INFORMATIVE NOTE

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EU AND COMPETITION

EUROPEAN COMMISSION'S REPORT ON COMPETITION POLICY 2013

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The main policy initiatives undertaken by the Commission in 2013 were the following:

(i) A proposal for a directive on antitrust damages actions was adopted, thus becoming the first EU legislation proposed in this field. Said proposal has already been approved by the European Parliament.

(ii) The so-called State Aid Modernisation initiative, the first comprehensive reform of state aid rules since their inception, made significant progress. In particular, the Commission adopted new Guidelines on Regional Aid, and the Council adopted two regulations – one which aims at making procedures more efficient, and another enabling the Commission to exempt new categories of aid from prior notification.

(iii) The crisis rules for state aid to banks were adopted. They provide that banks with a capital shortfall must obtain shareholders and subordinated debt-holders' contribution before resorting to state capital, so as to level the playing field between similar banks located in different Member States and reduce financial market fragmentation.

(iv) New rules to simplify merger control were adopted.

The main **competition decisions** adopted by the Commission were the following:

(i) In the context of its ongoing investigation into car parts, the Commission fined five car part suppliers (Sumitomo, Yazaki, Furukawa, S-Y Systems Technologies and Leoni) for their participation in cartels for the supply of wire harnesses to Toyota, Honda, Nissan and Renault. The cartels in place covered the whole EEA.

(ii) In the food sector, the Commission fined four North Sea shrimps traders (Heiploeg, Klaas Puul, Kok Seafood and Stührk) for agreeing to fix prices and share sales volumes in Belgium, France, Germany and the Netherlands.

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(iii) A statement of objections to a number of suppliers of smart-card chips for their alleged participation in a cartel was issued.

(iv) In the financial sector, nine banks (Barclays, Deutsche Bank, RBS, Société Générale, Crédit Agricole, HSBC, UBS, Citigroup and JPMorgan) were fined a total of over € 1.7 billion for allegedly participating in cartels for financial derivatives based on the LIBOR and EURIBOR interest rate benchmarks. Barclays, Deutsche Bank, RBS and Société Générale reached a settlement with the Commission. Furthermore, a statement of objections was sent to some of the world's largest investment banks (Bank of America, Merrill Lynch, Barclays, Bear Stearns, BNP Paribas, Citigroup, Credit Suisse, Deutsche Bank, Goldman Sachs, HSBC, JP Morgan, Morgan Stanley, Royal Bank of Scotland and UBS), as well as to the International Swaps and Derivatives Association and the data service provider Markit, about a suspected collusion in the market for credit default swaps.

(v) In the energy sector, the Commission accepted legally binding commitments from ČEZ, the Czech electric incumbent. The Commission also continued its investigation on power exchanges.

(vi) In the telecommunications sector, Telefónica and Portugal Telecom were fined for allegedly agreeing not to compete against each other on the Iberian telecommunications markets. Furthermore, significant progress was made in the investigations into the potential abuse of dominant positions in the sectors of online search and advertising – the so-called Google investigation – and of Standard Essential Patents (SEPs) for mobile communications.

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