractants. The decision is conditional on Solvay's divestment of its activities in phosphor-based solvent extraction, used to separate cobalt from nickel. To read the full press release of the European Commission (IP-15-6236) click [here](#).

**The European Commission cleared creation of DES by BMW and Viessmann**

The European Commission approved under the EU Merger Regulation a joint venture between BMW and Viessmann, both of Germany. BMW is a German stock-listed automobile, motorcycle and engine manufacturing company. Viessmann is an international heating systems manufacturer. The joint venture will operate under the name of DES, based in Germany and will offer energy optimisation services to companies. The Commission concluded that the proposed acquisition would raise no competition concerns because the companies' activities overlap only marginally. Moreover, they will be unable to shut out customers or suppliers because of the companies' modest overall market shares and the presence of a multitude of competitors on the various markets on which BMW and Viessmann are active. The transaction was examined under the normal merger review procedure. To read the relevant press release of the European Commission click [here](#).

**The European Commission cleared the acquisition of Autodis by Bain Capital**

The European Commission approved under the EU Merger Regulation the

acquisition of Autodis Group SAS of France by Bain Capital Investors of the United States. Autodis is a distributor of aftermarket spare parts for light vehicles and trucks to the independent aftermarket in France and Poland. Bain Capital is a private equity firm that invests, through its family of funds, in companies across most industries, including information technology, healthcare, retail and consumer products. The Commission concluded that the proposed acquisition would not raise competition concerns, because none of Bain Capital's portfolio companies are direct competitors of Autodis. Some of Bain Capital's portfolio companies are active on markets related to the one on which Autodis is active. However, their market shares are limited and a significant number of stronger competitors are present in these markets. The transaction was examined under the simplified merger review procedure. To read the relevant press release of the European Commission click [here](#).

#### **The European Commission issued its November 2015 Merger Brief**

To read the full Merger Brief of the European Commission (Issue 3/2015 - November) click [here](#).

#### **The European Commission cleared joint venture between Marubeni-Itochu, Itochu Corporation and Sumitomo Corporation in steel civil engineering products**

The European Commission approved under the EU Merger Regulation the creation of a joint venture by Marubeni-Itochu Steel Inc., Itochu Corporation and Sumitomo Corporation, all of Japan. The joint venture will produce

and distribute steel civil engineering products, steel construction products and other steel construction material outside of the European Economic Area (EEA). The Commission concluded that the proposed acquisition would raise no competition concerns because the joint venture will have no or negligible activities within the EEA. The transaction was examined under the simplified merger review procedure. To read the relevant press release of the European Commission click [here](#).

#### **The European Commission cleared acquisition of joint control over four Coca-Cola bottlers by The Coca-Cola Company and COBEGA**

The European Commission approved under the EU Merger Regulation the acquisition of joint control over Coca-Cola European Partners Plc. ('CCEP') of the UK by The Coca-Cola Company ('TCCC') of the US and Cobega, S.A. of Spain. TCCC is a brand owner, trademark licensor and producer of soft drink concentrates, syrups, fountain soft drink syrup and finished beverages. It sells its products to bottlers. Cobega is active in bottling and distributing beverages. CCEP will bring together four existing Coca-Cola bottlers active in Germany, Belgium, France, United Kingdom, Luxembourg, the Netherlands, Norway, Sweden, Spain, Portugal, Andorra and Iceland. TCCC already controls one of the four bottlers, Coca-Cola Erfrischungsgetränke AG. Cobega already controls two of the bottlers, Coca-Cola Iberian Partners S.A. and Vifilfell. The Commission concluded that the proposed acquisition raises no competition concerns, as the activities of the bottlers do not overlap geographically and customers currently using the Coca-Cola bottlers would

continue to have sufficient alternative choices. The transaction was examined under the normal merger review procedure. To read the relevant press release of the European Commission click [here](#).

**The European Commission cleared acquisition of joint control of Bonus-Pensionskassen by Generali and Zurich**

The European Commission approved under the EU Merger Regulation the acquisition of joint control over Bonus-Pensionskassen

Aktiengesellschaft by Generali Holding Vienna AG and Zurich Versicherungs-Aktiengesellschaft, all of Austria. The transaction also includes Bonus-Vorsorgekasse Aktiengesellschaft of Austria, that offers services in Austria together with Bonus-Pensionskassen Aktiengesellschaft. Generali Holding Vienna belongs to the Assicurazioni Generali S.p.A. group of companies of Italy and Zurich Versicherungs Aktiengesellschaft belongs to the Zurich insurance group of Switzerland. The companies involved in the transaction provide insurance, financial and corporate benefit/ pension fund services in Austria. The Commission concluded that the proposed acquisition would raise no competition concerns given the companies' moderate combined market positions resulting from the transaction and the presence of strong players providing corporate benefit and pension fund services in Austria. The transaction was examined under the simplified merger review procedure. To read the relevant press release of the European Commission click [here](#).

**Greece: The HCC cleared the acquisition of Dias Aquaculture S.A. by Selonda Aquaculture S.A. on the basis of a consolidation agreement in accordance with Arts 99 et seq. of the Bankruptcy Code**

By its Decision No. 619/2015, the Hellenic Competition Commission (HCC) cleared the notified acquisition of Dias Aquaculture S.A. by Selonda Aquaculture S.A., following a consolidation agreement of 30.4.2015 in accordance with Articles. 99 et seq. of the Bankruptcy Code (Law 3588/2007, as amended). According to the decision, the notified transaction does not raise serious doubts as to its compatibility with merger control rules in the relevant markets concerned by the concentration (aquaculture sector). To read the full press release of the HCC click [here](#).

