Directorate for Financial and Enterprise Affairs
COMPETITION COMMITTEE

Annual Report on Competition Policy Developments in Hungary
-- 2017 --

27-28 November 2018

This report is submitted by Hungary to the Competition Committee FOR INFORMATION at its forthcoming meeting to be held on 27-28 November 2018.

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Unclassified
1. Changes to competition laws and policies, proposed or adopted

1.1. Amendment of the Competition Act in 2017

1. The Competition Act was amended on several points in December 2016; these amendments entered into force in January 2017. The most significant of these changes relates to the re-regulation of the procedures affecting the control of the concentration of undertakings. In recent years the GVH took significant measures to reduce the administrative burden of undertakings relating to authorization procedures and the acceleration of proceedings within the framework of the system of the authorization of concentrations. The ultimate purpose of the legislative amendment of December 2016 was to reinforce and support that trend.

2. Considering that in recent years the number of cases closed with simplified decision (requiring no justification and generally no special investigation), in order to accelerate the proceedings, which increased in number, the legislative amendment provided that applicants (within the meaning of the former regulation) submit a notification instead of an application for authorization.

3. The GVH immediately examines notifications of concentration. If the content of the notification of concentration is sufficient to establish that the concentration obviously causes no significant lessening of competition on the market affected, the GVH does not start a competition supervision proceeding, and issues an official certificate to that effect to the notifying party, based on which the concentration may be implemented. If, however, it is not obvious from the notification of concentration that the concentration would not significantly reduce competition, or this cannot be established clearly based on the notification, the GVH starts a competition supervision proceeding within eight days to examine the concentration.

4. The legislative amendment also affected the net turnover thresholds relating to the application for authorization (now notification), in view of the fact that the thresholds had been unchanged since 2005 despite the aggregate inflation rate close to 50%. The former 500 million HUF (approx. 1.5 million EUR) threshold (individual turnover of at least two undertakings participating in the transaction) was increased to one billion HUF (approx. 3 million EUR), thereby potentially reducing the number of transactions to be notified to the competition authority by 10-15%.

5. The increase of the 500 million HUF threshold aggravated the existing problem that in markets with relatively low aggregate turnovers concentrations below the threshold may also result in the significant reduction of competition, particularly through the creation or strengthening of dominant positions. Consequently, the legislative amendment gave the GVH powers to investigate concentrations below the threshold ex officio if the concentration is likely to result in a significant lessening of competition, particularly if it creates or strengthens a dominant position.

6. Another major area of amendment was the transposition of Directive 2014/104/EU of the European Parliament and of the Council on actions for damages for infringements of the competition law provisions. In this regard competition law infringement means the infringement of Hungarian or EU rules prohibiting restrictive agreements and abuses of dominance. The new regulation
governs the enforcement of civil claims for such infringements in court, expanding the set of public law instruments available to the competition authority. The regulation strived to coherently harmonize these two forms of enforcement (e.g. regarding special rules governing the participation of the competition authority in actions for damages under private law, access to documents held by the competition authority, or the binding nature of the part of the decision of the competition authority establishing the infringement).

7. On 13 June 2017 the amended provisions entered into force which does not allow exemption from the prohibition of agreements restricting economic competition on the grounds of minor importance in case of vertical agreements containing price fixing, which constitutes an approximation to EU rule.

2. Proceedings

8. In 2017 the Authority’s Client Service was contacted, orally or in writing, on more than 2000 occasions and further 876 further written communications were handled by the Client Service.

9. In 2017 a total of **95 new cases** were initiated. The trend of 2016 continued in that the control of concentrations constituted the highest number of cases of the GVH (61 such proceedings were started in 2017). In 2017, 19 proceedings were started relating to unfair commercial practices, 10 relating to restrictive agreements, and 5 because of abuses of dominance.

