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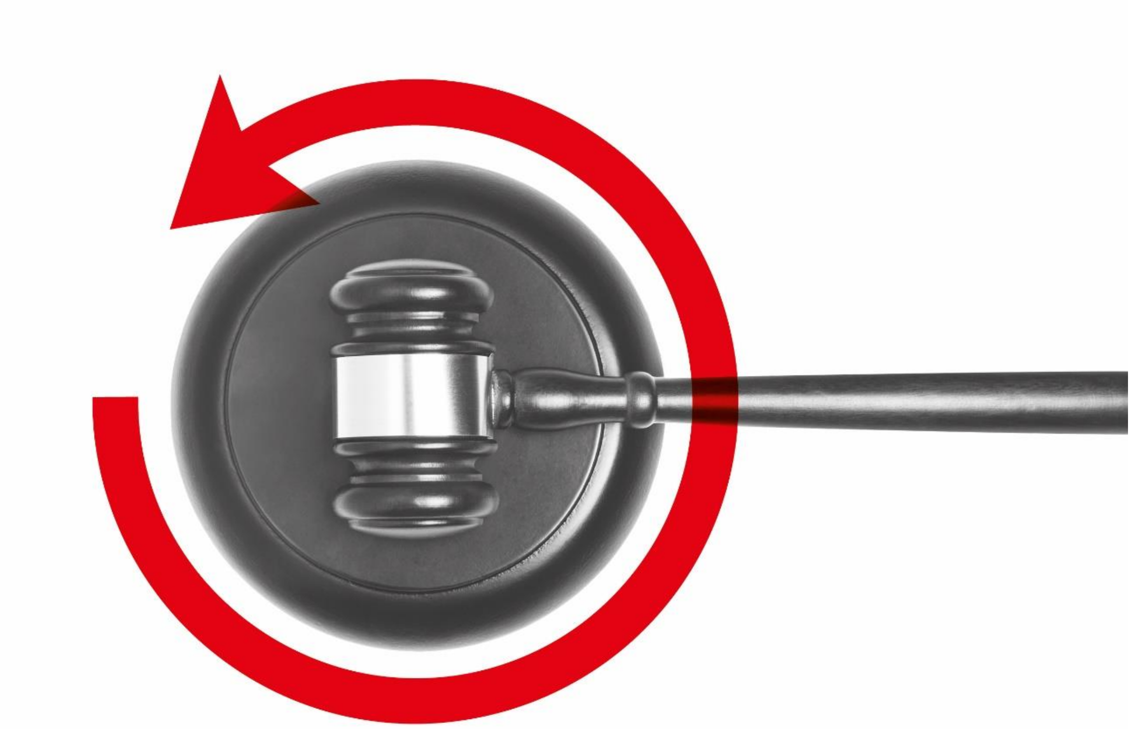

Knowledge Update

EU & Competition Newsletter

October 2020

Irish Merger Control

CCPC clears acquisition by Eason of Dubray Books

On 10 September 2020, the Competition and Consumer Protection Commission (the "**CCPC**") cleared the acquisition by Eason Operations Limited ("**Eason**") of sole control of Dubray Books Limited ("**Dubray**").

Dubray has annual sales of €9 million and will continue to run as a standalone unit within the Eason management team. The addition of Dubray stores brings the Eason network of stores to 61. Dubray is primarily a book only retailer whilst Eason is also a retailer in stationary and gifts.

CCPC approves acquisition in the news and media sector

On 25 September 2020, the CCPC cleared the acquisition by Rocket Sports Internet Limited of sole control of BenchWarmers Limited which owns Benchwarmers.ie. The CCPC was of the view that the proposed transaction would not substantially lessen competition in any market.

Benchwarmers.ie, a Cork-based sports news website majority owned by the Irish Times, will now be acquired by Rocket Sports Internet Limited, a UK registered company. Benchwarmers.ie has a substantial social media presence with more than 2.2 million fans on Facebook and close to 1 million Instagram followers in addition to other social media platforms.

CCPC Investigations

On 17 September 2020, the CCPC issued preliminary findings to five insurers, an insurance industry association and an insurance broker: AIG Europe S.A., Allianz PLC, AXA Insurance DAC, Aviva Insurance Limited, FBD Insurance PLC, Brokers Ireland (formerly the Irish Brokers Association), and AA Ireland Limited.

The preliminary findings alleges that these organisations engaged in anti-competitive cooperation over a 21 month period during 2015 and 2016 by way of public announcements on future insurance premium rises, a practice known as "*price-signalling*". It is also alleged that there had been other contacts between the above mentioned market stake-holders.

Whilst the CCPC's findings are provisional at this stage, this investigation is likely to be keenly watched by many businesses in Ireland.

EU Merger Control

Earlier this year, the European Commission approved the proposed merger between the global pharmaceutical company Mylan and Upjohn, a business division of Pfizer, which operates Pfizer's off-patent branded and generic established medicine. The transaction will lead to the combination of Mylan, one of the top five generic suppliers in the European Economic Area ("**EEA**") with the originator Upjohn, whose products have lost exclusivity following patent expirations.

As a condition of the approval, Mylan and Upjohn offered to divest parts of Mylan's business to another purchaser. The aspects of Mylan's business being divested include certain marketing authorisations, contracts and brands, as well as transitory manufacturing and supply arrangements including certain generic medicines across 20 countries throughout the EEA and the UK.

EU State Aid Update

European Commission gives approval to Irish loan guarantee scheme

The European Commission recently approved the loan guarantee scheme introduced by the Irish Government under the European Commission's temporary framework for state aid measures supporting the economy during the Covid-19 pandemic. This will facilitate up to €2 billion in lending to eligible businesses across Ireland.

Under the loan guarantee scheme, the Irish Government, through the vehicle of the Strategic Banking Corporation of Ireland, will be able to provide a partial credit guarantee to participating financial institutions of up to 80% of the value of the principal of the loan. It is hoped that this will incentivise lenders to support the availability of liquidity to Irish businesses which are weathering the pandemic.

For a business to be eligible it must be a viable micro business, SME, sole trader or small mid-cap business (i.e. one with fewer than 500 employees) which has had a reduction of a minimum of 15% in its turnover or profitability as a result of Coivd-19 and the economic impact of it.

Practice Note

A CCPC Warning To Businesses – Temporary VAT Reduction

As part of the Irish Government's July Stimulus Package, the standard rate of VAT has been reduced from 23% to 21% from 1 September 2020 until 28 February 2021. The CCPC has announced that it is conscious that Irish businesses will be deciding whether to pass on VAT reductions on their goods and services to consumers. However, businesses must adhere to certain requirements on how they indicate or display their prices to consumers, even if the VAT reduction is only temporary in nature.

The European Communities (Requirements to Indicate Product Prices) Regulation 2002 outlines price display obligations when selling goods and services to consumers. Generally, businesses must display the selling price (inclusive of VAT) of every item offered for sale. But there are variations depending on the product or service being offered.

The CCPC has reminded businesses that any pricing decisions must be made independently. Businesses or representative bodies co-ordinating, suggesting or collectively agreeing set prices is not acceptable and could constitute an infringement of competition law.

For further information, please contact:

Sean Ryan
Partner, Corporate

T: + 353 1 6644 207
SeanRyan@
eversheds-sutherland.ie

Katie Haberlin
Associate, Corporate

T: +353 1 6644 970
KatieHaberlin@
eversheds-sutherland.ie

Emma Mullen Reynolds
Solicitor, Corporate

T: +353 1 6441 459
EmmaMullenReynolds@
eversheds-sutherland.ie

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