### State Aid

**CJEU: Preliminary ruling on state aid rules in Case C-505/14**

On 11.11.2015, the Court of Justice of the European Union (CJEU) issued a preliminary ruling in Case C-505/14 (Request for a preliminary ruling from the Landgericht Münster (Germany) lodged on 12 November 2014 – Klausner Holz Niedersachsen GmbH v Land Nordrhein-Westfalen). The main dispute concerns a German civil law contract regarding the supply of wood from the Land of North-Rhine-Westphalia to the company Klausner Holz. Klausner Holz brought a damage claim before the Regional Court of Münster against the Land, who had ceased to supply wood under the contract terms, claiming that this was contrary to EU law because it involved



illegal state aid. The Regional Court of Münster held that the contract was not concluded on market terms and provided an advantage to Klausner Holz. The Court held that, as a consequence, the contract indeed involved state aid and that this aid had been granted before the Commission had taken a decision in the matter, in breach of the standstill obligation. The contract would therefore be null and void. However, in a separate dispute, the Higher Regional Court of Hamm had previously declared the contract valid in a 2nd instance declaratory ruling. No state aid arguments had been raised before that court and the ruling did not consider such aspects. The declaratory judgment had become definitive in the German legal order and can, in principle, not be challenged anymore (*res judicata*). The Regional Court of Münster considered that it could not rule against the declaratory judgment and referred a question to the CJEU. The CJEU held, in line with previous case law, that national courts must do whatever lies in their jurisdiction to ensure that EU law is fully effective. This may include setting aside the principle of *res judicata* where application of that principle would make it impossible or excessively difficult to exercise EU rights. To read the preliminary ruling of the CJEU in Case C-505/14 click [here](#).

**The General Court of the European Union dismissed the action brought by two minority shareholders of HSH Nordbank and therefore upheld the Commission decision of 2011 authorising, under certain conditions, rescue measures in respect of that bank**

The General Court of the European Union (GC) dismissed the action brought by two minority shareholders

of HSH Nordbank (Case T-499/12 HSH Investment Holdings Coinvest-C and HSH Investment Holdings FSO v Commission) and therefore upheld the Commission decision of 2011 authorising, under certain conditions, rescue measures in respect of that bank. HSH Nordbank, majority-owned by the regional states of Schleswig-Holstein and Hamburg, turned to its owners after risky assets turned sour in 2008 and it got hit by the slump in global trade in the wake of the financial crisis. The bank benefited from a 3 billion euro recapitalisation, a 10 billion euro general guarantee underwritten by the regional governments and a 17 billion euro liquidity guarantee granted by the German special fund for financial market stability. The Commission cleared the measures under certain conditions in 2011. HSH agreed to a restructuring deal with the Commission, which will allow it to offload assets worth 6.2 billion euros -- mainly non-performing ship loans -- from the bank's balance sheet to a run-down vehicle set up by its owners. To read the full press release of the GC (No. 136/15) click [here](#).

**General Court judgment in joined cases T-233/11 and T-262/11: State aid for Greek mining company Ellinikos Xrysos**

On 09.12.2015 the GC ruled on actions for annulment of a Commission decision of February 2011, ordering Greece to recover incompatible aid from the mining company Ellinikos Xrysos. Both, the company and Greece appealed the decision. The GC dismissed the appeals and entirely upheld the Commission's findings. The Court confirmed in particular that national authorities must sell State-

owned assets on terms that a private player operating under market conditions would have accepted. This requires the national authorities to sell such assets through open, transparent and non-discriminatory sales procedures or on the basis of valuation reports. To read the full judgment of the GC in joined cases T-233/11 and T-262/11 click [here](#).

**The General Court annulled the Commission's decision finding that the 'Spanish tax lease system' was illegal State aid**

On December 17, 2015 the GC issued its decision on the 'Spanish tax lease system' (STLS) in joined cases T-515/13 (Spain v Commission), and T-719/13 (Lico Leasing SA and Pequeños y Medianos Astilleros Sociedad de Reconversión SA v Commission). The STLS was a shipbuilding financing arrangement (that is no longer in force) that included Spanish tax relief for the investors that provided the finance. The GC annulled the decision of the European Commission that had qualified the STLS as state aid. To read the full press release of the GC (No. 150/15) click [here](#).

**The European Commission approved aid for Piraeus Bank and National Bank of Greece on the basis of an amended restructuring plan and amended restructuring plans for Alpha Bank and Eurobank**

In the context of the third economic adjustment program for Greece, the European Commission approved additional state aid of €2.72 billion to Greek Piraeus Bank and €2.71 billion to National Bank of Greece under EU state aid rules, on the basis of an amended restructuring plan. The Commission concluded that the

measures already implemented as part of the banks existing restructuring plan of July 2014, in addition to those envisaged in the amended plan, will enable Piraeus Bank and the National Bank of Greece to ensure lending to the Greek economy in line with EU state aid rules, in particular the 2013 Banking Communication, and the Bank Recovery and Resolution Directive. Piraeus Bank is the largest lender to Greek companies and households, while National Bank of Greece is one of the largest banks in Greece. As regards Eurobank and Alpha Bank, The Commission found their amended restructuring plans to be in line with EU state aid rules. It concluded that the measures already implemented as part of the two banks' existing restructuring plans, in addition to those envisaged in the amended plans, will enable Alpha Bank and Eurobank to return to viability in line with EU state aid rules. To read the full press release of the European Commission (IP-15-6193) concerning Piraeus Bank click [here](#). To read the full press release of the European Commission (IP-15-6255) concerning the National Bank of Greece click [here](#). To read the full press release of the European Commission (IP-15-6184) concerning Alpha Bank and Eurobank click [here](#).

