



Overview of obligations to notify mergers across Central Europe

May 2024

Table of contents



03 Introduction

04 Summary

11 Comparative Chart on the Jurisdictional Merger Notification Thresholds

11	Albania	19	Poland
12	Bulgaria	20	Romania
13	Croatia	21	Serbia
14	Czech Republic	22	Slovakia
15	Hungary	23	Slovenia
17	Kosovo	24	Ukraine
18	Lithuania	25	European Commission

Introduction

Before any merger transaction, it is crucial to understand the full ramifications of the deal to prepare for all obligations that undertakings will be subject to both before and after closing.

Concentrations and mergers should be assessed in light of the notification thresholds regulated by EU law (where applicable) and national law to establish whether the transaction is compatible with the internal/national markets.

Within the CEE/SEE region, the thresholds, procedures and timelines for notifying relevant concentrations vary from country to country and failure to notify can lead to substantial fines.

Deloitte Legal offers a one-stop shop for examining whether a notification obligation is triggered and recommending the next steps in notifying concentrations in each jurisdiction.

In this publication, we look at obligations to notify mergers on an EU level and across 13 jurisdictions in Central Europe. We hope you will find this overview interesting and helpful to your work.



Anna Miks

Senior Managing Associate

 amiks@deloittece.com

 +361 428 6546



Florentina Munteanu

Partner

 fmunteanu@reff-associates.ro

 +40 730 077 934

Summary

Mandatory notification

On a national level, the laws of all CEE/SEE countries provide for one or more mandatory notification thresholds.

The thresholds are linked to the worldwide or domestic turnover of the merging parties, or indeed both.

Depending on the particular threshold being assessed, the turnover of the undertakings concerned will be assessed either in the aggregate or separately.



Foreign-to-foreign mergers are usually subject to merger control legislation in the countries where the undertakings concerned achieve a turnover exceeding the nationally established thresholds. Nevertheless, the procedures in each country differ, with some national legislations providing for additional **requirements or exceptions**. For instance:

- In some countries, such as Croatia, a merger will only be deemed to exceed the notification thresholds if at least one undertaking concerned has its registered seat or a branch established in the country.
- Lithuanian-specific foreign-to-foreign merger clearance rules are applied to entities registered outside of Lithuania if their activity restricts or has an impact on competition in the Lithuanian internal market or if they have subsidiaries registered in Lithuania.

Summary

Voluntary notification

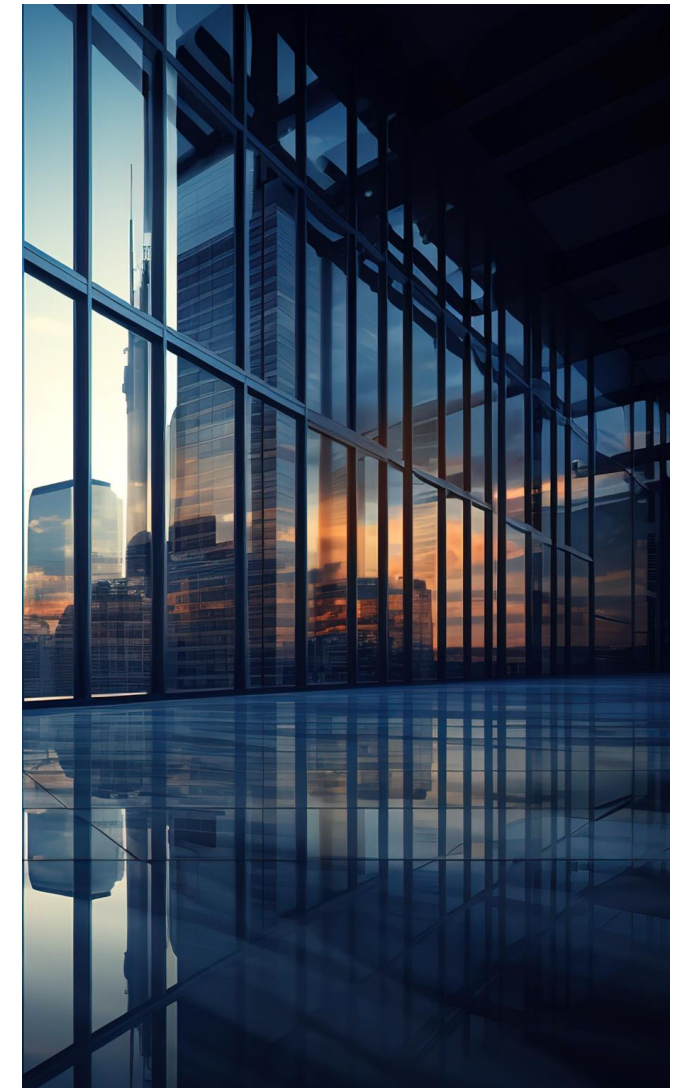
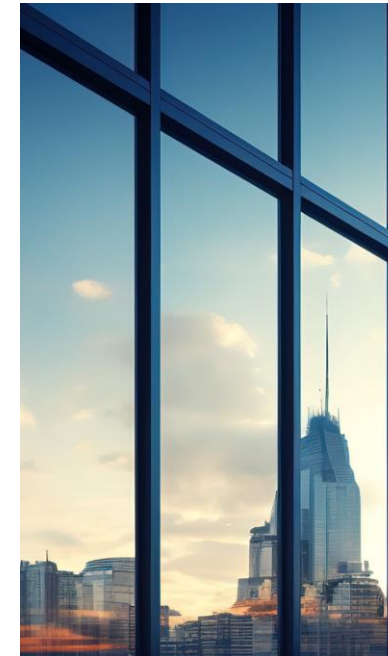
Alongside these mandatory notification thresholds, some jurisdictions also provide for a voluntary notification procedure:



- In Hungary, for instance, undertakings whose turnover does not meet the mandatory threshold but has the **potential to significantly lessen competition** can notify the competition authority. Undertakings are under no obligation to file a voluntary notification and there are no fines for failing to do so, however the competition authority, within six months of closing the merger transaction, can opt to initiate an **ex-post investigation** to assess the impact of the concentration on competition in the domestic market.




- In Slovenia, the competition authority may ask an undertaking to notify a merger even if it does not meet the statutory turnover thresholds but where (i) it meets the legal conditions for notification and (ii) the market share in Slovenia of all undertakings within the business group of the merging party is greater than 60%.
- In Romania, the voluntary submission might be done to gain legal certainty in cases where, based on the specific elements of an economic concentration operation, it is not definitively clear whether it falls under the notification requirement.



Summary

Notification deadlines and sanctions



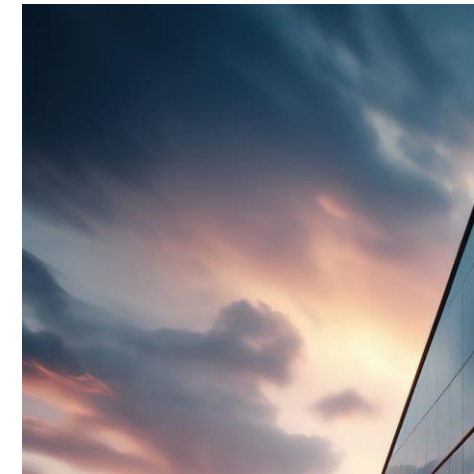
Most CEE/SEE countries do not establish a notification deadline, but rather the transaction cannot be closed without the **approval of the competition authority**. In all countries, no **implementation deed** is possible until obtaining **antitrust clearance**.

In other countries, however, notification must be **filed within a set period** after the signing of the SPA, the publication of a public bid, the submission of an offer, the closing of a public tender or the actual acquisition of control (e.g. 30 days in Albania, Ukraine and Slovenia; 15 days in Serbia). It is important to prepare the notification sufficiently in advance to be able to meet the deadline.

Late notification and failure to notify are usually sanctionable by fines. The fines vary from country to country, but generally an undertaking will be fined up to 10% of its net turnover (increasing to 13% in Hungary). Some countries, such as Hungary, apply a daily fine for late notification, while others apply fines on a periodic basis (e.g. Poland)

But it is not only legal entities that are liable to sanctions. In Kosovo and Poland, for instance, the responsible individuals within an undertaking that fails to meet its notification obligation are also liable to financial penalties ranging from EUR 1,000 to EUR 4,000 (in Kosovo) to 50 times the average monthly salary in the enterprise sector (in Poland).

Failure to notify a relevant merger can also entitle the national competition authority to examine the merger once it has been found to exceed the thresholds. In most cases, the authorities even have the power to demand the winding-up of the entity resulting from a merger or to order the undertakings to take all measures necessary to restore the situation that existed before the merger.