![Figure 1. Number of cases initiated by the GVH in 2017](image)

10. Altogether 109 proceedings were closed. Similar to case initiations, most of the closed proceedings were merger cases. Of (all) the cases closed in 2017, there were 63 merger cases (the same number like in 2016). 30 cases were related to consumer protection, 12 to restrictive agreements and 4 to abuse of dominance.
11. The effectiveness of the operation of the GVH is not only characterized by the degree of sanctions imposed, because the basic task of the GVH is to maintain the public interest in fair competition and maintain a culture of compliance with the law. In addition, the amount of fine imposed in the competition supervision procedure by competition authorities is an important measure of the activity. The GVH imposed fines amounting to a total of 1.3 billion HUF (approx. 4 million EUR) in 2017.

2.1. Unfair manipulation of decisions of trading partners, and unfair commercial market practices against consumers

12. The enforcement of the legislation on consumer protection is divided among public authorities, that is the GVH, the Central Bank of Hungary (Magyar Nemzeti Bank, MNB) and the Ministry for Innovation and Technology (Innovációs és Technológiai Minisztérium, ITM), along their competences. If an infringement targeting end consumers (B2C practices) exerts material influence upon competition, then the GVH is in charge of applying the law, unless the infringement occurs on labels, in user manuals (warnings and instructions) or by violating the information requirement set out in other legal norms. The MNB – as the board having financial supervisory authority – has jurisdiction in connection with practices carried out by those financial institutions the supervision of which belongs to the competence of the authority. In any other situation, it is the ITM that has jurisdiction to proceed through its institutions. Additionally, the ITM is responsible for the operation of the existing two consumer protection laboratories, as well as for the European Consumer Centre in Hungary. In defining the material influence on competition, the extent of the practice or the size of the undertaking liable for the infringement is to be taken into account. For the sake of guaranteeing legal certainty, the Act on the Prohibition of Unfair Business-to-Consumer Commercial Practices (UCP Act) sets forth cases when the material effect on competition shall apply without prejudice to any other circumstances. This is the case, for instance, when the commercial practice is carried out through a media service provider providing national media services, or when
the commercial practice is carried out through a periodical of nationwide circulation or a daily newspaper distributed in at least three counties.


14. B2C cases are covered by the UCP Act, while B2B cases are assessed under the relevant provisions of the Competition Act. The UCP Act prohibits unfair commercial practices on three grounds (unfairness, deceptive or aggressive commercial practices, “black list”).

15. Comparative advertisements are subject to special regulation: pursuant to the Hungarian Competition Act, the GVH has jurisdiction to proceed against non-objective comparative advertising both in B2C and B2B cases.

16. In 2017 the GVH closed 30 consumer protection proceedings. On 16 occasions the Competition Council (CC), the decision-making body of the GVH, established the infringement, in 5 cases adopted a commitment decision, since the GVH found that the public interest may be guaranteed by accepting the commitments offered by the parties. In 3 cases the CC warned the undertakings. 4 further cases were terminated by the CC and in 2 cases the investigator closed the proceedings.

17. In 2017 the GVH devoted special attention to the identification of unfair commercial practices relating to the data-based economy, and continued to accord priority to the protection of vulnerable consumers.

18. Cases related to markets such as infocommunication services, classified advertisements for real property, the sale of second-hand cars, retail trade, as well as the markets of pharmaceuticals, dietary supplements, foods and medical devices.

19. The GVH pays special attention to market signals received concerning online trade. Numerous complaints were received again concerning the operation of web shops, particularly the operation of certain online auction sites. The investigation of the commercial practices of undertakings participating in the annual Black Friday campaign deserves special mention.

20. In 2017, the GVH imposed fines amounting to a total of 1,178,5 million HUF (approx. 3.6 million EUR) in this category of cases.

