

Competition & Regulation Report

May - June 2016

EDITORIAL: The implications of Brexit on competition law

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Editorial:

The implications of Brexit on competition law

On June 23, 2016, through a highly publicized referendum, the United Kingdom voted to leave the European Union. At this point, there is still uncertainty as regards what form the so-called “Brexit” will take, and if and when it will be implemented. It should be noted that any effects of Brexit are not expected to take place soon as the UK has first to invoke article 50 of the Treaty of the European Union, and then has two years to negotiate the exit with the EU.

First off, it must be stated that UK competition law is deeply rooted in the EU framework. As such, and as regards substantive competition law, not many changes are expected. In line with the above, it is important to note that the EU competition rules will continue to apply even after Brexit shall be implemented to agreements or transactions of UK entities that generate effects within the EU, just as agreements or transactions of US and Asian companies are subject to EU competition rules in similar situations. However, the UK’s Competition and Markets Authority (CMA) and the courts of the UK will no longer be bound by the jurisprudence of the European Courts and will not be subject to Article 3 of Regulation 1/2003, which stipulates, among others, that what is permitted under EU competition law cannot be prohibited under the member states’ competition law. As a result, the impact of Brexit will mainly be felt in relation to the enforcement of competition law by the competent UK authorities.

In addition, in case of Brexit, the EU state aid rules will no longer apply and the UK government will be put in the position to decide whether it shall implement its own system of state aid rules. It must be noted, however, that the above stands without prejudice to the rules of the World Trade Organization on subsidies, which shall apply to the UK even after Brexit is implemented.

As regards EU merger control system, mergers that satisfy the EU criteria will still have to be notified to the European Commission. As with competition law, merger enforcement in the UK is not expected to change drastically as regards substantive aspects. However, important procedural and jurisdictional changes shall take place. In line with the above, the EU Merger Regulation will no longer be applicable and, as a result, there will no longer be a one-stop-shop principle for notification of mergers. In essence, notifications to the CMA are expected to increase, since it shall have jurisdiction over much larger mergers than pre-Brexit.

In conclusion, it remains to be seen to what extent the decision of the UK voters shall be in fact implemented by the UK government. EU competition law and the EU case law shall remain a matter of law in the UK for some time, and they are expected to remain highly prevalent in practice even after Brexit takes effect. In the medium and long term, however, some divergence between UK and EU competition law should be expected. A key point in this regard shall be any decision regarding the applicable UK legislation governing how UK competition rules are to be interpreted.

Antitrust**CJEU: Judgment issued in Cases C-616/13P, C-608/13P, C-617/13P - (PROAS, CEPSA, REPSOL vs. European Commission)**

On 09.06.2016 in Cases C-616/13P, C-608/13P, C-617/13P - (PROAS, CEPSA, REPSOL vs. European Commission), the Court of Justice of the European Union (CJEU) ruled on appeals by Repsol, CEPSA and Proas against General Court rulings of September 2013 that had upheld a European Commission decision of 2007 fining the applicants for participating in a cartel in the market for bitumen in Spain. The Court of Justice dismissed the appeals and confirmed all the substantial findings of the European Commission's 2007 decision. To read the full judgment of the CJEU in Case C-617/13P click [here](#). To read the full judgment of the CJEU in Case C-616/13P click [here](#). To read the full judgment of the CJEU in Case C-608/13P click [here](#).

CJEU: Judgments issued in Cases C-154/14 P and C-155/14 P (SKW Stahl-Metallurgie/SKW Stahl-Metallurgie Holding, Evonik Degussa/AlzChem vs. European Commission)

On 16.06.2016 the CJEU in Cases C-154/14 P and C-155/14 P (SKW Stahl-Metallurgie/SKW Stahl-Metallurgie Holding, Evonik Degussa/AlzChem vs. European Commission) ruled on appeals by SKW and Evonik Degussa against General Court judgments of January 2014 that had upheld a Commission decision of 2009. The Commission's 2009 decision had fined these companies for their participation in a cartel on the markets for calcium

carbide. The CJEU dismissed the appeals. To read the full judgment of the CJEU in Case C-154/14P click [here](#). To read the full judgment of the CJEU in Case C-155/14P click [here](#).

The GC Dismissed Trioplast's Application Seeking Reimbursement of Interest Paid for Being Late in Paying Cartel Fine

With its judgment handed down on 12 May 2016 in Case T-669/14 (Trioplast Industrier AB v. European Commission), the General Court of the European Union (GC) dismissed an action brought by Trioplast Industrier AB (Trioplast Industrier) claiming the annulment of an alleged decision by the European Commission to ask Trioplast Industrier to pay interest for the late payment of a fine imposed on it for its involvement in the industrial bags cartel. To read the full judgment of the GC in Case T-699/14 click [here](#).

The GC dismissed Spanish companies' actions in pre-stressing steel cartel case

On 2 June 2016, the GC handed down its judgment in Joined Cases T-426/10 (Moreda-Riviere Trefilerías, SA v Commission), T-427/10 (Trefilerías Quijano, SA v Commission), T-428/10 (Trenzas y Cables de Acero PSC, SL v Commission), T-429/10 (Global Steel Wire, SA v Commission), T-438/12 (Global Steel Wire, SA v Commission), T-439/12 (Trefilerías Quijano, SA v Commission), T-440/12 (Moreda-Riviere Trefilerías, SA v Commission) and T-441/12 (Trenzas y Cables de Acero PSC, SL v Commission), dismissing the appeals by Moreda-Riviere Trefilerías, Trefilerías Quijano, Trenzas y Cables de Acero PSC and Global Steel Wire. The companies had appealed the European Commission's

decision to impose fines on them for participating in a cartel on the European pre-stressing steel market. To read the full press release of the GC (No. 57/16) click [here](#).

GC: Judgment issued in case T-491/07 (RENV Groupement des Cartes Bancaires v Commission)

In case T-491/07 (RENV Groupement des Cartes Bancaires v Commission) the GC ruled on actions for annulment of a European Commission decision of 2007 finding that Groupement des Cartes Bancaires had restricted competition by imposing certain tariff measures on some of its members. The GC annulled the decision only insofar as it prohibited Groupement des Cartes Bancaires to carry out activities with a similar "object" in the future. To read the full judgment of the GC in case T-491/07 click [here](#).

The European Commission fined Pometon € 6.2 million for participation in steel abrasives cartel

The European Commission found that Italian abrasives producer Pometon S.p.A. breached EU antitrust rules by participating in a cartel to coordinate steel abrasives prices in Europe for almost four years. The European Commission imposed a fine of € 6.197.000. To read the full press release of the European Commission (IP-16-1907) click [here](#).

The European Commission re-adopted two amending decisions on heat stabilizers cartel

The European Commission re-adopted two amending decisions on the heat stabilisers cartel, following annulment by the EU General Court. The

amending decision will be made available under the case number 38589 in the public case register on the European Commission's competition website. To read the relevant press release of the European Commission click [here](#).