**The European Commission adopted notification procedures following State aid modernization package**

The European Commission adopted a new state aid Implementing Regulation. In the context of the State Aid Modernisation (SAM) initiative, State aid guidelines and frameworks have been modified. The Commission therefore updated certain procedural rules set out in the Implementation Regulation in order to align

notifications of planned state aid measures submitted by Member States with the new rules. The new Implementing Regulation contains revised notification forms and information sheets to be completed by Member States. It allows the Commission to collect all the necessary information for conducting a sound assessment. The new Implementing Regulation also provides further guidance to Member States on how to comply with transparency requirements introduced by SAM. In particular, it includes which information Member States should publish about aid measures above a certain threshold. To read the relevant press release of the European Commission click [here](#).

**The European Commission opened formal investigation into Luxembourg's tax treatment of McDonald's**

The European Commission opened a formal probe into Luxembourg's tax treatment of McDonald's. Its preliminary view is that a tax ruling granted by Luxembourg may have granted McDonald's a favourable tax treatment in breach of EU State aid rules. In particular, the Commission will assess whether Luxembourg authorities selectively derogated from the provisions of their national tax law and the Luxembourg-US Double Taxation Treaty and thereby gave McDonald's an advantage not available to other companies in a comparable factual and legal situation. Commissioner Margrethe Vestager, in charge of competition policy, stated: *"A tax ruling that agrees to McDonald's paying no tax on their European royalties either in Luxembourg or in the US has to be looked at very carefully under EU state aid rules. The purpose of Double Taxation treaties between*

*countries is to avoid double taxation - not to justify double non-taxation."* To read the full press release of the European Commission (IP-15-6221) click [here](#).

**The European Commission approved additional aid for Cypriot cooperative banks on the basis of an amended restructuring plan**

The European Commission approved additional state aid of €175 million in favour of the Cooperative Central Bank Ltd. in Cyprus and its subsidiaries in line with EU state aid rules. The Commission concluded in particular that the additional restructuring measures that the bank committed to implement will ensure that the bank becomes viable in the long-term whilst distortions of competition will be minimised. To read the full press release of the European Commission (IP-15-6365) click [here](#).

**The European Commission approved prolongation of Greek bank guarantee scheme**

The European Commission found that the prolongation of the Greek guarantee scheme for credit institutions until 30 June 2016 was in line with EU state aid rules. In the recent past, the Greek banks mainly use the State guarantees on own bonds to create the collateral necessary to receive liquidity assistance from the Bank of Greece. The liquidity situation of the Greek banks, while still severely stressed following the deposits outflows which took place between December 2014 and July 2015, is gradually improving. In this context, the Commission concluded that the 6 month prolongation of the guarantee scheme is in line with the rules on state aid to

banks during the crisis, in particular because the prolonged measure is targeted, proportionate and limited in time and scope. The Greek guarantee scheme was initially approved in November 2008. The authorisation of the scheme was prolonged several times, last time in June 2015 until end December 2015. To read the relevant press release of the European Commission click [here](#).

**The European Commission concluded that the resolution of Greek Cooperative Bank of Peloponnese involves no aid**

The European Commission found that resolution support for Cooperative Bank of Peloponnese does not involve State aid within the meaning of the EU rules. The Bank of Greece decided to put the small cooperative bank (with less than 0.1% market share in Greece) into resolution because it had a capital shortfall and did not succeed in raising new capital from private investors. Under the resolution plan, the existing entity will be put into liquidation, including all its activities except deposits. All deposits of Cooperative Bank of Peloponnese will be transferred to National Bank of Greece (NBG), which acquired at market value the deposits in a bidding process. Depositors therefore remain fully protected. The transfer of the deposits will be financed by the Greek Resolution Fund. The Commission found that the support provided by the Greek Resolution Fund does not constitute aid because the deposits of Cooperative Bank of Peloponnese are transferred at market value and the rest of the bank is liquidated without any State aid. The Commission also observed that the acquisition of the

deposits reinforces the liquidity position of NBG, and hence is not contrary to the amended restructuring plan of National Bank of Greece approved on 4 December 2015. To read the full statement of the European Commission (STATEMENT/15/6372) click [here](#).

**The European Commission approved State financing for Poste Italiane's universal service obligation**

The European Commission found the compensation granted by Italy to Poste Italiane to fulfil its public service mission (so-called "universal service obligation") during the periods 2012-2015 and 2016-2019 to be in line with EU state aid rules. The Commission's assessment showed that the compensation granted to Poste Italiane is based on a robust and conservative methodology, which ensures that it will not exceed the cost of the public service mission. To read the full press release of the European Commission (IP-15-6250) click [here](#).

**The European Commission approved financing of Polish Post's universal service obligation via a compensation fund**

The European Commission found the compensation granted by Poland to Polish Post for delivering universal postal services from 2013 to 2015 to be in line with EU state aid rules. In particular, the Commission approved the measure because the compensation paid to Polish Post is limited to the additional costs it faces to fulfil its public service mission (so-called "universal service obligation"). Moreover, the design of the mechanism to finance the compensation does not lead to a significant distortion of

competition in the Polish postal market. To read the full press release of the European Commission (IP-15-6176) click [here](#).