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1 The amendment of the Hungarian Competition Act came into effect on 19 June 2015, made it possible for the GVH to issue a warning – a sanction that lies between commitments and establishing the infringement in the framework of sanction system of the competition law - to steer small and medium enterprises (SMEs) in the direction of compliance with competition law. As a result of this amendment of the law, the competition council proceeding in the case may issue a warning instead of imposing a fine on SMEs if they have committed an infringement for the first time. When issuing a warning the competition council proceeding in the case may, if it considers it necessary, oblige the SME in question to create a compliance programme and a set of internal procedural rules aimed at ensuring that the enterprise does not commit a further infringement in the future.
Figure 3. Fines imposed in consumer protection related cases (million Euro) 2014-2017

21. The GVH’s antitrust and consumer protection activities complement each other by serving consumers’ interests: competition makes it possible for consumers to choose the most suitable option from the maximum number of choices. However, if consumers are not able to make rational decisions they cannot gain from the benefits of competition. In this regard, the protection of competition and the protection of consumers cannot exist without each other and the best result can only be achieved if they are able to complement each other.

22. The consumer protection work of the GVH focuses primarily on the demand side of the market. Its objective is to guarantee the conditions that are necessary to enable consumers to engage in conscious decision-making, or to put it differently, to ensure the freedom of decision-making of consumers through scrutinising the effects of the communication of supply-side actors on consumer behaviour. If it is established that the decisions of a significant proportion of consumers in a particular market are being unfairly influenced by an undertaking or that consumers are being forced to make decisions that they would not have otherwise made, then market processes and competition may be being distorted by the distorted decisions of the consumer.

2.1.1. Digital challenges in the field of consumer protection

23. Early in 2017 the GVH set up a working group to promote the skills necessary on digital markets. The working group analyses the information necessary for the identification and understanding of certain phenomena, prepares and draws up proposed concepts and examines past cases relating to the subject, and initiates investigations based on the conclusions. Furthermore, it intends to make recommendations for legislative measures to increase the efficiency of competition supervision on digital markets.

24. The establishment of the working group was necessary because of the dynamics of the relevant markets, the special features of supply and demand and the special nature
of the consumers’ transactional decisions that is somewhat different from the requirements of other markets.

25. In the digital world, the number of latent violations or ones that are not obvious to consumers is likely to be very high. In this area there is a marked informational asymmetry, with a view to information noise itself, dynamic technological development, the rapid and complex nature of the services used, which typically renders it difficult for consumers to identify the harm suffered.

2.1.2. Information Communication Services: Telecom Case (Comparative advertising)

26. The GVH found that comparative advertisements of Magyar Telekom Nyrt (Telekom) constituted an infringement because the undertaking did not offer an objective comparison of the sizes of their 4G mobile networks of their competitors with their own network. In its advertisements Telekom conveyed the message that Telekom’s 4G network was larger than that of Telenor and Vodafone, their two competitors. The GVH considered that this conduct of Telekom was infringing because the requirement of verifiability was not satisfied in the comparative advertisements: the coverage maps referred to by Telekom are unsuitable to accurately verify claims of national coverage; furthermore, the statement that at any point in time the national coverage of a mobile carrier is largest cannot be considered objective if, due to the characteristics of the 4G mobile service, such a situation cannot be sustained because of rapid network development.

27. The GVH found that when analysing the objectivity of comparative advertising, it is not only the validity of the communication that must be examined but also whether the feature advertised (in this case, the size of the network) is a typical and decisive criterion for the choice of 4G mobile internet carrier under the prevailing market conditions. In the justification of the decision the GVH emphasized that on the Hungarian mobile telecommunications market and in particular on the mobile internet market it is highly important to prevent a market leader suggesting to consumers, by way of comparative advertising that relates to its own network but disregards the dynamics of competition, such a benefit that will tie consumers to itself for up to two years. The GVH based the calculation of the fine on communication costs. It considered the aggravating circumstance that due to its novel and complex nature, the 4G service was barely known to a wide range of consumers, which resulted in significant information asymmetry; the campaigns lasted for long periods, relying on and reinforcing each other, using the same slogan; the infringement may have been prolonged because of the one or two year long loyalty periods. As mitigating circumstances, the GVH considered that the difference between carriers could be verified in the entire period investigated in case of one carrier and in part of the period in case of the other by comparing the coverage maps; the decisions can be considered novel. The GVH imposed a fine of 600 million HUF (approx. 1.9 million EUR) on Telecom for the infringement committed in the campaigns using the slogan “4G network with the highest coverage”.