Summary

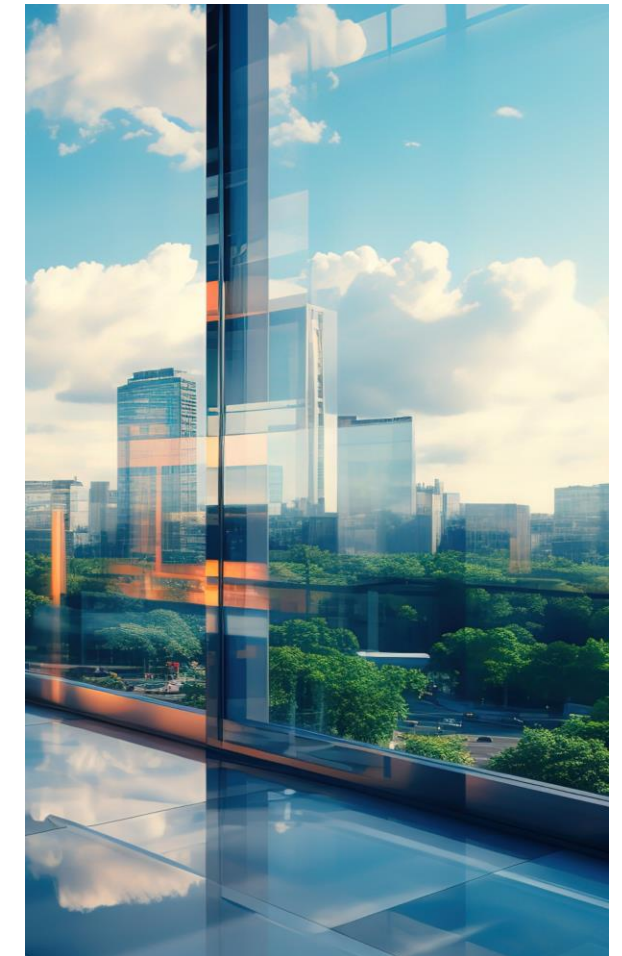
Ex-post evaluation of mergers

Even if a merger does not meet the mandatory notification thresholds, some national competition authorities will still have the opportunity – **post-closing** – to examine whether the merger adversely affects competition by strengthening the dominant position of an undertaking.

In selected CEE/SEE countries, ex-post evaluation procedures can be initiated in the following cases:

- where the merger meets the **voluntary notification thresholds** and has the **potential to significantly lessen competition** (*Hungary*);
- where the merger is likely to **create or strengthen a dominant position** or **substantially restrict competition** in a relevant market (*e.g. Albania and Lithuania*)

The ex-post evaluation of mergers transactions is time-barred (usually 6-12 months after closing).



Summary

Exemptions from the notification obligation

Even where the notification thresholds are nominally met, the transaction does not always trigger a notification obligation.

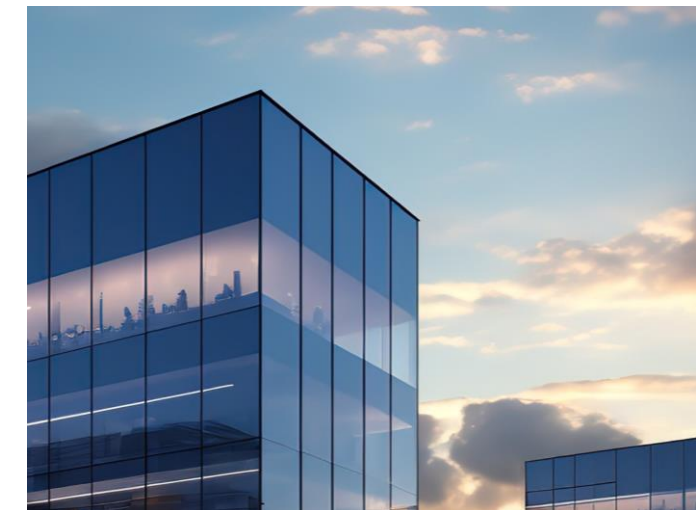
In almost all jurisdictions, for instance, no concentration is deemed to arise where:

- a financial institution acquires or holds securities on a temporary basis with a view to reselling them;
- control of an undertaking is acquired by an insolvency trustee.

In addition, under specific provisions of national law, an exemption is granted by law from notification obligation. For instance:

- In Albania, some mergers are exempt from notification where the transaction will lead to improvements in the manufacturing or distribution of products or fosters technological or economic progress, provided that a sufficient part of these benefits is passed on to customers and consumers. Blanket exemptions also apply to vertical mergers in the insurance markets, general transfers of technology, motorised vehicles and seaborne trade.