The European Commission published its 2015 annual report

The European Commission published the 2015 Annual Competition Report, which illustrates how EU competition policy initiatives and enforcement activities have underpinned the Commission's growth and jobs agenda. To read the full text of the 2015 Annual Competition Report click [here](#).

The European Commission opened formal investigation into AB InBev's practices on Belgian beer market

The European Commission opened an investigation, on its own initiative, to assess whether Anheuser-Busch InBev SA (AB InBev) abused its dominant position on the Belgian beer market by hindering imports of its beer from neighbouring countries, in breach of EU antitrust rules. The European Commission will investigate further to establish whether its initial concerns are confirmed: its preliminary view is that AB InBev may be pursuing a deliberate strategy to restrict so-called 'parallel trade' of its beer from less expensive countries, such as the Netherlands and France, to the more expensive Belgian market. To read the full press release of the European Commission (IP-16-2361) click [here](#).

Greece: Ex officio investigation of the HCC into public works tender competitions for alleged violation of Articles 1 n. 703/77, presently article 1

of law 3959/2011, and 101 of the TFEU

According to a relevant press release, the HCC has commenced an ex officio investigation of the HCC into public works tender competitions for alleged violation of Articles 1 n. 703/77, present 1 n. 3959/2011, and 101 TFEU. The Plenary of the HCC shall convene on July 21 2016 to determine whether or not a breach of article 1 of Law 703/1977 (presently, article 1 of law 3959/2011) and of article 101 of the TFEU has taken place by contractor companies. To read the relevant press release of the European Commission click [here](#).

Greece: Introduction of a cartel settlement process under Law on the Protection of Free Competition

Article 105 of Law 4389/2016 (Gov't Gazette Issue A' 94/27.05.2016) introduced article 25a in the Law on the Protection of Free Competition (LPFC) providing for the possibility of settlement exclusively in the case of cartels (horizontal agreements). To read the full text of law 4389/2016 as published in the Government Gazette click [here](#).

UK: Response to a request for information on communications between Facebook and the CMA about data protection rules

On 12 April 2016 the Competition and Markets Authority (CMA) received a freedom of information request for information on communications between Facebook and the CMA regarding the enforcement of data protection rules. The CMA replied on 6 May 2016. To read the full press release of the CMA click [here](#).

UK: Fridge supplier ITW Ltd fined over £2 million after breaking competition law by restricting dealers from offering online discounts

The CMA imposed a fine of £2,298,820 on fridge supplier ITW Ltd after breaking competition law by restricting dealers from offering online discounts. This was after the initial fine was reduced by 10% for ITW Limited setting up a comprehensive program to train its staff in compliance with competition law and a further 20% to reflect savings due to ITW's admission and co-operation with the CMA under a settlement agreement. To read the full press release of the CMA click [here](#).

France / Germany: The Autorité de la concurrence and the Bundeskartellamt published joint paper on data and its implications for Competition Law

In a joint project the French Autorité de la concurrence and the German Bundeskartellamt analysed the implications and challenges for competition authorities resulting from data collection in the digital economy and other industries. This joint work is a prime example of close cooperation between two major national competition authorities in a field of growing interest for firms, authorities and citizens alike. It also provides some food for thought in the context of the ongoing policy debate on the so-called digital platforms' economic role. To read the full English version of the paper click [here](#).

France: The Autorité de la concurrence began, at its own initiative, gathering information in order to assess data processing in the on-line advertising sector

The Autorité decided, at its own initiative, to gather information with a view to assessing competition in the internet advertising sector and the significance of data processing, six years after the publication of its first opinion on this sector (opinion 10-A-29 of 14 December 2010 on competition in on-line advertising), and as an extension of the publication, on 10 May 2016, of the joint paper published by the Autorité and the Bundeskartellamt regarding data and its implication for competition law. To read the full press release of the Autorité de la concurrence click [here](#).

France: The Autorité de la concurrence fined several companies for having reached anticompetitive practices in the sectors of welded mesh and metal frames used by construction and public works companies in La Réunion

The Autorité de la concurrence fined an amount of 5 million euros to companies in La Réunion for market sharing and having prevented the development of their competitors in the sectors of welded mesh and metal frames. These practices have affected all public works activities in La Réunion and in particular the Tamarins road construction project. To read the full press release of the Autorité de la concurrence click [here](#).

France: The Autorité de la concurrence fined UMICORE, one of the global leaders in zinc, €69 million for abuse of dominant position towards its competitors by practicing during 9 years

a trade policy aiming at constraining its distributors to supply themselves exclusively from the company

The Autorité de la concurrence fined the Belgian group Umicore (parent company as well as its French subsidiary), main supplier of rolled zinc in France, for implementing, between 1999 and 2007, a trade policy constraining its distributors-retailers among which some important specialized companies (Point P, Asturienne, Larivière), to supply themselves exclusively from Umicore. This trade policy was accompanied by surveillance, threats and retaliation system aimed at taming the retailers and at ensuring they solely obtain supply from the Umicore's company. The Autorité fined Umicore €69.2 million. To read the full press release of the Autorité de la concurrence click [here](#).

Germany: Resale price maintenance in food retail sector - Fine proceedings largely concluded in beer segment too

In its vertical case in the food retail sector the Bundeskartellamt concluded further cartel proceedings and imposed new fines on retailers totalling 90.5 million euros. This time the investigations focused on agreements between the brewery Anheuser Busch InBev Germany Holding GmbH, Bremen (AB InBev) and retailers on shop prices for beer, in particular the brands "Beck's", "Franziskaner" and "Hasseröder". A mitigating factor in the calculation of the fines was that with the exception of Rossmann's fine settlement agreements could be reached with the companies. Rossmann appealed against its fine to the Düsseldorf Higher Regional Court. In the other cases

where the fine decisions are not yet final, these can also be appealed. To read the full press release of the Bundeskartellamt click [here](#).

Mergers

Statement issued by Commissioner Vestager on announcement by Halliburton and Baker Hughes to withdraw from proposed merger

The European Commission took note of Halliburton and Baker Hughes' announcement that they are abandoning their proposed merger. This follows competition concerns against that proposed transaction expressed by a number of competition agencies across the world, including the European Commission. The European Commission had opened an in-depth investigation in January 2016. To read the full statement of Commissioner Vestager (STATEMENT/16/1642) click [here](#).

The European Commission approved Sysco's acquisition of Brakes

The European Commission cleared under the EU Merger Regulation the proposed acquisition of Brakes, the largest UK food distributor, by Sysco, the largest US food distributor. The European Commission found that the takeover would not adversely affect competition in Europe. To read the full press release of the European Commission (IP-16-2163) click [here](#).