2.1.3. Commitment decision in the influencer’s case

28. The GVH accepted the commitments offered by GoldenEye Kreatív Kft and Magyar Telekom Nyrt. (Telekom), according to which the communication practice of the influencer, and the contracting practice relating to marketing cooperation with influencers have changed. Additionally, the commitments also included communication activities
with educational purposes. The GVH did not establish an infringement in the case and therefore did not impose a fine. According the GVH, beside the targeted circle of consumers, the commitments are also capable of reaching and guiding advertisers, business partners, and other influencers. Based on the lessons of this case, the GVH published a document on its website about how it approaches the compliant activity of influencers.

2.1.4. Vodafone Case (Misleading Information)

29. According to the decision of the GVH, Vodafone provided misleading information about the real price of the devices in its commercials when it did not showcase the monthly (extra) fee, which in fact had to be paid and which meant that even during the commitment period after purchasing the phones consumers were burdened with extra costs in addition to the so-called unit price which was advertised as the basic service. This may have given the average consumer the false impression that – even though only when committing to a loyalty period – they were being offered a particularly favourable price, and they may have falsely believed that only the highlighted part of the price had to be paid in relation to the device (beyond the monthly base-fee, which is, however, related to the telecommunication service). The GVH deemed the above-described type of communication unlawful. Despite the fact that Vodafone did not admit to the infringement, as a sign of its cooperation it strengthened its compliance programme to an extent that went beyond the usual market practice; changed its commercial practice and eventually the sales construction of its devices as well; and furthermore offered the affected consumer group the possibility to freely cancel their fixed-term contracts, thus undertaking a significant financial burden. The GVH regarded the above actions – especially the indemnification-like contract termination offer – as significant mitigating circumstances, and consequently it set the amount of the fine, which was calculated on the basis of the costs of the particular campaigns, at 200 million HUF (cca 619 thousand EUR), taking into account other factors as well. The GVH will continue to prominently encourage the compensation of harmed consumers in its competition supervision proceedings.

2.1.5. Media Markt Saturn (Weekend Sales Promotion)

30. The GVH found the bronze-weekend sales promotion of Media Markt Saturn Holding Magyarország Kft. (Media Markt) conducted in 2015 to be infringing and imposed a fine of 10 million HUF (approx. 31 thousand EUR). The company published its advertisements of the promotion on the radio, on banners and on point-of-purchase materials. When assessing the advertisements, the GVH paid particular attention to the fact that it was a targeted campaign, which is particularly suitable for the effective capture of consumer attention and thus for the significant increase of sales due to its channels, subject and timing. The GVH established that Media Markt engaged in unfair commercial practices because in its radio commercials it gave misleading information about the details of the promotion: as opposed to the advertisements, the campaign did not cover each purchase above 20,000 HUF (approx. 62 EUR); furthermore, on the banners is failed to disclose the limitations applicable, for instance that the so-called ‘flyer products’ and online purchases were not covered. For setting the fine, the GVH started from the

revenues affected by the infringement because it considered that that factor was an appropriate point of reference and the most accurate reflection of the potential effect and efficiency of the commercial practice, in view of the nature and presentation of the commercials. The GVH considered the compliance-type attempts of the undertaking to be a mitigating circumstance; these were not directly linked to the commercial practice investigated, but constitute significant consumer-friendly measures and help prevent future infringing commercial practices. In the established practice of the GVH campaigns and discounts expressly promised to cover “all” purchases, products, etc. are misleading if in effect the campaign does not apply to all of them; that is, the availability of the discount is limited. The GVH terminated the proceedings with regard to point-of-sale materials.