- In Poland, several exemptions are applied with the setting of special turnover thresholds.
- In Hungary, a public interest exemption applies to transactions which the government deems “of national strategic importance”. These exemptions are granted under government decree and are geared to protect areas such as workplace continuity and the supply of resources.



Summary

Procedural aspects

Merger notification procedures and deadlines can vary from country to country. In most cases, however, there are three types of procedures:

- Standard notification procedures.
- Simplified notification procedures – for small scale mergers or mergers with negligible effects on competition (these have the shortest deadlines).
- In-depth investigation procedures – where the merger could have serious adverse effects on Competition.
- In many countries (such as the Czech Republic, Romania, Hungary and Slovakia), informal discussions can be held with the competition authorities prior to notification. The procedural requirements also vary from country to country (e.g. whether original documents or notarised copies need to be submitted).

The background of the slide is a dark, stylized map of a city street grid. A prominent river or canal flows diagonally from the top left towards the bottom center. The street lines are thin and light-colored, creating a complex network across the entire page.

Comparative Chart on the Jurisdictional Merger Notification Thresholds

Albania

Notification regime

Mandatory

Type of notification thresholds

Turnover

Notification thresholds

Mergers must be notified if, in the financial year preceding the merger:

- a) the combined turnover in the international market of all undertakings involved in the merger is more than ALL 7 billion (approx. EUR 70 million) and the turnover in the domestic market of at least one of the undertakings involved is more than ALL 200 million (approx. EUR 2 million); or
- b) the combined turnover in the domestic market of all undertakings involved in the merger is more than ALL 400 million (approx. EUR 4 million) and the turnover in the domestic market of at least one of the undertakings involved is more than ALL 200 million (approx. EUR 2 million).

Key Contact



Erlind Kodhelaj
Senior Managing Associate

✉ ekodhelaj@deloittece.com

☎ +355 445 17939

Bulgaria

Notification regime

Mandatory

** Voluntary notifications can be made to gain legal certainty where it is not definitively evident from the specifics of the economic concentration whether it falls under the notification requirement.*

Type of notification thresholds

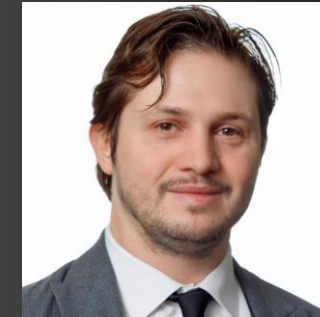
Turnover

Notification thresholds

Concentrations must be notified if:

- a) the combined aggregate turnover in the Bulgarian market for the preceding financial year of all undertakings involved is more than BGN 25 million (approx. EUR 12,7 million); and
- b) the aggregate turnover in Bulgaria for the preceding financial year of each of two or more of the undertakings involved is more than BGN 3 million (approx. EUR 1,5 million), or the aggregate turnover in Bulgaria for the preceding financial year of the undertaking being acquired is more than BGN 3 million (approx. EUR 1 533 282,51).

Key Contact



Kristian Nemtsov

Senior Associate



knemtsov@deloittece.com



+35928023386

Croatia

Notification regime

Mandatory

Type of notification thresholds

Turnover

Notification thresholds

Mergers must be notified if, according to the financial statements for the financial year preceding the merger:

- a) the combined world-wide turnover of all undertakings involved in the merger is at least HRK 1 billion (EUR 132,722,808.41, calculated at a fixed conversion rate of EUR 1 = HRK 7.53450), where at least one of the undertakings involved is established and/or has a subsidiary in Croatia; and
- b) the aggregate turnover in Croatia of each of two or more undertakings involved in the merger is at least HRK 100 million (EUR 13,272,280.84, calculated at a fixed conversion rate of EUR 1 = HRK 7.53450).