The European Commission cleared proposed acquisition of Banco BPI by CaixaBank

The European Commission approved under the EU Merger Regulation the proposed acquisition of Banco BPI,

S.A. of Portugal by CaixaBank, S.A. of Spain. Banco BPI is a Portuguese public company, active in the banking and insurance sector, mainly in Portugal. CaixaBank is an integrated Spanish financial group with a banking business, insurance and investments activity, listed on several stock exchanges. To read the relevant press release of the European Commission click [here](#).

The European Commission cleared acquisition of GloHealth and Aviva Health by Irish Life

The European Commission approved under the EU Merger Regulation the acquisition of GloHealth Financial Services Limited and Aviva Health Insurance Ireland Limited, both of Ireland, by Irish Life Group Limited of Ireland, a wholly owned indirect subsidiary of Great-West Lifeco Inc. of Canada. GloHealth and Aviva Health provide health insurance products. Irish Life provides life insurance, pensions, retirement savings and management services. Great-West Lifeco is an international financial services holding company with interests in life and health insurance, retirement and investment services, asset management, and reinsurance businesses. To read the relevant press release of the European Commission click [here](#).

New Policy Brief on International enforcement cooperation in mergers

On 23.05.2016, the European Commission issued its May 2006 Policy Brief on International enforcement cooperation in mergers. To read the full text of the Policy Brief click [here](#).

The European Commission cleared acquisition of Tyco by Johnson Controls

The European Commission approved under the EU Merger Regulation the acquisition of Tyco International plc of Ireland by Johnson Controls, Inc of the US. Tyco is a global provider of fire, security and life safety products and services. Johnson Controls is a global multi-industrial company with three main business segments: (i) building efficiency; (ii) automotive systems; and (iii) power solutions. To read the relevant press release of the European Commission click [here](#).

The European Commission cleared acquisition of Continental Bakeries by Goldman Sachs

The European Commission approved under the EU Merger Regulation the acquisition of Continental Bakeries B.V. of the Netherlands by the Goldman Sachs Group, of the United States. Goldman Sachs is a global investment banking, securities and investment management firm. Continental Bakeries is a European bakery group that manufactures and sells biscuits, sweets, bread replacements and toast. To read the relevant press release of the European Commission click [here](#).

The European Merger Working Group issued Report on information requirements for merger notification

The EU Merger Working Group published a complete overview of the state of play of information requirements for merger notification in the European Union. These documents will offer greater transparency to companies, in particular those which

must notify a transaction in several Member States. To read the relevant report of the European Merger Working Group click [here](#).

The European Commission approved acquisition of Starwood Hotels & Resorts by Marriott

The European Commission cleared the acquisition of Starwood Hotels & Resorts by Marriott International, both of the US. The Commission found that the takeover would not adversely affect competition in Europe. Both companies are mainly active as managers and franchisors of hotels worldwide. At global level, more than 4,500 hotels in 85 countries operate under a Marriott brand and about 1,300 hotels in nearly 100 countries under a Starwood brand. To read the full press release of the European Commission (IP-16-2341) click [here](#).

The European Commission cleared acquisition of parts of INGKA Holding by Inter IKEA Holding

The European Commission approved under the EU Merger Regulation the acquisition of parts of INGKA Holding by Inter IKEA Holding, both of the Netherlands. INGKA develops, produces and sources the IKEA product range, manages the supply chain of the IKEA product range, and produces and sells particle boards. Inter IKEA is the owner of the IKEA concept and the worldwide IKEA franchisor. To read the relevant press release of the European Commission click [here](#).

The European Commission cleared joint acquisition of PHS by Anchorage and M&G

The European Commission approved under the EU Merger Regulation the acquisition of joint control over PHS Group Investments Limited of the United Kingdom by Anchorage Capital Group of the United States and funds managed by M&G Alternatives Investment Management Limited (MGAIM) and M&G Investment Management Limited (MGIM) of the United Kingdom. To read the relevant press release of the European Commission click [here](#).

The European Commission cleared joint venture between INCJ, Sumitomo and Sekisui

The European Commission approved under the EU Merger Regulation the creation of a joint venture by Innovation Network Corporation of Japan (INCJ), Sumitomo and Sekisui, all of Japan. INCJ is a Japanese public-private partnership providing financial, technological and management support in order to promote the creation of business in the areas of clean energy, electronics, IT and biotechnology and infrastructure-related sectors. Sumitomo manufactures and sells a wide array of chemical products, including petrochemicals, plastics, IT-related chemicals, pharmaceuticals and others. Sekisui manufactures and sells high performance plastics, environmental products and others. To read the relevant press release of the European Commission click [here](#).

The European Commission cleared acquisition of Volker Wessels Offshore by Boskalis

The European Commission approved under the EU Merger Regulation the acquisition of Volker Wessels Offshore by Boskalis, both of the Netherlands. Volker Wessels Offshore comprises three businesses, namely Stemat Holding B.V., Volker Stevin International Holding B.V., and VBMS Holding B.V. These provide global maritime services including renting and leasing of commodity vessels, installation, maintenance and replacement services of subsea power cables and offshore construction services. Boskalis is a global maritime services company, active in dredging, offshore installation, offshore transport, towage and salvage as well as inland infrastructure. To read the relevant press release of the European Commission click [here](#).

The European Commission conditionally cleared AB InBev/SABMiller deal

The European Commission cleared under the EU Merger Regulation the proposed acquisition of SABMiller, the world's second largest brewer, by AB InBev, the world's largest brewer. The clearance is conditional on AB InBev selling practically the entire SABMiller beer business in Europe. The European Commission had concerns that the transaction, as initially notified, could have led to higher beer prices in Member States where SABMiller is currently active, because it would have removed an important competitor and made tacit co-ordination between the leading international brewers more likely. By offering to divest practically all of SABMiller's beer business in

Europe, AB InBev addressed these concerns. In view of the remedies proposed, the European Commission concluded that the proposed transaction, as modified, would no longer raise competition concerns. To read the full press release of the European Commission (IP-16-1900) click [here](#).

The European Commission approved acquisition of building materials group Italcementi by HeidelbergCement, subject to conditions

The European Commission cleared under the EU Merger Regulation the proposed acquisition of Italian building materials group Italcementi by its German competitor HeidelbergCement. The clearance is conditional on HeidelbergCement selling Italcementi's entire business in Belgium. To read the full press release of the European Commission (IP-16-1929) click [here](#).

The European Commission cleared acquisition of joint control of Eurolife by Fairfax and OPG

The European Commission approved under the EU Merger Regulation the acquisition of joint control over Eurolife ERB Insurance Group Holdings S.A. of Greece by Fairfax Financial Holdings Limited of Canada and OPG Commercial Holdings S.à r.l. of Luxembourg, belonging to the OMERS Group of Canada. Eurolife provides insurance and reinsurance in Greece and Romania. OPG is the holding company of OMERS. OMERS is the administrator of the Ontario Municipal Employees Retirement System Primary Pension Plan. To read the relevant press release of the European Commission click [here](#).

The European Commission cleared acquisition of Visa Europe by Visa Inc.