**The European Commission ordered Estonia to recover incompatible aid from national air carrier Estonian Air**

Following an in-depth investigation, the European Commission concluded that aid measures by Estonia in favour of national flag carrier Estonian Air gave the company an undue advantage over its competitors in breach of EU state aid rules. Estonian Air therefore needs to pay back the state aid already received, which according to the Commission's information amounts to about €85 million plus interest, and cannot receive an additional €40 million of restructuring aid. Estonian Air has been consistently loss-making since 2006. The Commission's investigation showed that the aid measures cannot be approved under EU state aid rules, because they involve repeated public support that did not enable the company to become viable again and did not limit the distortions of competition created by the aid. The repeated public support measures have already given the airline a considerable economic advantage that its competitors did not have. In order to remedy this distortion of competition, Estonian Air now needs to pay back the aid already received (€84.9 million plus interest) to Estonian taxpayers. To read the full press release of the European Commission (IP-15-6023) click [here](#).

**Energy**

**The European Commission opened in-depth investigations into French plans to remunerate electricity capacity**

The European Commission opened two separate in-depth investigations to assess whether French plans for a country-wide capacity mechanism and a tender for a new gas-fired power plant in Brittany are in line with EU State aid rules. The Commission had concerns that these plans to remunerate electricity capacity could, in the case of the country-wide capacity mechanism, favour certain companies over their competitors and hinder the entry of new players, and in the case of the gas-fired power plant in Brittany, support only one type of technology or solution. To read the full press release of the European Commission (IP-15-6077) click [here](#).

**The European Commission cleared acquisition of E.ON E&P Norge by LetterOne**

The European Commission approved under the EU Merger Regulation the acquisition of E.ON E&P Norge AS of Norway by LetterOne Holding SA of Luxembourg. LetterOne is focusing on investments in the energy and technology sectors. E.ON E&P Norge explores and produces crude oil and natural gas in Norway. Both companies are active in the markets for the exploration and the upstream wholesale supply of crude oil and natural gas. The Commission concluded that the proposed acquisition would raise no competition concerns given the companies' moderate positions on all relevant markets and the presence of a number of strong competitors. The



transaction was examined under the simplified merger review procedure. To read the relevant press release of the European Commission click [here](#).

**The European Commission opened formal investigation in the biofuels sector concerning ethanol benchmarks**

The European Commission opened a formal antitrust investigation to scrutinise whether three ethanol producers have, in breach of EU antitrust rules, manipulated ethanol benchmarks published by a price reporting agency. The companies concerned are Abengoa S.A. of Spain, Alcogroup SA of Belgium and Lantmännen ek för of Sweden, together with their relevant subsidiaries. They produce, distribute and trade ethanol. Commissioner Margrethe Vestager, in charge of competition policy, stated: *"Competitive biofuels markets are crucial to promote cleaner transport and to cut greenhouse gas emissions. This is an important element of the Commission's ambitious strategy to limit greenhouse gas emissions and to boost renewable energies."* The Commission's investigation started with unannounced inspections carried out in May 2013. Further inspections were carried out in October 2014 and March 2015. To read the full press release of the European Commission (IP-15-6259) click [here](#).

**The European Commission accepted commitments by Bulgarian Energy Holding to open up Bulgarian wholesale electricity market**

The European Commission adopted a decision that renders legally binding the commitments offered by Bulgarian Energy Holding (BEH) to end competition restrictions on Bulgaria's

wholesale electricity market. The Commission had concerns that BEH may have abused its dominant position on the market for the wholesale supply of electricity at non-regulated prices. BEH has offered commitments that will make it easier to trade electricity, improve price transparency and help connecting Bulgarian wholesale electricity market with neighbouring countries. To read the full press release of the European Commission (IP-15-6289) click [here](#).

**The European Commission cleared acquisition of joint control of GASAG by Vattenfall and ENGIE**

The European Commission approved under the EU Merger Regulation the acquisition of joint control over GASAG of Germany by Vattenfall of Sweden and ENGIE of France. GASAG is mainly active in the sale and distribution of natural gas in Berlin and some parts of Eastern Germany. Vattenfall is an international energy company which supplies electricity and district heating in Berlin. ENGIE supplies natural gas, electricity and energy services internationally and offers district heating in several cities in Germany. The investigation focused on the effects of the transaction on the district heating market in Berlin. The Commission found that customers are unlikely to consider district heating and contract heating solutions (e.g. gas based) as close alternatives. The Commission concluded that the transaction would not raise competition concerns. Additionally, the Commission concluded that the transaction would have a limited impact on the market structure given the small overlaps between the companies' activities. The transaction was examined under the normal merger review

procedure. To read the relevant press release of the European Commission click [here](#).

**Greece: The Decision No. ΑΠΕΗΛ/Γ/Φ1/οικ. 184898 of the Minister of the Environment and Energy was published in the Government Gazette regarding the Greek Scheme of interruptibility**

Following the approval of the Greek Scheme of interruptibility by the European Commission on 15.10.2014 (as reported in our C&RR Report Issue No. 2014/4), the relevant decision No. ΑΠΕΗΛ/Γ/Φ1/οικ. 184898 of the Minister of the Environment and Energy was published in the Government Gazette (GG/ B' 2861/28.12.2014). Interruptibility is a service provided by big energy consumers which may reduce their energy demand upon relevant request of the system operator. To read the relevant ministerial decision click [here](#), and to read the decision of the European Commission No. C(2014) 7374 final/15.10.2014, click [here](#).

**Greece: RAE published the results of its Public Consultation on the management of due and payable debts of clients of suppliers of electricity and the reorganization of the market**

To read the full press release of the Regulatory Authority for Energy (RAE) click [here](#).