2.1.6. Extreme Digital (Black Friday Campaign)

31. The GVH looked into the promotion of Extreme Digital’s campaign for 20 November 2015 (Black Friday). In its communication campaign Extreme Digital promised consumers deep discounts during the campaign. When assessing these advertisements, the GVH took special note of the targeted nature, subject and timing of the campaign because all these factors served to catch the attention of consumers, facilitating a significant increase in sales. The GVH established that Extreme Digital engaged in unfair commercial practices because the discount indicated in its advertisements was available only for products that cannot be considered typical in terms of their average price or character, and the ‘up to 70%’ discount advertised was available for less than 1% of all products sold by the company and considerably less than 10% could be purchased with ‘a discount of up to 50%’. In the established practice of the GVH, the ‘up to claims’ are misleading if the products available in the promotion are not typical of the goods sold by the company or the scope of products indicated in the commercial, and the product range covered by the ‘up to claim’ is realistically not accessible; that is, it is below 10% of the product offering. When setting the fine, the GVH took into account the aggravating circumstance that the commercial practice investigated reached a broad scope of consumers, delivered a strong message and, in view of its simplicity, clarity, emphatic nature and reference to the consumer price, it resulted in a substantial increase in the number or orders received by Extreme Digital. The GVH considered the fact that at the time of the infringement the undertaking was an SME to be a mitigating circumstance. The GVH imposed a fine of 20 million HUF (approx. 62 thousand euro) for the infringement.

2.1.7. Presentation of a legal right as a benefit Autocentrum (Unfair Commercial Practice)

32. According to the decision of the GVH, Autocentrum AAA AUTO Kft. (AAA) engaged in unfair commercial practices because in its advertising it presented the legal rights of consumers as if they were unique benefits offered by AAA. The GVH established that AAA engaged in an unfair conduct when presenting the rights of consumers granted by the Civil Code (warranty and warranty of title). The promise of a 12-month warranty as well as the guarantee of the legal origin of the vehicles (warranty of title) were advertised on fliers, indoor and outdoor posters as well as radio commercials, press advertisements, online advertisements, electronic direct marketing letters an on the website of www.aaaauto.hu among the features that were described as unique to the offer of AAA. When setting the fine, the GVH considered the aggravating circumstance that the infringing commercial conduct was maintained for an extended
period and reached a large number of consumers, and that the competition authority had only recently condemned the undertaking and there was only a short time between the previous decision and the start of the conduct investigated in the case concerned. The outline of the compliance programme of the company was taken into account as a mitigating circumstance.

33. The GVH stated that in the commercial practice it would be desirable not to confuse consumer rights communication for information purposes with the special elements of the various offers subject to the commercial decisions of undertakings. Consequently, the competition authority expects undertakings not to present a consumer right as if it had depended exclusively on the consumer friendly attitude of the undertaking, or as if it had not been the obligation of the undertaking to grant that right under the effective legislation. The GVH imposed a fine of approximately 30 million HUF (approx. 93 million EUR) on AAA for the infringement and ordered the discontinuation of the infringing conduct. In its decision, the GVH named AAA Auto International a.s., the parent company of the firm, as the party with joint and several liability.