The European Commission approved under the EU Merger Regulation the acquisition of Visa Europe of the United Kingdom, by Visa Inc. of the US. Together, the two companies operate the VISA payment scheme. To read the relevant press release of the European Commission click [here](#).

The European Commission cleared acquisition of Airbus Defence Electronics by KKR

The European Commission approved under the EU Merger Regulation the acquisition of Airbus Defence Electronics by KKR of the US. Airbus Defence Electronics comprises three businesses, namely Airbus DS Optonics GmbH, Airbus DS Electronics and Border Security GmbH, both of Germany, and Airbus DS Electronics and Border Security SAS of France. KKR owns and manages private equity funds investing in companies active in a variety of sectors. Airbus Defence Electronics manufactures and sells sensor systems, military radars and communications, electronic warfare and optonics. To read the relevant press release of the European Commission click [here](#).

UK: The CMA provisionally found that the merger between Ladbrokes and Coral may give rise to competition concerns in a large number of local areas

Ladbrokes plc (Ladbrokes) and Gala Coral Group Limited (Coral) are, respectively, the second and third largest bookmakers in the UK by number of shops, known as licensed betting offices. They also provide

betting and gaming products online, 'on-course' at certain racecourses, and by telephone, as well as each operating 2 greyhound tracks. The group of independent panel members investigating the merger looked in detail at the large number of areas where Ladbrokes and Coral shops compete. In a summary of its provisional findings, the group identified 659 local areas where it provisionally found that the merger may be expected to result in a substantial loss of competition, which could lead to a worsening of the offer made to customers at both a local and national level. To read the full press release of the Competition and Markets Authority (CMA) click [here](#).

UK: Tullett's anticipated acquisition of ICAP's voice/hybrid broking business faces being referred for an in-depth investigation by the CMA

The merger will be referred for an in-depth phase 2 investigation by an independent group of CMA panel members unless Tullett and ICAP are able to offer undertakings which address the CMA's competition concerns in relation to broking of oil products. To read the full press release of the CMA click [here](#).

France: The Autorité de la concurrence decided to open an in-depth examination regarding the de facto merger of Auchan and System U

Auchan and System U groups notified the Autorité de la concurrence of their merger project on December 30th 2015, after a referral of the European Commission merger's review to France. The case was declared completed on April 7th, 2016. As part of its review, and following a first consultation of market

stakeholders, the Autorité considered that the operation needs an in-depth examination (phase 2) considering its effects, both upstream markets of supply of everyday consumer products and downstream at the distribution stage. To read the full press release of the Autorité de la concurrence click [here](#).

France: The Autorité de la concurrence cleared the acquisition of Foncière de Paris by Gecina

The Gecina company notified on 26 May 2016 its intention to acquire the Foncière de Paris company. Gecina is a real estate investment company listed on Euronext Paris' Eurolist. It operates in the ownership and management of residential and retail properties sector almost exclusively in the Île-de-France area. Foncière de Paris is a real estate investment company as well, also listed on Euronext Paris' Eurolist. After examination of the markets of ownership and management for own account of properties for private individuals and companies, the Autorité cleared this transaction considering it does not raise competition issues. To read the full press release of the Autorité de la concurrence click [here](#).

Bundeskartellamt cleared planned merger of producers of equipment for semiconductor manufacture

The Bundeskartellamt cleared the planned merger between KLA-Tencor Corporation, Milpitas, USA, and Lam Research Corporation, Fremont, USA. Both parties to the merger are internationally active producers of equipment for the manufacture of semiconductors (chips). As the companies also generate turnover in Germany, they had to notify the merger

to the Bundeskartellamt. The merger project is currently also being examined by the competition authorities in the USA, Japan, Korea and China. It has already been cleared in Israel, Ireland and Taiwan. To read the relevant press release of the Bundeskartellamt click [here](#).

State Aid

CJEU: Opinion of the Advocate General in Case C-76/15 (Paul Vervloet and others)

On 02.06.2016 in Case C-76/15 (Paul Vervloet and others), Advocate General Kokott of the Court of Justice of the European Union (CJEU) delivered her opinion on preliminary questions referred by the Belgian Constitutional Court regarding the admission of the ARCO financial cooperatives into the Belgian deposit-guarantee scheme. In the Advocate General's view, the Belgian guarantee, granting the shareholders of the ARCO financial cooperatives the same protection as that conferred to savings deposits, is in breach of EU law. To read the full press release of the CJEU (No. 55/16) click [here](#).

The CJEU issued its judgment in case C-270/15 (Belgium v. European Commission)

By its appeal, the Kingdom of Belgium asked the CJEU to set aside the judgment of the General Court of the European Union of 25 March 2015 in *Belgium v. Commission* (T-538/11, EU:T:2015:188, by which that court dismissed its action for annulment in part of Commission Decision 2011/678/EU of 27 July 2011 concerning the State aid for financing of screening of transmissible spongiform

encephalopathies (TSE) in bovine animals implemented by Belgium. On 30.06.2016, the CJEU rejected Belgium's appeal. To read the full judgment of the CJEU in case C-270/15 click [here](#).

The GC dismissed appeal against Commission decision regarding aid to Czech sports facilities

On 12 May 2016, by its judgment in Case T-693/14 (*Hamr - Sport a.s. v. European Commission*), the General Court of the European Union (GC) handed down its judgment on an appeal by Czech company Hamr-Sport a.s. against a decision of the European Commission which found that state aid granted by the Czech republic to non-profit sport facilities was compatible with the internal market on the basis of Article 107(3) of the TFEU. To read the full judgment of the GC in Case T-693/14 click [here](#).

GC: Judgment issued in Case T-122/14 (Italy v. Commission)

On 09.06.2016, GC ruled on Italy's action for annulment of a Commission decision of December 2013. The Commission's 2013 decision requested Italy to make a penalty payment for the non-recovery of incompatible aid, set up by a Court of Justice judgment of November 2013. The GC annulled the Commission's decision because of an error in the calculation of the penalty amount. To read the full judgment of the GC in Case T-122/14 click [here](#).

GC: Judgment issued in Case T-162/13 (Magic Mountain Kletterhallen and Others vs. European Commission)

On 09.06.2016, the GC issued its judgment in Case T-162/13 (*Magic*

Mountain Kletterhallen and Others vs. European Commission), rejecting an action for the annulment of a European Commission decision of 2013 concerning support measures in favour of Deutscher Alpenverein. The European Commission had found the measures to be in line with EU state aid rules because they further amateur sport without unduly distorting competition in the Single Market. Commercial climbing halls had brought an action for annulment of that decision. The GC rejected the action as unfounded and confirmed in particular that the decision was sufficiently motivated. To read the full decision of the GC in Case T-162/13 click [here](#).