Key Contact



Zrinka Vrtaric
Director / Local Partner*

✉ zvrtaric@kip-legal.hr

☎ +385 123 51922

*Attorney-at-law at Vrtarić & Partners In cooperation
with Deloitte Legal

Czech Republic

Notification regime

Mandatory

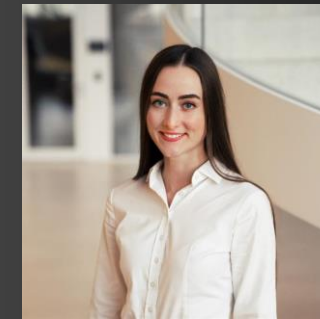
Type of notification thresholds

Turnover

Notification thresholds

1. Under the first alternative thresholds:
 - a) The combined net annual turnover of all entities involved and achieved within the Czech Republic is higher than CZK 1.5 billion, and at the same time
 - b) The net annual turnover of each of at least two entities involved and achieved within the Czech Republic is higher than CZK 250 million.
2. Under the second alternative threshold:
 - a) In case one or several merging entities, or one or several persons who are not entrepreneurs but control at least one entity, acquire(s) the possibility to control, either directly or indirectly, another entity or its part that achieved a net annual turnover within the Czech Republic that is higher than CZK 1.5 billion, and at the same time
 - b) The worldwide net turnover achieved in the last accounting period by another merging entity exceeds CZK 1.5 billion.

Key Contact



Anna Kolodrubcova
Senior Associate

✉ akolodrubcova@deloittece.com

☎ +420 732 295 970

Hungary

Notification regime

Mandatory (1) and Voluntary (2)

Type of notification thresholds

(1): Turnover

(2): Turnover + Competitive Self-Assessment

Notification thresholds

Mandatory threshold (1):

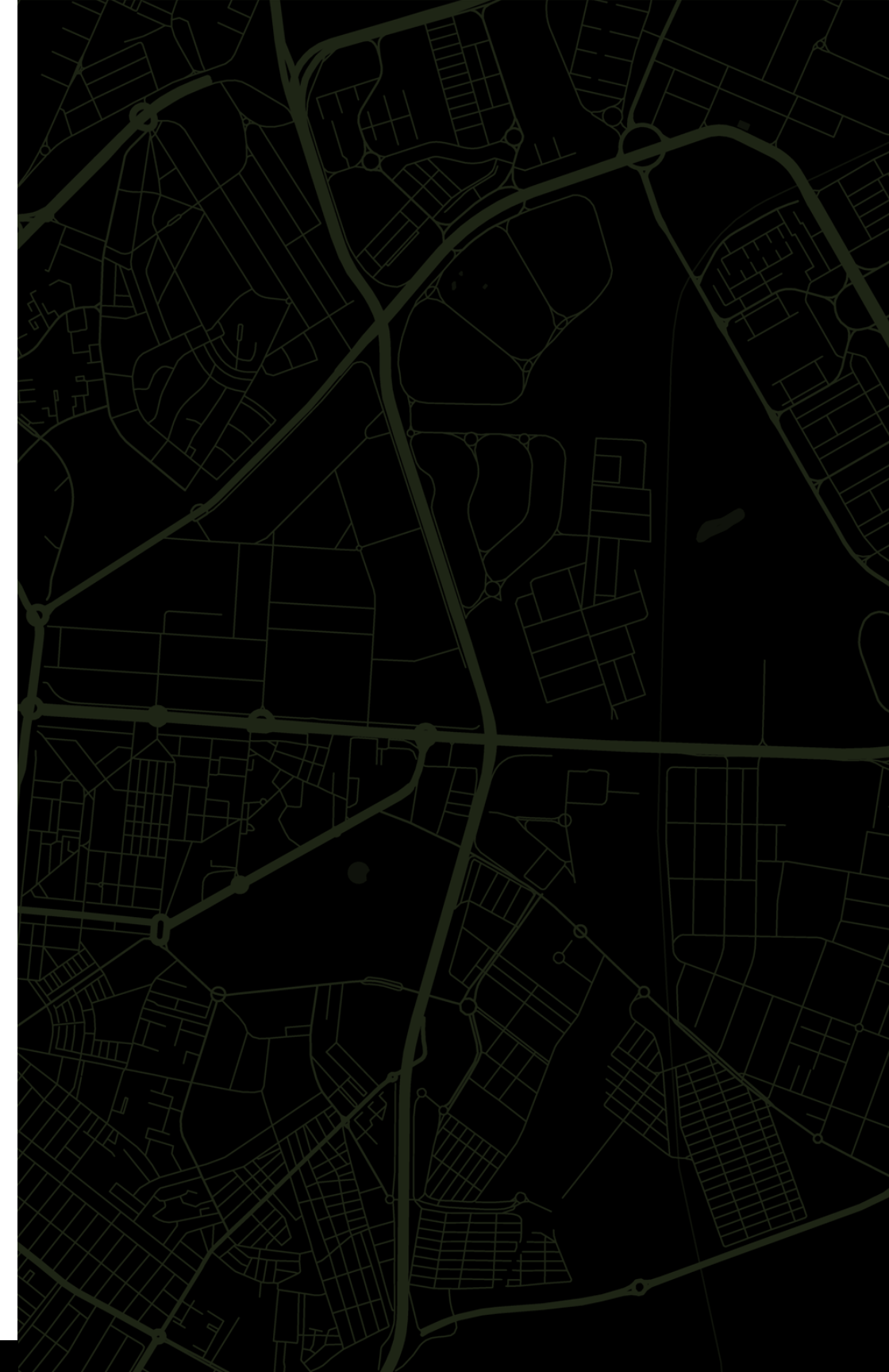
Mergers must be notified if the following turnover thresholds are met:

- a) the combined net turnover in Hungary of all undertakings involved is more than HUF 20 billion (approx. EUR 51 million); and
- b) the net turnover in Hungary at least two undertakings involved is more than HUF 1.5 billion (approx. EUR 3,8 million).

Voluntary threshold (2):

If the merger does not meet the mandatory notification thresholds, the undertakings can still choose to (but are not required to) give notification of the merger if:

- a) in the preceding the merger, the combined net turnover in Hungary of all undertakings involved is more than HUF 5 billion (approx. EUR 12.8 million); and



Hungary

- b) it is not immediately apparent that the merger will not substantially lessen competition ("SLC") in the relevant market, particularly in consequence of creating strengthening a dominant position in that market.

No SLC is "evidently" deemed to arise if:

- the merger does not have any horizontal, vertical or portfolio (conglomerate) effects;
- in a horizontal merger, the joint market share of the undertakings remains below 20%;
- in a horizontal merger, the increment in the market share remains insignificant (a few percentage points);
- in a vertical or portfolio merger, the market share of any of the undertakings in any of the related markets remains below 30%.

Key Contact



Anna Miks
Senior Managing Associate

✉ amiks@deloittece.com

☎ +36 20 298 9582

Kosovo

Notification regime

Mandatory

Type of notification thresholds

Turnover

Notification thresholds

Concentrations must be notified if:

- a) the aggregate turnover in the international market of all undertakings involved is more than EUR 20 million and the turnover in the domestic market of one or more of the undertakings involved is more than EUR 1 million; or
- b) the turnover in the domestic market of each of two or more of the undertakings involved is more than EUR 3 million.

Key Contact



Ardian Rexha
Senior Managing Associate

✉ arrexha@deloittece.com

☎ +383 497 80430

Lithuania

Notification regime

Mandatory (1) and Voluntary (2)

Type of notification thresholds

Turnover

Notification thresholds

Mergers must be notified before implementation and clearance obtained if, in the preceding financial year:

- a) the combined aggregate income of the undertakings involved is more than EUR 20 million; and
- b) the aggregate income of each of two or more undertakings involved is more than EUR 2 million.

Key Contact



Tomas Mieliauskas
Managing Associate

✉ tmieliauskas@deloittece.com

☎ +370 612 98519

Poland

Notification regime

Mandatory

Type of notification thresholds

Turnover

Notification thresholds

Mergers must be notified before implementation and clearance obtained if, in the financial year preceding the year of the notification:

- a) the combined world-wide turnover of all undertakings involved in the concentration is more than the equivalent of EUR 1 billion; or
- b) the combined turnover of undertakings participating in the concentration in the territory of the Republic of Poland is more than the equivalent of EUR 50 million.

Key Contact



Wojciech Janik
Senior Managing Associate

✉ wjanik@deloittece.com

☎ +48 782 430 158

Romania

Notification regime

*Mandatory**

** However, voluntary notifications may be made to gain legal certainty where it is not definitively evident from the specifics of the economic concentration whether it falls under the notification requirement.*

Type of notification thresholds

Turnover

Notification thresholds

Economic concentrations must be notified if, in the financial year prior to the operation's realisation:

- a) the combined turnover of the undertakings involved is more than the equivalent in Romanian lei of EUR 10 million; and
- b) the turnover of each of two or more of the undertakings involved is more than the equivalent in Romanian lei of EUR 4 million.

Key Contact



Florentina Munteanu
Partner

✉ fmunteanu@reff-associates.ro

☎ +40 730 077 934

Serbia

Notification regime

Mandatory

Type of notification thresholds

Turnover

Notification thresholds

Concentrations must be notified if:

- a) the aggregate annual income in the global market of all undertakings involved in the concentration is greater than EUR 100 million, and at least one of the undertakings involved has an annual income in the Serbian market of more than EUR 10 million; or
- b) the combined annual income in the Serbian market of two or more of the undertakings involved in the concentration is more than EUR 20 million, and two or more of the undertakings involved each have an annual income in the Serbian market of more than EUR 1 million.