2.1.8. Sale of Timeshare Rights: Misleading of Consumers by Dinasztia Wellness

34. The GVH concluded that Dinasztia Wellness Kft. in.liq. misled consumers with its offer concerning the sale of timeshare holidays. In its decision the GVH stated that the undertaking engaged in unfair commercial practices because, throughout its commercial operation, it created the false impression in consumers that it engaged in the secondary sale of timeshare holidays, and that the resale service or the success of secondary sale was conditional on the consumer purchasing another timeshare holiday. The undertaking also acted as an intermediary in selling loan contracts to consumers for the financing of the purchase of the new timeshare holiday. When setting the fine, the GVH regarded as aggravated factors, inter alia, the following: the infringing practice was maintained for a long period, consequently it reached a significant number of consumers; the entire commercial operation of the undertaking relied on false, unlawful information, and the infringing commercial conduct targeted vulnerable consumers; the undertaking gained significant benefits from the infringements; the service relied on a relationship of trust; and the infringement caused significant harm and expense to consumers. The GVH imposed a fine of 22.5 million HUF (approx. 70 thousand euro) for the infringement.

2.1.9. Medicinal products, food supplements, food products, medical devices and cosmetics

Pharma Nord Élelmiszer Kereskedelmi Kft.

35. The GVH found that Pharma Nord Élelmiszer Kereskedelmi Kft (Pharma Nord Kft.) and Pharma Nord ApS. committed an infringement in advertising several of their products, because the non-prescription drugs were not presented in accordance with the product characteristics and the promotion of some dietary supplements did not comply with the sectoral regulations. Furthermore, the two undertakings published surreptitious advertising in a publication for pharmacists. For calculating the fine, the GVH regarded as aggravated factor that the infringing commercial practice was maintained for a long time, approximately two years, and also reached vulnerable consumers. In addition, with regard to surreptitious advertising, it was also an aggravating circumstance that
advertising disguised as editorial content is a severe violation. The GVH considered as mitigating circumstances the substantive efforts of the undertakings for compliance and, in case of the advertisement disguised as editorial content, that the undertakings abandoned that practice. The GVH imposed a fine of more than 38 million HUF (approx. 118 thousand euro) in aggregate for the infringement.

_Sandoz case_

36. The GVH established that the advertisements of SANDOZ Hungária Kereskedelmi Kft. related to ACC OTC products were unlawful as they were not in accordance with the summary of product characteristics (SmPCs) and instead went beyond them. The advertisements promised a quick effect concerning the overall mechanism of action of the medicinal products, when according to the SmPCs the quick effect only concerned the absorption rate. The GVH imposed a fine of HUF 105 million (cca 330 thousand EUR) on the undertaking for the infringement.

2.2. _Restrictive agreements_

37. In 2017 the GVH adopted 12 decisions in proceedings involving restrictive agreements. In 6 cases the Competition Council established an infringement and imposed a fine; three proceedings were terminated by the Competition Council, two by the case handler, and one proceeding was closed with a commitment.

38. In the six cases where infringements were found, fines of 81.3 billion HUF (approx. 250 thousand EUR) were imposed in aggregate.

_Figure 4. Fines imposed in restrictive agreement cases (million EUR) 2014-2017_

39. Similarly to the trends seen in previous years, a substantial proportion of the complaints relating to cartel activities (approx. 60-65%) concerned public procurement procedures, primarily public procurements relating to EU-financed programmes.
40. The cartel detection work of the GVH relies, in addition to its own detection efforts, on the now traditional Kartellchat (online information application offering anonymity), leniency programme and informant rewards. A total of 10 leniency applications were received, a surprisingly high number relative to previous years; they resulted in the start of 5 competition supervision proceedings.

41. The submission of leniency applications may be particularly significant in the case of public procurement cartels because cooperation with the GVH has a substantial effect on the level of the fine imposed in the initiated competition supervision proceeding; indeed, persons affiliated with companies submitting leniency applications are in a significantly more favourable position in any criminal proceeding that may be initiated due to cartel activities. If an undertaking making use of the leniency programme also participates in the settlement proceeding, it may benefit from a fine reduction of up to 80% in aggregate.

42. In a settlement proceeding, the GVH reduces the amount of the fine by 10-30% if the undertaking against which the proceeding is conducted admits, based on the evidence presented to it, to the infringement, and waives its rights to access the file, to make a statement, to demand a hearing or seek judicial remedy, thereby contributing to the faster, less resource-intensive conclusion of the case. The settlement procedure may bring significant cost savings to the GVH and the undertakings alike.