GC: Judgment issues in Case T-118/13 (Whirlpool Europe vs European Commission)

The GC ruled on 22.06.2016 in Case T-118/13 (Whirlpool Europe vs European Commission) on an action by Whirlpool for the annulment of a European Commission decision of 2012. The European Commission's 2012 decision had authorized under certain conditions state aid in favor of FagorBrandt, a company active in home appliances. The GC held that Whirlpool had not established that its position was substantially affected by the aid and dismissed the action as inadmissible. To read the full judgment of the GC in Case T-118/13 click [here](#).

Commissioner Vestager agreed to strengthen bilateral partnerships with Italy, Romania and Bulgaria at High Level Forum; presented working paper on state aid and tax rulings

In the context of better implementation of State Aid Modernization, the European Commission offered the

possibility for Member States to enter into strengthened bilateral partnerships to improve management of state aid. One such partnership with Italy was agreed today by Commissioner Vestager and Italian State Secretary for European Affairs Sandro Gozi. This follows agreement with Bulgaria in April. Constructive work is also advancing to strengthen a partnership with Romania. To read the relevant press release of the European Commission click [here](#).

The European Commission approved prolongation of Irish credit union restructuring scheme

The European Commission found the prolongation until 1 October 2016 of an Irish scheme aimed at restructuring credit unions to be in line with EU state aid rules on the restructuring of banks during the crisis. The European Commission first authorized the scheme on 16 October 2014 it was subsequently prolonged on 5 May 2015 and 16 November 2015. To read the relevant press release of the European Commission click [here](#).

The European Commission cleared €2.13 billion aid to alleviate social and economic impact of closing 26 uncompetitive coal mines in Spain

The European Commission found Spanish plans to grant €2.13 billion for the orderly closure of 26 uncompetitive coal mines to be in line with EU state aid rules. The European Commission concluded that the plans were in line with EU state aid rules, in particular Council Decision 2010/787/EU. To read the full press release of the European Commission (IP-16-1910) click [here](#).

The European Commission published the non-confidential version of the final negative decision with recovery regarding the tax treatment by The Netherlands of Starbucks

The European Commission published the non-confidential version of the final negative decision with recovery adopted on 21 October 2015, which closed the in-depth investigation into transfer pricing arrangements on corporate taxation of Starbucks in the Netherlands, as originally published in our Competition and Regulation Report ([Issue 2015/4](#)). To read the full decision of the European Commission click [here](#).

The European Commission approved Cypriot scheme in favour of certain borrowers in difficulty

The European Commission found a Cypriot scheme to support private households and micro companies that encounter difficulties in repaying loans to be in line with EU state aid rules. Eligible borrowers can get a grant that does not need to be reimbursed, provided that their loans are secured against their principal residence. The aim is to avoid that these borrowers lose their principal residence. To read the relevant press release of the European Commission click [here](#).

The European Commission approved prolongation of Cypriot bank guarantee scheme

The European Commission approved, under EU State aid rules, a prolongation until 31 December 2016 of the government guarantee scheme for credit institutions in Cyprus. The European Commission authorized the original scheme in November 2012.

Since then its prolongation has been authorized several times, the last time in January 2016. The European Commission found this latest prolongation of the measure to be in line with its guidance on support measures for banks during the financial crisis. To read the relevant press release of the European Commission click [here](#).

The European Commission approved prolongation of Greek bank guarantee scheme

The European Commission authorised the prolongation of the Greek guarantee scheme for credit institutions until 31 December 2016 under EU state aid rules. Whilst the liquidity situation of the Greek banks is gradually improving, the European Commission found 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. To read the relevant press release of the European Commission click [here](#).

The European Commission cleared Belgian postal service compensation for bpost 2016 to 2020

The European Commission found Belgian plans to compensate the incumbent postal operator bpost with €1.3 billion for providing postal services of general economic interest between 2016 and 2020 to be in line with EU state aid rules. To read the full press release of the European Commission (IP-16-2034) click [here](#).

The European Commission widened scope of ongoing in-depth investigation

into Italian support for steel producer Ilva

The European Commission extended the scope of its ongoing in-depth inquiry to assess whether an additional €300 million loan granted by Italy to steel producer Ilva was in line with EU State aid rules. In addition to its ongoing assessment of the previous measures, the European Commission will also examine whether this additional loan gave Ilva an unfair advantage over its competitors, in breach of EU state aid rules. To read the relevant press release of the European Commission click [here](#).

The European Commission clarified scope of EU State aid rules to facilitate public investment

The European Commission published its Notion of Aid Notice, which provides guidance on when public spending falls within, and outside, the scope of EU State aid control. It will in particular facilitate public investment in the European Union by helping Member States and companies to design public funding in ways which do not distort competition, notably because it does not risk distorting the level playing field in the Single Market or risk crowding out private investment. To read the full press release of the European Commission (IP-16-1782) click [here](#).

The European Commission approved the Estonian short term export credit scheme

The European Commission found that the Estonian short-term export-credit scheme was in line with EU state aid rules, and in particular with the 2012 Short-term export-credit

Communication. The scheme was authorized until 31 December 2023. To read the relevant press release of the European Commission click [here](#).

The European Commission published non-confidential version of decision to open investigation into the tax treatment of McDonalds (Luxembourg)

On 06.06.2016 the Commission published the non-confidential version of the decision taken on 3 December 2015 to open an in-depth investigation into the exemption of profits from corporate taxation of McDonalds in Luxembourg, as reported in our Competition and Regulation Report ([Issue 2015/5](#)). To read the full text of the European Commission's decision click [here](#).

The European Commission published non-confidential version of decision that selective tax advantages for Fiat in Luxembourg are illegal under EU state aid rules

On 09.06.2016, the European Commission published the non-confidential version of the decision taken on 21 October 2015 that Luxembourg has granted selective tax advantages to Fiat Finance and Trade, as reported in our Competition and Regulation Report ([Issue 2015/4](#)). To read the full text of the European Commission's decision click [here](#).

The European Commission launched in-depth investigation into alleged aid to Belgian glass producer Ducatt

The European Commission opened an in-depth probe to assess whether financial support of in total over €40 million granted by the publicly-owned Flemish investment companies

Limburgse Reconversie Maatschappij and Participatie Maatschappij Vlaanderen NV in favour of Ducatt NV, a Belgian producer of glass for solar panels, was in line with EU state aid rules. To read the full press release of the European Commission (IP-16-1840) click [here](#).

Energy

GC: German 2012 energy law involved state aid

By its judgment in Case T-47/15 (Germany v. Commission), the General Court of the European Union (GC) confirmed that a 2012 German law on renewable energy involved State aid, dismissing Germany's action against the Commission. The GC dismissed the action, which had been brought by Germany against a Commission decision by which it classified as State aid (a) the support for undertakings producing electricity from renewable energy sources (aid which the Commission nevertheless approved) and (b) the reduction in the EEG surcharge for certain electricity-intensive undertakings (aid which it for the most part approved). To read the full press release of the GC (No. 47/16) click [here](#).