**Greece: RAE published the results of the public consultation on the Methodology for the Assessment of Energy Consumption, Energy Billing and the Representation Percentage of Load Representatives of the Non-Interconnected Islands, and on the Methodology for the Calculation of Guarantees of Representatives of the Load of Non-Interconnected Islands, during the transitional stage of the implementation of the Management Code for the Non-Interconnected Islands**

To read the full press release of RAE, click [here](#).

**Greece: RAE announced the 2<sup>nd</sup> public consultation within the context of establishing the Management Code of the Greek Electricity Distribution Network**

Within the context of establishing the Management Code of the Greek Electricity Distribution Network, and following the 1<sup>st</sup> public consultation on the Draft of the Code, which was submitted to the Hellenic Electricity Distribution Network Operator (DEDDIE) in July of 2014, RAE announced on 3.12.2015 the commencement of the 2<sup>nd</sup> public consultation on the Draft of the Code. Interested parties may take part in the consultation by submitting their opinions electronically at the website [kdd\\_consultation@rae.gr](mailto:kdd_consultation@rae.gr) or by mail until Monday, 1 February 2016. To read the full press release of RAE click [here](#).

**Greece: RAE announced new charges for the use of the Electricity Transmission System and the Electricity Distribution System, as well as the new charges for the Special Duty for the Reduction of Greenhouse Gas Emissions**

RAE announced on 07.12.2015, the new charges for the use of the Electricity Transmission System and the Electricity Distribution System, as well as the new charges for the Special Duty for the Reduction of Greenhouse Gas Emissions, which shall apply for 2016. To read the full press release of RAE click [here](#).

**Greece: Public Consultation of RAE for the adoption of a Management Code for the Natural Gas Distribution Network**

On 10.12.2015, RAE announced the commencement of a public consultation on drafts of the Management Code for the Natural Gas Distribution Network, as they were submitted to RAE by the respective Distribution Network Operators. The consultation was set to last until Friday, 15.01.2016, but, according to a later announcement of RAE, it shall last until Friday, January 26 2016. To read the original press release of RAE click [here](#), and to read the announcement of RAE concerning the postponement click [here](#).

## Electronic Communications

**The CJEU held that an increase in telecommunications charges in accordance with a consumer price index does not allow subscribers to withdraw from their contract**

On 26.11.2015, with its judgment in case C-326/14 (Verein für Konsumenteninformation v A1 Telekom Austria AG), the Court of Justice of the European Union (CJEU) held that There is no modification to the conditions of a contract where standard terms and conditions provide for the possibility of increasing charges in accordance with an objective consumer price index compiled by a public institution. According to the Court, the EU legislature recognised that undertakings providing electronic communication services may have a legitimate interest in being able to adjust the prices and charges for their services. To read the full press release of the CJEU (No. 142/15) click [here](#).

**The General Court of the European Union dismissed action for annulment of Commission Decision C(2011) 4378 (Orange Polska vs. Commission)**

On 17 December 2015, with its judgment in case T-486/11 (Orange Polska vs. Commission), the General Court of the European Union (GC) dismissed an action for annulment of Commission Decision C(2011) 4378 regarding the abuse of a dominant position in the Polish telecommunication wholesale Bitstream access (BSA) market and the Polish wholesale Local Loop Unbundling (LLU) market by refusing to give access to its network and to supply BSA and LLU wholesale products. To read the

full text of the judgment of the GC in case T-486/11 click [here](#).

**The GC ordered the recovery of State aid granted by Spain to the operators of the terrestrial television platform**

On 26.11.2015, with its judgment in cases T-461/13, T-462/13, T-463/13, T-464/13, T-465/13, T-487/13 and T-541/13, the GC dismissed seven actions for annulment brought against a Commission decision of June 2013. The 2013 decision had concluded that public funding granted by Spain to facilitate the transition from analogue to digital television in remote and less urbanised areas procured a selective advantage to terrestrial platform operators over their competitors using other transmission technologies, in breach of EU State aid rules. The General Court confirmed that the Spanish measure favored digital terrestrial technology over other possible technologies (cable, satellite, fibre), in violation of the principle of technological neutrality. Spain, the Basque Country/Itelazpi, Galicia and Retegal, Catalonia/CTTI, Navarra and Abertis Telecom/Retevisión brought actions for annulment of the Commission's June 2013 decision. The GC dismissed the appeals and entirely upheld the Commission's findings. In particular, the Court held that the Commission was right to consider the measure as State aid in the meaning of the EU rules, as Spain had adduced no evidence that the DTT operators were entrusted with discharging public service obligations. Moreover, the Court confirmed that the Commission was correct in holding that the aid was incompatible with the internal market, in particular as it did not respect the principle of technological neutrality.

None of the studies presented by the Spanish authorities provided sufficient evidence that terrestrial platforms were superior to satellite platforms. To read the full press release of the GC (No. 141/15) click [here](#).

**The European Commission approved acquisition of Prinovis by Bertelsmann**

The European Commission approved under the EU Merger Regulation the acquisition of sole control over Prinovis Ltd. & Co. KG and Prinovis Ltd. (together "Prinovis"), both of Germany, by Bertelsmann SE & Co. KGaA, also of Germany. Bertelsmann is an international media company active in television, radio, book publishing, newspapers and magazines, music and communications services. Prinovis provides high-volume illustration printing and related services and is currently jointly controlled by Bertelsmann and Axel Springer SE. The companies' activities overlap in the provision of high-volume illustration services in the European Economic Area (EEA), notably in Germany. The Commission concluded that the proposed acquisition would raise no competition concerns, in particular because of the moderate combined market positions resulting from the transaction and the presence of several other competitors on the market. To read the relevant press release of the European Commission click [here](#).