2.2.1. Real estate agents’ cartel

43. According to the GVH’s decision, four real estate agent firms (Duna House Holding Nyrt. (DHH), Otthon Centrum Holding Kft. (OCH), Duna House Franchise Szolgáltató Kft. (DHF) and Otthon Centrum Franchising Tanácsadó Kft. (OCF) had concerted their pricing policies and exchanged confidential business information in the framework of their cross-selling cooperation. The GVH considered the determination of the minimum commission rates and the allocation of areas of operation for members of the franchise network by DHF and OCH to infringe the law. In the course of its investigation, the GVH found that the two networks had entered into agreements about sharing their stock of the real estates to be sold under exclusive commission thereby significantly increasing the two networks’ incomes and strengthening their market positions; the commission fees (in fixed amount and in percentage) on the territory covered by the cooperation; determining the minimum amount and percentage of the commission payable on the seller side, and the amount of discount to be granted under cross-selling cooperations; the exchange of certain sensitive business information e. g. data on some of the sales processes and the stock of commissions of DHF and OCF.

44. In its decision, the GVH stated that the contracts concluded between DHF and the members of its network of real estate agents, as well as between OCF and members of its network of real estate agents – either through the stipulation of prohibitions or the application of sanctions – had hindered the free determination of prices by the franchisees and prohibited the acceptance of commissions on the territory of other franchisees. The GVH invited the undertakings to indicate whether they were interested in engaging in a settlement procedure, in order to enable the proceeding to be concluded in a swift and effective manner. The undertakings presented their settlement submissions, in which, among other things, they voluntarily admitted the infringement; therefore the GVH reduced the fine imposed by 30%. A total fine of 75.68m HUF (cca 235,000 EUR) was imposed on the undertakings for the infringement.
2.3. Abuse of dominant position

45. In 2017 the GVH brought decision in 4 abuse of dominance cases. One of these was closed with commitment decision and the three others were terminated in the course of the investigation. This year did not see the imposition of fine in this case category.

Figure 5. Number of decisions abuse of dominance cases (2014-2017)

2.3.1. Refusal to deal case in the pharmaceutical sector

46. The GVH initiated proceedings against Sanofi-Aventis for the suspected abuse of a dominant position because the GVH became aware of the fact that Sanofi-Aventis had refused to conclude a contract concerning the distribution of pharmaceuticals with a pharmaceutical wholesaler undertaking. Sanofi-Aventis distributes numerous pharmaceuticals that are essential for maintaining a competitive supply portfolio of pharmaceutical wholesalers and it can be presumed that Sanofi-Aventis has a dominant position on the relevant markets of these pharmaceuticals. Based on this presumption, it was suspected that Sanofi-Aventis placed – without justification – certain groups of the market participants in a disadvantageous position against the incumbent market participants i.e. those already present on the market. It was also suspected that when Sanofi-Aventis was selecting its pharmaceutical wholesaler partners it was adopting a practice that was not based on an assessment of the anticipated and actual economic gains resulting from the business relation in question. In accordance with the Hungarian and the European competition law enforcement practice, harm to consumers’ interests is the precondition of the intervention of the competition authority. In other words, competition law serves to ensure effective competition and benefits for consumers and is not aimed at protecting the mere existence of market players. However, on the basis of the data gathered in the course of the competition supervision proceeding, there was no clear evidence that the conduct of Sanofi-Aventis could result in significant adverse consequences for consumers, and the GVH therefore terminated its proceeding.
2.3.2. **UPC District 29 abuse case**

47. In February 2015 the GVH initiated proceedings to investigate the terms of the internet service of UPC Magyarország Telekommunikációs Kft. in numerical district 29 because a large number of consumer complaints indicated that in this numerical district UPC offered a lower-quality internet service (with slower upload and download speeds) than in the other areas of the country, while the subscription fee was higher. When the proceeding was initiated, UPC had no infrastructure-based competitor in a considerable part of the settlements in district 29. The proceeding examined whether UPC abused its dominance by limiting technical development and using unfair prices.