Key Contact



Stefan Antonic
Partner

✉ santonic@deloittece.com

☎ +381 011 3819158

Slovakia

Notification regime

Mandatory

Type of notification thresholds

Turnover

Notification thresholds

Mergers (consolidations) must be notified if:

- a) the combined aggregate annual turnover in Slovakia of all undertakings involved is at least EUR 46 million, and two or more of the undertakings involved each have an aggregate turnover in Slovakia of at least EUR 14 million; or
- b) the aggregate worldwide turnover of one of the undertakings involved is at least EUR 46 million, and either (i) another undertaking involved in the merger (consolidation) or (ii) the whole or part of an undertaking over which control is being acquired (target), has an aggregate turnover in Slovakia of more than EUR 14 million.

Key Contact



Robert Minachin
Senior Managing Associate

✉ rminachin@deloittece.com

☎ +421 918 642134

Slovenia

Notification regime

Mandatory

Type of notification thresholds

Turnover

Notification thresholds

Concentrations must be notified if, in the financial year preceding the merger:

- a) the aggregate turnover in the Slovenian market of all undertakings involved, together with the other undertakings in the group, is more than EUR 35 million; and
- b) the aggregate turnover in the Slovenian market of the acquired undertaking, together with the other undertakings in the group, is more than EUR 1 million or in the case of a full-function joint venture, the turnover in the Slovenian market of each at least two of the undertakings involved, together with the other undertakings in the group, is more than EUR 1 million.

Key Contact



Ana Kastelec
Senior Managing Associate*

✉ akstelec@deloittece.com

☎ +386 130 72932

*Attorney-at-law at Odvetniška pisarna Deloitte Legal
Reff – podružnica v Sloveniji in cooperation with Deloitte
Legal

Ukraine

Notification regime

Mandatory

Type of notification thresholds

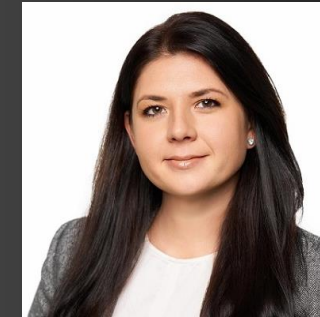
Turnover

Notification thresholds

Merger clearance is required if:

- a) the aggregate value of assets or the aggregate volume of goods (in Ukraine and abroad) of all undertakings involved in the concentration is more than EUR 30 million, and the value of assets or volume of goods in Ukraine of two or more undertakings involved is more than EUR 4 million; or
- b) the aggregate value of assets or the aggregate sales of goods in Ukraine of at least one of the undertakings involved in the concentration is more than EUR 8 million, and the sales of goods (in Ukraine and abroad) of at least one of the other undertakings involved is more than EUR 150 million.