The GC ruled on appeals against unlimited State guarantee granted by France

On 26 May 2016, the GC handed down its judgment in Joined Cases T-479/11 and T-157/12 (France and IFP Énergies nouvelles v Commission) on the appeals made by France and the Institut Français du Pétrole Énergies Nouvelles (IFP) against the Commission's decision that an unlimited State guarantee granted by

France to the IFP was compatible with the State aid rules. The GC found that the Commission had not proved that the guarantee gave IFP a real economic advantage under Article 107 of the TFEU and therefore, annulled the decision in that respect, but dismissed the rest of the appeal. To read the full press release of the GC (No. 53/16) click [here](#).

The European Commission cleared acquisition of PitPoint.LNG by Primagaz Nederland

The European Commission approved under the EU Merger Regulation the acquisition of joint control over PitPoint.LNG by Primagaz Nederland B.V., both of the Netherlands. PitPoint.LNG is a retail supplier of liquefied natural gas for motor vehicles. Primagaz Nederland is, amongst others, active in the trade and distribution of liquefied petroleum gas and in the retail of liquefied natural gas for heating purposes. To read the relevant press release of the European Commission click [here](#).

The European Commission found that the Danish transmission system operator's contract with DONG Energy did not involve State aid

The European Commission found that a contract between the Danish transmission system operator Energinet.dk and DONG Energy for the supply of electricity at short notice did not involve any State aid. The European Commission concluded that the contract did not confer a selective advantage to DONG Energy. The European Commission further assessed the price paid to DONG Energy and compared it against the price of potential alternative sources, and

concluded that Energinet.dk secured a competitive price for the required ancillary services in eastern Denmark. To read the full press release of the European Commission (IP-16-1885) click [here](#).

The European Commission confirmed unannounced inspections in the natural gas sector

On 6 June 2016, Commission officials carried out unannounced inspections at the premises of several companies active in the supply and transport of natural gas in Romania. To read the full statement of the European Commission (STATEMENT/16/2133) click [here](#).

The European Commission cleared acquisition of certain aviation fuel assets belonging to ExxonMobil by WFS

The European Commission approved under the EU Merger Regulation the acquisition of certain aviation fuels businesses located at 25 airports in the European Economic Area and belonging to ExxonMobil by WFS, both of the US. ExxonMobil is active in the exploration, production and sale of crude oil and natural gas, and the refining and marketing of petroleum products. WFS is a global fuel logistics, transaction management and payment processing company, principally engaged in the distribution of fuel and related products. To read the relevant press release of the European Commission click [here](#).

The European Commission cleared joint venture by Air Liquide and OMZ in LNG sector

The European Commission approved, under the EU Merger Regulation, the proposed creation of a joint venture by

Air Liquide Global E&C Solutions France S.A. and OMZ, based in the Russian Federation. Air Liquide designs, develops and produces gas production units and develops comprehensive solutions the refining of associated gas, natural gas and liquefied natural gas ("LNG"). OMZ is an integrated and diversified engineering and production research holding engaged in the heavy machine-building industry. The joint venture will be active in the research and development, design and engineering of natural gas liquefaction technology, mainly in Russia. To read the relevant press release of the European Commission click [here](#).

The European Commission cleared closure of lignite-fired power plants in Germany

The European Commission found German plans to grant €1.6 billion public financing for mothballing and subsequently closing eight lignite-fired power plants to be in line with EU state aid rules. The Commission concluded that the measure promotes EU environmental objectives, as it helps Germany to achieve its CO2 emission target, without unduly distorting competition in the Single Market. To read the full press release of the European Commission (IP-16-1911) click [here](#).

The European Commission published its decision not to raise objections on the transitory electricity flexibility remuneration mechanism (FRM) submitted by Greece on 19.05.2016

As originally reported in our Competition and Regulation Report ([Issue 2016/2](#)), the decision was taken after a series of postponements and

delays. The public version of the European Commission's decision was made available on 19.05.2016. To read the full decision of the European Commission click [here](#).

Greece: RAE published the results of its public consultation on the amendment of the Market Settlement Manual of the Management Code of the Greek Electricity Transmission System, as regards the Interruptibility Service

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

Greece: RAE announced a public consultation for the amendment of the Natural Gas Licensing Code

The public consultation shall last until 18.07.2016. To read the relevant press release of RAE click [here](#).

Greece: RAE published the results of its public consultation for the amendment of the Electricity Transaction Code and its Manual for the calculation of the energy mix

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

Greece: Report of RAE upon the written reports of energy consumers during 2015

RAE, within the context of its duties concerning the protection of energy consumers, published its Annual Report on the written reports of energy consumers, which were submitted to RAE during the year 2015, in order to duly inform all parties involved in the energy market. To read the full press release of RAE click [here](#).

Greece: RAE approved the Issuance of a license for the supply of natural gas to "Alouminion of Greece"

As per decision No. 143/2016 of RAE which was issued on 26.05.2016, RAE granted a license to supply natural gas to the company "Alouminion of Greece". According to the same decision, the license shall be valid for a term of 20 years. To read decision No. 143/2016 of RAE click [here](#).

Greece: RAE published the results of its public consultation on the Kulata/Sidirokastro interconnection point

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

Greece: RAE published the results of its public consultation concerning the determination of the Administratively Defined Maximum Price for the Supply of Electricity

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

The Greek Parliament approved electricity market reform

On May 22 2016 the Greek Parliament approved Law 4389/2016 (Gov't Gazette Issue A 94/2016), entitled "Urgent Regulations for the Implementation of Agreements on Fiscal Targets, Structural Reforms and Other Provisions", which was further amended on June 6 2016 through Law 4393/2016 (OJ A 106/2016). The law introduced significant changes to the Greek electricity market, with particular regard to the following goals: reducing the share of the Power Public Corporation (PPC) in the electricity supply market; unbundling the

transmission system operator from the PPC and partially privatising it; and regulating the temporary capacity mechanism. To read the full text of law 4389/2016 click [here](#).

Greece: The NOME auction plan was approved by the Government Council for Economic Policy and published in the Government Gazette

The NOME electricity auction plan was approved by the Government Council for Economic Policy and published in the Government Gazette Issue B 1593/06.06.2016. To read the full decision of the European Commission click [here](#). To read the full decision for the approval of the NOME electricity auction plan as published in Government Gazette click [here](#).

Electronic Communications

GC: Judgment in cases T-216/13, T-208/13 (Telefónica, Portugal Telecom vs. European Commission)

In cases T-216/13, T-208/13 (Telefónica, Portugal Telecom vs. European Commission), the GC ruled on actions for annulment of a Commission decision of January 2013, fining Telefonica and Telecom Portugal for having agreed not to compete against each other on the Iberian telecommunications market. The GC confirmed the European Commission's finding that the non-compete clause concluded between Portugal Telecom and Telefónica restricted competition by its very object. To read the full press release of the GC (No. 68/16) click [here](#).