**Greece: The Hellenic Telecommunications and Post Commission (HTPC) published its Market Analysis Review for the year 2014**

To read the Market Analysis Review of the Hellenic Telecommunications &

Post Commission (HTPC) for 2014 click [here](#).

**France: the Autorité de la concurrence fined Orange 350 million euros for having abusively hindered the development of competition in the business market since the early 2000s**

After complaints were brought firstly by Bouygues Telecom and then by SFR, the Autorité de la concurrence issued its decision whereby it fined Orange 350 million euros for having implemented four anticompetitive practices on the markets for fixed and mobile telecommunications services provided to the company's business clientele. The Autorité also imposed injunctions in order to immediately restore fair competition within these markets. Orange has chosen to cooperate with the Autorité de la concurrence: the company has not challenged the facts or their anticompetitive nature and neither does it challenge the outcome of the case, in terms of both the fine and the injunctions aimed at immediately restoring a competitive functioning of the market. To read the full press release of the Autorité click [here](#).

### **Pharmaceuticals**

**The European Commission cleared acquisition of Bayer's diabetes care business by Panasonic Healthcare**

The European Commission approved under the EU Merger Regulation the acquisition of Bayer's diabetes care business of Germany by Panasonic Healthcare of Japan. Panasonic Healthcare is ultimately controlled by KKR of the US, a global investment firm. Both companies are active in the supply of self-monitoring blood glucose

systems, used for diabetes care, with Bayer currently distributing the systems manufactured by Panasonic Healthcare. With the acquisition, Panasonic Healthcare will take control of the distribution for its own products. The Commission concluded that the proposed acquisition would raise no competition concerns, in particular because there are several other channels for competitors of Panasonic Healthcare to reach the market with their products. To read the relevant press release of the European Commission click [here](#).

**The European Commission published its sixth report on patent settlements in the pharmaceutical sector**

The European Commission published its sixth monitoring report on patent settlements. The report relates to the 76 patent settlements concluded between originator and generic companies in the pharmaceutical sector in 2014. The total of 76 is far below the high numbers of the two previous years (183 in 2012 and 146 in 2013), and is closer to the levels at the beginning of the monitoring period (2009-2010). However, it is still much higher than the annual average of 24 during the period between 2000 and 2008. At the same time, the number of settlements that might attract competition law scrutiny remains at a low level. This shows the industry's continued ability to effectively settle patent disputes in ways that raise no antitrust concerns. To read the relevant press release of the European Commission click [here](#).



**The European Commission cleared Novartis' acquisition of rights on autoimmune indications of GSK's drug *ofatumumab***

The European Commission approved under the EU Merger Regulation the acquisition of the rights to the autoimmune indications of the UK pharma company GlaxoSmithKline's drug *ofatumumab* by Novartis of Switzerland. Novartis already owns the rights to the oncology indications of *ofatumumab*, and is acquiring the rights for the development and marketing of the drug in autoimmune indications, such as multiple sclerosis. The Commission concluded that the proposed acquisition would raise no competition concerns. While Novartis owns treatments already on the market and in development to treat autoimmune diseases, a number of other strong competing treatments (both marketed and in development) would remain available following the transaction. The transaction was examined under the normal merger review procedure. To read the relevant press release of the European Commission click [here](#).

**Transport****The General Court of the European Union annulled the decision by which the Commission imposed fines on several airlines for their participation in a cartel in the airfreight market**

In its judgments of 16.12.2015 in Cases T-9/11 Air Canada, T-28/11 Koninklijke Luchtvaart Maatschappij, T-36/11 Japan Airlines, T-38/11 Cathay Pacific Airways, T-39/11 Cargolux Airlines International, T-40/11 Latam Airlines Group and Others, T-43/11 Singapore Airlines and Others, T-46/11

Deutsche Lufthansa and Others, T-48/11 British Airways, T-56/11 SAS Cargo Group and Others, T-62/11 Air France-KLM, T-63/11 Société Air France and T-67/11 Martinair Holland v. Commission, the General Court of the European Union (GC) overturned the decision of the European Commission to fine 11 airlines a total of €790 million in connection with an air cargo price-fixing cartel. The GC overruled the Commission's decision to fine the airlines because the court found an inconsistency in the description of the conspiracy between different aspects of the decision. Specifically, the court ruled that the decision grounds, the section that summarized the Commission's factual findings, charged the airlines with participating in a single continuous conspiracy, but the operative part of the decision, the section that identified exactly which party was being held liable for what conduct, referred to "either four separate single and continuous infringements or just one single and continuous infringement." To read the full press release of the GC (No. 147/15) click [here](#).

**The General Court of the European Union confirmed that the State aid in the sum of € 503 million granted by France to Sernam and conditionally approved by the Commission in an earlier decision was wrongfully implemented**

With its judgment dated 17.12.2015 in case T-242/12 (Société nationale des chemins de fer v Commission), the General Court of the European Union (GC) confirmed that the State aid in the sum of € 503 million granted by France to Sernam and conditionally approved by the Commission in an earlier decision was wrongfully implemented

In 2001, the Commission conditionally gave initial authorization for restructuring aid of € 503 million in favour of Sernam, a private delivery and express package and palette transport company, then wholly owned by SNCF ('the Sernam 1 decision'). Finding that the conditions attached to that decision had not been satisfied and that new, incompatible aid of € 41 million had been granted, in 2004 the Commission adopted a second decision ('the Sernam 2 decision'). In the Sernam 2 decision, the Commission required the recovery of the € 41 million declared incompatible and confirmed, while laying down new conditions for compatibility, that the aid approved under the Sernam 1 decision of € 503 million was compatible with the internal market. The Sernam 2 decision provided, *inter alia*, for a possible choice between two conditions, which were, in essence, the following:

- within a set period, Sernam was to withdraw from the road transport market;
- alternatively, '[i]n the event that Sernam [sold] its assets en bloc by 30 June 2005 at market price, through a transparent and open procedure, to a company that [had] no legal link with SNCF, the conditions [of withdrawal from the road transport market][would] not be applicable'.