Key Contact



Viktoriia Sydorenko
Senior Managing Associate

✉ vsydorenko@deloittece.com

☎ +380 509 102672

European Commission

Notification regime

Mandatory

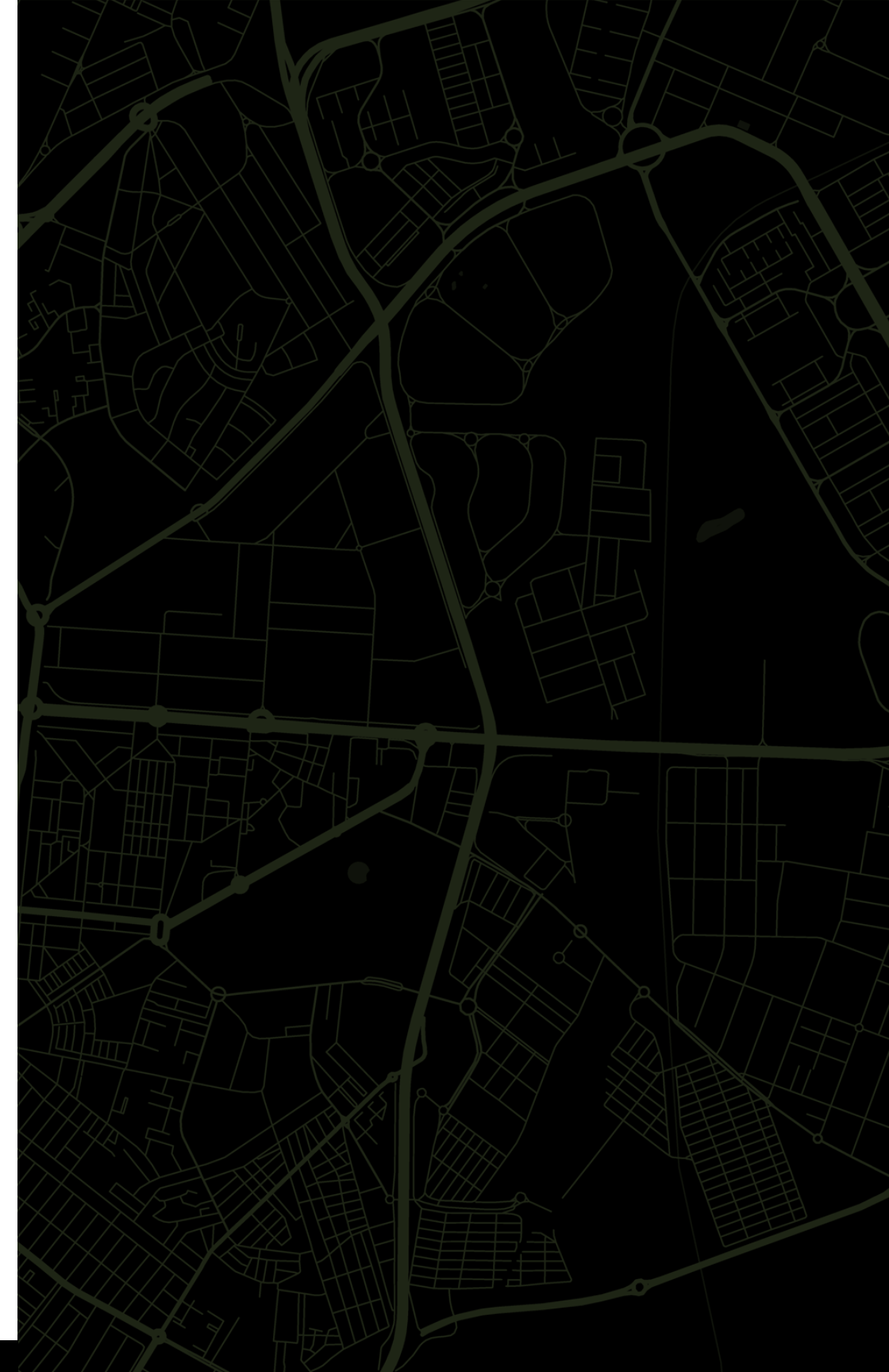
Type of notification thresholds

Turnover

Notification thresholds

There are two alternative set of thresholds to establish that a transaction has EU dimension:

- 1st alternative:
 - a) a combined worldwide turnover of all the merging undertakings is more than EUR 5 000 million, and
 - b) an EU-wide turnover for each of at least two of the undertakings over EUR 250 million.
- 2nd alternative:
 - a) a worldwide turnover of all the merging undertakings is over EUR 2 500 million, and
 - b) a combined turnover of all the merging undertakings exceeds EUR 100 million in each of at least three Member States,



European Commission

Notification thresholds

- c) in each of at least three Member States included for the purpose of point (b), the aggregate turnover of each of at least two of the undertakings concerned is more than EUR 25 million; and
- d) the aggregate Community-wide turnover of each of at least two of the undertakings concerned is more than EUR 100 million.

In both alternatives, an EU dimension is not met if each of the undertakings archives more than two thirds of its EU-wide turnover within one and the same Member State.

Key Contact



Kai Struckmann

Partner

✉ kstruckmann@deloitte.com

☎ +32 47 49 27 33



About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (DTTL), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte Legal means the legal practices of DTTL member firms, their affiliates or their related entities that provide legal services. The exact nature of these relationships and provision of legal services differs by jurisdiction, to allow compliance with local laws and professional regulations. Each Deloitte Legal practice is legally separate and independent, and cannot obligate any other Deloitte Legal practice. Each Deloitte Legal practice is liable only for its own acts and omissions, and not those of other Deloitte Legal practices. For legal, regulatory and other reasons, not all member firms, their affiliates or their related entities provide legal services or are associated with Deloitte Legal practices.

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our people deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society, and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte’s approximately 457,000 people worldwide make an impact that matters at www.deloitte.com.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

© 2024. For information, contact Deloitte Central Europe.