The European Commission opened investigation into German plan for broadband vectoring

The European Commission opened an in-depth investigation on a proposal of the German telecoms regulator (BNetzA) to allow Deutsche Telekom (DT) to upgrade its network with vectoring technology. This phase is necessary because of the high complexity of the subject and the impact the upgrade would have for the decades to come. To read the relevant press release of the European Commission click [here](#).

The European Commission prohibited Hutchison's proposed acquisition of Telefónica UK

The European Commission blocked the proposed acquisition of O2 by Hutchison under the EU Merger Regulation. It had strong concerns that UK mobile customers would have had less choice and paid higher prices as a result of the takeover, and that the deal would have harmed innovation in the mobile sector. The remedies proposed by Hutchison failed to adequately address the serious concerns raised by the takeover. To read the full press release of the European Commission (IP-16-1704) click [here](#). To read the full factsheet of the European Commission (MEME-16-1705) click [here](#). To read the full statement of Commissioner Vestager (STATEMENT-16-1713) click [here](#).

The European Commission endorsed UK National Broadband Scheme for 2016- 2020

The European Commission found that the UK National Broadband Scheme for 2016-2020 complies with EU state

aid rules. The scheme will ensure roll-out of NGA broadband to as many UK homes and businesses as possible, in order to extend coverage as far as possible across the UK. It will be valid until 31 December 2020. To read the full press release of the European Commission (IP-16-1904) click [here](#).

EU: One step closer to ending roaming charges in June 2017

On 15.06.2016 the European Commission adopted a proposal to set maximum wholesale roaming charges (i.e. the prices that operators charge each other for the use of their networks) in order to make sure that the end of roaming charges for consumers, set for mid-June 2017, runs smoothly. The EU agreed that as of 15 June 2017 Europeans will pay the same price to use their mobile devices when travelling in the EU as they do at home. For this important change to happen, the European Commission committed to reviewing the wholesale roaming markets, and is today delivering on the plans agreed with the European Parliament and the Council. To read the relevant press release of the European Commission click [here](#).

The European Commission endorsed Italy's ultra-broadband plan for 2016-2022

The European Commission found Italy's high-speed broadband plan, with a budget of about €4 billion, to be in line with EU state aid rules. The scheme will bring fast internet access to areas where it is currently not available, without unduly distorting competition. This will contribute to Italy's objective of providing 85% of households and all public buildings (in particular schools and hospitals) with access to data

transfer speeds of at least 100 megabits per second (mbps). The scheme will run until 31 December 2022. To read the full press release of the European Commission (IP-16-2363) click [here](#).

Greece: Public Consultation of the HTPC on OTE's IP Interconnection Reference Offer

The National Telecommunications and Post Commission launched a public consultation on the OTE's IP technology Reference Interconnection Offer. The National Telecommunications and Post Commission is seeking the views and comments of stakeholders on the published document. The consultation period started on June the 21st, 2016 and shall expire July the 22nd, 2016. The responses should be submitted no later than Friday, July the 22nd, 2016, at 15:00. To read the full press release of the HTPC click [here](#).

Greece: the HTPC issued responses to comments of telecommunications providers on the public consultation of 10.06.15 concerning the enforcement of the obligation for accounting separation for the mobile network providers

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

UK: The CMA's determination in 2 superfast broadband price control appeals was published

In January, the Competition Appeal Tribunal (CAT) referred 2 appeals to the Competition and Markets Authority (CMA) over restrictions to the charges BT is permitted to make for use of its superfast broadband network. British Telecommunications plc (BT) and

TalkTalk Telecom Group plc (TalkTalk) both appealed to the CAT following Ofcom's decision on superfast broadband pricing in March last year.

The Ofcom pricing rule aims to ensure that BT maintains a sufficient margin between its wholesale and retail superfast broadband charges, in order to allow other providers to profitably match its prices. In its final determination on the BT appeal, the CMA dismissed BT's challenges in all but one of the issues it was asked to look at. To read the full press release of the CMA click [here](#).

France: The Autorité de la concurrence fined TDF 20.6 million Euros for abusive intervention with the municipalities aimed at hindering the establishment of its competitors

The Autorité de la concurrence fined TDF 20.6 million Euros for abusively hindering its competitors' development during Digital terrestrial television's (DTT) deployment between 2006 and 2010. TDF has denigrated its competitors upon a risk of disturbance should a collocated pylon be installed, and has abusively intervened with concerned local public authorities to deter them from clearing the establishment of competitor's infrastructures. TDF had also set up a loyalty rebate system by geographic areas which strongly encouraged channel editors, gathered in multiplexes, to use TDF's services for the major part of their broadcasting requirements. To read the full press release of the Autorité de la concurrence click [here](#).

France: Autorité de la concurrence issued press release declaring that the conditions are not currently satisfied to lift the ban on exclusive broadcasting of

premium sports channels pronounced on Canal Plus

As such, according to a relevant press release, the Autorité will engage, during the upcoming twelve months, in an in-depth work in dialogue with all the stakeholders, in order to reassess the entirety of the injunctions imposed in 2012 and to define a distinct and predictable framework for the 2017-2022 period. To read the full press release of the Autorité de la concurrence click [here](#).

Transport

The European Commission opened in-depth investigation into support for the Portuguese railway maintenance company EMEF

The European Commission opened an in-depth investigation to assess whether public measures in favour of the state-owned Portuguese railway maintenance company EMEF gave the company a selective advantage over its competitors, in breach of EU state aid rules. According to a complaint from a competitor and information received from Portugal, EMEF appears to have received public support worth around €90 million since 2005 from CP in the form of capital increases, loans and guarantees. To read the full press release of the European Commission (IP-16-2007) click [here](#).

The European Commission cleared joint acquisition of Pacific National by CPPIB and GIP

The European Commission approved under the EU Merger Regulation the joint acquisition of Pacific National, of Australia, by Global Infrastructure Management ("GIP"), of the US, and

Canada Pension Plan Investment Bureau ("CPPIB"), of Canada. Pacific National, currently owned by Asciano, provides rail freight transport in Australia. GIP is an investment company active in several industries. CPPIB manages and invests in infrastructure and real estate. To read the relevant press release of the European Commission click [here](#).

The European Commission opened in-depth investigation into support for Port Authority of Naples and Italian shipyard Cantieri del Mediterraneo

The European Commission opened an in-depth probe to verify whether direct grants of €44 million from Italy to the Port Authority of Naples were in line with EU state aid rules. The grants were used to renovate the dry-docks rented out by the Port Authority of Naples to Cantieri del Mediterraneo (CAMED), a ship building and ship repair company, on the basis of a 30-year concession. The Commission's preliminary view is that besides the Port Authority, also CAMED may have benefitted from these grants via the concession agreement. To read the relevant press release of the European Commission click [here](#).

Greece: HCC cleared of the proposed acquisition by COSCO (HONG KONG) GROUP LIMITED of sole control over PIRAEUS PORT AUTHORITY S.A. subject to conditions

The Hellenic Competition Commission (HCC) cleared the notified concentration between PIRAEUS PORT AUTHORITY S.A. (PPA S.A.) and COSCO (HONG KONG) GROUP LIMITED, whereby the latter acquires sole control over the former.