France stated to the Commission that it had opted to sell Sernam's assets en bloc, the purchaser being la Financière Sernam, a company created by the former management team of Sernam. By decision of 9 March 2012, the Commission concluded that all the aid which Sernam had received, namely a total of more than € 642 million (excluding interest), should be reimbursed by la Financière Sernam and its subsidiaries because of the

economic continuity between Sernam and those companies. SNCF brought an action before the GC, seeking the annulment of the decision of 9 March 2012.

In its judgment dated 17.12.2015, the GC dismissed SNCF's action, thus confirming that a total of more than € 642 million (excluding interest) of incompatible State aid must be reimbursed by la Financière Sernam and its subsidiaries. To read the full press release (No. 151/15) of the GC click [here](#).

### **The European Commission invited Greece to better target its "tonnage tax" and related support measures in maritime sector**

The European Commission sent to Greece a set of proposals to ensure that state support to the maritime sector in Greece complies with EU state aid rules. In particular, the Commission found that current provisions may breach EU state aid rules by allowing shareholders of shipping companies to benefit from favourable tax treatment that should be reserved for maritime transport providers. Similarly, the Commission was concerned that favourable tax treatment is also extended to maritime sector intermediaries and operators of ships, which do not provide maritime transport services. EU state aid rules establish common rules on how Member States can support maritime transport providers, without unduly distorting competition in the Single Market. In particular, the Maritime Guidelines enable Member States to tax shipping companies on the basis of the tonnage of the fleet (i.e. based on size of shipping fleet) rather than the actual profits of the company. The

Commission had concerns that the Greek tonnage tax system is not well targeted. To read the full press release of the European Commission (IP-15-6384) click [here](#).

### **News of the Markets**

#### **Greece: The President of RAE met with the Ambassador of the Republic of Azerbaijan and the CEO of Socar Energy Greece**

The President of the Regulatory Authority for Energy (RAE), Dr. Nikolaos Boulaksis, met with the Ambassador of the Republic of Azerbaijan in Greece, Mr. Rachman Moustafagef, and the CEO of Socar Energy Greece S.A., Mr. Anar Mamadov, in order to discuss matters concerning the participation of the company in DESFA S.A., and other issues concerning energy policies in Southeast Europe. To read the full press release of RAE click [here](#).

#### **HRADF head: DESFA privatization will finish in 1st quarter of 2016**

According to press information, the head of the Hellenic Republic Asset Development Fund (HRADF), Stergios Pitsiorlas, stated on 09.12.2015 that the privatisation of gas distribution company DESFA can be completed in the 1st quarter of 2016. "The final agreement on the transfer of a controlling stake (66%) of the shares of DESFA can be signed in the 1st quarter of 2016," he said. Fluxys (Belgium), ENAGAS (Spain) and Snam (Italy), claiming for the 16% stake, have already signed the necessary confidentiality agreements," the HRADF head said. Three claimants are the shareholders of

Trans-Adriatic Pipeline (TAP), the first gas for which in 2020 should be the gas from Azerbaijani oil condensate field Shah Deniz. Snam has 20% in TAP, Fluxys - 19%, and ENAGAS - 16%.

#### **Greece signed 1.2 bln euro airport deal with Germany's Fraport and its Greek Partner Copelouzos Group**

The Greek government signed its first big privatisation deal with German airport operator Fraport, awarding it a 1.2 billion euro contract to lease and manage 14 regional airports. Fraport and its Greek partner, Copelouzos Group, will lease and manage 14 provincial airports in popular tourist islands, including Corfu and Santorini, for 40 years. It will also invest 330 million euros by 2020, to upgrade facilities. The Fraport-led consortium will take over the operations of the airports in autumn 2016, when it will also pay the agreed sum, it said in a statement. In total, it will invest more than 1.4 billion euros over the lease.

#### **ELPE, Energean talk cooperation**

According to press information, local energy firms Hellenic Petroleum (ELPE) and Energean sat down at the same table after Energy Minister Panos Skourletis invited them to discuss a settlement for the Arta-Preveza hydrocarbon block in western Greece, as a ministry committee found the bids by the two companies to be equal. The main obstacle to their cooperation stems from a court battle between the two energy firms regarding seismic surveys Energean conducted in the Thracian Sea. The two companies are also at odds over which will undertake the role of operator of the disputed Arta-Preveza block, with Energean

arguing that it should on the grounds of possessing the necessary know-how.

### **National Bank of Greece Sold Finasbank to Qatar National Bank SAQ**

National Bank of Greece sold its 99.81 percent stake of Turkey's Finasbank AS to Qatar National Bank SAQ, the Gulf Arab region's largest bank, for 2.75 billion euros. According to Qatar National Bank, the transaction will be completed in the first half of 2016, after all the regulatory approvals. The bank will also pay Finasbank's 910 million dollar debt to the National Bank of Greece.

### **Dow Chemical and DuPont Agree to Megamerger of \$130 Billion**

According to press information, the merger is expected to close in the second half of 2016, subject to approval by regulators and shareholders from both companies. The new mega-company will then be split into three independent, publicly traded companies encompassing agriculture, material sciences, and specialty products, according to Dow's news release. The companies will include a leading global pure-play Agriculture company; a leading global pure-play Material Science company; and a leading technology and innovation-driven Specialty Products company.

### **Cheniere Energy eyes stake in Greek LNG project**

According to information of the press, Cheniere Energy, a U.S.-based liquefied natural gas (LNG) exporter, is interested in a minority stake in a new LNG terminal that will supply gas to

southeastern Europe through Greece, a senior company official said on Wednesday. Greece currently has one LNG terminal on an islet off Athens. Greek energy firm Copelouzos is planning to build an offshore LNG terminal near the northern city of Alexandroupolis. That facility, with an estimated annual capacity of 6.1 billion cubic metres (bcm), will seek to supply gas to southeastern Europe via a natural gas pipeline that will cross through Greece, the Interconnector Greece-Bulgaria (IGB).

### **Hellenic Post submitted application before RAE to enter electricity market**

Hellenic Post submitted an application to RAE in order to enter the electricity market in Greece. Greece's electricity market is being opened up to competition as main power utility PPC's overbearing market share must be reduced to 50 percent by 2020, based on a bailout demand. To read the relevant press release of RAE click [here](#)

### **DESFA's 10-year investment plan valued at 2.2bn euros**

According to press information, an investment plan by DESFA, Greece's natural gas grid operator, covering a ten-year period between 2015 and 2024 and approved by RAE, the Regulatory Authority for Energy on November 27, includes over 2.2 billion euros worth of projects, both well-known and not. The interests of Azeri energy company Socar, the prospective buyer of a minority stake in the operator currently waiting for the sale's procedure to be finalized, were taken into account when the investment plan was prepared by DESFA's management. The plan includes a 180

million-euro upgrade of an LNG terminal station in Revythoussa, an islet in the Saronic Gulf, close to Athens, now in progress, and which promises to increase the facility's annual capacity by 40 percent once completed.

#### **Astir Palace sold for 400 million euros**

The Hellenic Republic Asset Development Fund (HRADF) confirmed that Jermyn Street Real Estate Fund IV LP signed a new agreement to submit an amended special zoning and spatial plan for the development of the Astir Palace Vouliagmeni venue, one of the best known resorts and tourist-related sites in the greater Athens area. The entire process is expected to be completed within the first half of 2016. To read the relevant announcement of the HRADF click [here](#).

#### **Cosco the only bidder for Piraeus Port**

According to press information, China's Cosco Pacific was the only party interested in the acquisition of the 51 percent stake (plus another 15 percent) of Piraeus Port Authority (OLP). The Hong Kong-listed firm was the only party to submit a timely binding offer in the context of the tender proclaimed in 2014 by the state privatization fund. All signs point to the absence of a second offer for the stake, which could have created some competition for the asset up for sale.

#### **Ericsson and Apple settle IP disputes, begin technical collaboration**

According to press information, Apple and Ericsson are now to work together to develop 5G technology, video network traffic management and

wireless networking. The agreement puts to bed some bitter wrangling in courts in Texas, California, the UK, Germany and Holland as well as before the ITC. Ericsson had asked for royalty payments of \$750 million a year from Apple. It said Apple was infringing 41 patents and asked the ITC to ban sales of iPads and iPhones.

#### **Pre-agreement signed between Veropoulos and METRO for the acquisition of the former by the latter**

According to press information, the Veropoulos supermarket chain concluded a pre-agreement for its acquisition by METRO, which operates the "My Market" stores. The agreement has been submitted for approval before the Hellenic Competition Commission.

#### **Pfizer and Allergan To Merge, Creating World's Largest Drug Company**

According to press information, pharmaceutical giant Pfizer shall merge with Botox maker Allergan for a deal of \$160 billion, one of the biggest takeovers in health care industry and the biggest too in a tax-saving strategy. Pfizer manufactures iconic drugs such as Viagra and Lipitor, which helps to lower cholesterol, even as Allergan makes Botox, which is a global sought-after medication. The new company will be led by Ian Read, Pfizer's Scotland CEO, with Allergan CEO Brent Saunders as his deputy.

#### **Cretan interconnection plan scaled back for stage one**

According to information of the press, IPTO, the Greek power grid operator, has cut back on the scale of its interconnection plan intended to link



Crete with the grid serving the wider Athens area and, for the time being, will connect the island as far north as the Peloponnese. The operator is striving to finalize the revised latter project's details for inclusion in its ten-year plan. The initial plan, offering a capacity of 1,000 MW, would have covered electricity supply needs from the mainland to Crete, while also serving as a channel for the supply of Cretan renewable energy source (RES) production from the island to the wider Athens area. Following the revision, the project will, for its initial stage, be limited to a 2 x 200 MW system connecting the Peloponnese with Crete to cover the island's electricity needs. The resulting infrastructure will not be able to facilitate delivery of Cretan RES production to the wider Athens area. This will require development of a supplementary project.

**PPC: Compliance with L. 4336/2014 concerning the abolition of the 20% discount on High Voltage Tariffs - Approval of new High Voltage Tariffs**

According to a resolution of the General Meeting of shareholders of PPC S.A., a volume discount on the competitive capacity and power charges was decided upon. Said proposal concerns the total annual consumption in GWh. To read the relevant press release of the PPC click [here](#).