The concentration was cleared, under the provisions of L. 3959/2011, with the following conditions, which correspond to specific commitments undertaken by COSCO and accepted by the HCC:

1. COSCO HK shall withdraw any exclusivity terms and refrain in future from concluding or imposing any exclusivity conditions on the market for the provision of stevedoring and storage of domestic containerized cargo services.

2. COSCO HK shall maintain PPA's currently applicable tariffs for any stevedoring and storage of domestic containerized cargo services to be provided on quay 1 by PPA S.A. until 31.12.2017, with the possibility to announce any tariff increase also before the second half of 2017. To read the full press release of the HCC click [here](#).

The European Commission found public financing in favour of Italian bus operator Arfea in breach of state aid rules

The European Commission found that a retroactive public service compensation of €1.29 million granted by the Region of Piedmont (Italy) to Italian bus operator Arfea for the provision of regional public bus transport services has given the company a selective advantage over its competitors in breach of EU State aid rules. To read the relevant press release of the European Commission click [here](#).

The European Commission cleared joint acquisition of TCR by 3i Group and DAAM

The European Commission approved under the EU Merger Regulation the acquisition of TCR of Belgium by 3i Group and Deutsche Alternative Asset

Management (DAAM), both of the United Kingdom. TCR provides rental and maintenance of ground support equipment to ground handlers in the aviation sector. To read the full press release of the European Commission click [here](#).

News of the Markets

More regional airports for concession

According to press information, the Hellenic Republic Asset Development Fund (HRADF) is in the process of seeking consultants to assess the available and commercially feasible transaction structures for the 23 regional airports in Greece that are not to be conceded to the Fraport-led consortium. By September the HRADF will have to weigh the utilization options for those 23 regional airports, as well as 10 regional ports of international interest, and decide which and in what way they can be utilized before it transfers them to the new hyperfund entity, the Public Holding Company (EDIS).

Snam's expansion plans include Greece's DESFA

According to press information, Italy's Snam, one of Europe's biggest gas pipeline operators, is looking to lift about 4 billion euros off its balance sheet as part of plans to spin off its domestic gas business, sources familiar with the matter said. In a refinancing to be carried out by a dozen or so banks, the debt would end up with Snam's Italgas unit, which will be spun off by distributing Italgas shares to Snam investors and listing them. That would leave Snam more focused on its goal of becoming a prime mover in integrating Europe's patchwork of grids and

making Italy a European gas hub, in line with the European Union's desire to wean itself off Russian gas imports. It is interested in German gas grid Thyssengas and Austria's Gas Connect Austria, as well as a stake in Greece's DESFA.

Crete airport deadline pushed back to end-September

As per a relevant ministerial decision, Greece extended the deadline for bids to build and operate a new airport on the island of Crete to September 30 2016. The government, which signed up to a third international bailout last year, had initially set a February deadline for submission of binding bids for the build-operate transfer (BOT) project worth an estimated 850 million euros. The Crete Kasteli airport project is expected to be the fourth-biggest airport in Greece in terms of traffic and would replace the aging Iraklio airport now struggling to handle nearly 2.6 million tourists a year.

The procedure for the submission of binding offers for the sale of 100% stake in TRAINOSE SA. and EESSTY SA. (ROSCO) was completed

The HRADF announced that the procedure for the submission of binding offers for the sale of 100% stake in TRAINOSE SA. and EESSTY SA. (ROSCO) was completed. Regarding TRAINOSE, a binding offer was submitted by Ferrovie Dello Stato Italiane S.p.A. Binding offers for EESSTY (ROSCO) were not submitted. To read the full press release of the HRADF click [here](#)

State formula preserves its rights in OTE

According to press information, the government decided on a formula for the further privatization of OTE in a way that will preserve the state's rights in Greece's main telecommunications provider. The Finance Ministry opted to transfer its 5 percent stake in OTE to HRADF, with the fund holding on to 1 percent and the remaining 4 percent going to the Social Security Foundation (IKA). That way it will meet the demands of the country's creditors without compromising the state's shareholding rights.

Call for Thessaloniki port bids in September

According to press information, Greece will invite investors to submit binding bids for a majority stake in the country's second largest port in Thessaloniki at the end of September. Denmark's container terminal operator APM Terminals, Philippines-based International Container Terminal Services (ICTS) and Dubai-based P&O Steam Navigation Company (DP World) were strongly interested in the Thessaloniki port.

Approval of airports concession contract to Fraport

The Greek Parliament approved the concession contract for 14 regional airports to the German-Greek consortium. The country's creditors forced the government to withdraw the amendment it had tabled in the omnibus bill for the payment of 20 percent of Fraport's revenues to go to the local authorities where the airports are.

Three more freight centers to go up for concession

According to press information, railway properties firm Gaiaose is planning to concede three more freight centers via tender procedures in the next 12 months. Gaiaose will then announce a tender for the freight center at the Gonou military camp in Thessaloniki, likely in the last quarter of the year, while in the first half of 2017 the Alexandroupoli center will follow. There are also plans for the development of a freight center at Larissa in central Greece. The Gaiaose privatization program is not related to that of state sell-off fund HRADF, but is directly related to the broader development of Greek ports and the accompanying growth of the transit sector. The railway property firm has already started the process to bring the above real estate to maturity, to ensure the creation of attractive assets.

Work commenced on Greek leg of Trans-Adriatic gas pipeline

According to press information, Greece launched construction on a 550-kilometre (342-mile) section of the Trans-Adriatic Pipeline. Planned to operate from 2019, the Trans-Adriatic Pipeline (TAP) will bring gas from the vast Azerbaijani Shah Deniz 2 field via western Turkey to Greece, Albania and across the Adriatic to Italy. TAP is 870 kilometres long, running from Komotini in northeastern Greece to Puglia, Italy. It will cover 215 kilometres across Albania, 105 kilometres under the Adriatic and a final eight kilometres in Italy.

Alibaba plans on following Cosco Pacific into Greece

According to press information, Chinese online-shopping giant Alibaba is expressing an interest in Greece now that Cosco Pacific's investment in the port of Piraeus appears to be in the bag. Its interest in the Greek market is predominantly focused on Greek exporting companies (mainly offering standardized products) that have set their sights on penetrating the huge Chinese market, as well as Greek suppliers of tourism services, who would be able to receive the growing numbers of Chinese tourists visiting Greece

Island energy initiative got green light

According to press information, the Greek Regulatory Authority for Energy (RAE) approved the development of the world's first hybrid electricity production and storage plant on the small southeastern Aegean island of Tilos as part of a European program promoting sustainable energy. The TILOS (Technology Innovation for Local Scale Optimum Integration of Battery Energy Storage) program is backed by the European Union, coordinated by the University of Piraeus, and includes the participation of a consortium of 15 partners from seven European countries.