48. UPC implemented a significant price cut in the investigation phase of the proceeding in the entire district 29, then submitted a commitment application, which they amended repeatedly based on the feedback from GVH. The GVH imposed the obligation that, in accordance with the undertakings of UPC, the firm implements network developments in 12 settlements of the districts, that it ensures that the quality and pricing conditions of the networks resulting from the development projects are not worse than its national service terms and that its customers can join such networks without any additional charge, in line with the connection process customary at UPC, and that it maintains the lower prices for the currently available ADSL internet service (the quality of which is lower than that of the proposed networks) in the 12 settlements where the network development project is implemented as long as the ADSL service is available in the given settlement after the envisaged network development, and in Pilis and Tápióság, at least until 31 December 2022. In the context of the above undertakings, UPC has the responsibility to regularly inform the customers affected and to demonstrate the completion of the various steps to the GVH. The GVH did not find any infringement in the case and no fine was imposed.

2.4. **Control of concentrations**

49. In 2017 the number of merger cases continued to rise: 61 merger proceedings were started (including notification proceedings under the new regime) as compared to 58 in 2016 and 54 in 2015, while 63 merger cases were closed in 2017 (including the ones carried over from 2016).

50. During 2017 the merger-related institutional and regulatory conditions changed substantive considering that pursuant to the amendment of the Competition Act effective from 15 January 2017, the former application-based proceeding was replaced by a **notification regime in merger control**. It is partly attributable to the new regulation that the 33 merger proceedings under the simplified regime, where no competition supervision proceeding had to be started, had an administrative time requirement of 5 days on average.

51. In 17 cases the authorization was granted in a Phase I procedure, and in three cases in a Phase II procedure. In one case each, the GVH adopted decision in Phase II proceedings for authorization with commitments, the termination of the proceeding and the prohibition of the transaction.
Table 1. Number of merger cases by the types of decision in 2017

<table>
<thead>
<tr>
<th>Granting of authorisation</th>
<th>Simplified procedure with authorisation (with official certificate)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>33</td>
</tr>
<tr>
<td>Phase I procedure</td>
<td>17</td>
</tr>
<tr>
<td>Phase II procedure</td>
<td>3</td>
</tr>
<tr>
<td>Authorisation with commitment</td>
<td>1</td>
</tr>
<tr>
<td>Withdrawal – withdrawal of decision</td>
<td>2</td>
</tr>
<tr>
<td>Termination of the proceeding</td>
<td>4</td>
</tr>
<tr>
<td>Post-investigation: the commitment has been complied with</td>
<td>2</td>
</tr>
<tr>
<td>Prohibition – prohibition of concentration</td>
<td>1*</td>
</tr>
</tbody>
</table>

*: The special authority – the National Media and Telecommunications Authority – did not authorize the transaction; consequently, pursuant to the relevant rules, the authorization of the competition authority could not be granted.

52. In 2017 the GVH elaborated on its already extensive merger control practice on a number of points. The following findings on a matter of principle and developments in enforcement are worth highlighting.

2.4.1. Joint control based on objective control

53. In the context of a specific case the GVH clarified that joint control based on objective control can be assumed in the absence of a separate agreement, if undertakings in the same group vote together in a company through their aggregate voting rights exceeding 50%, if there is no other enterprise independent of both enterprises the voting rights of which, together with the votes of at least one of the two undertakings, exceed 50%. In such a situation, the undertaking has no controlling owner.

2.4.2. Hierarchy of control rights

54. According to the hierarchy of control rights, in the case of a conflict between control based on the possession of the majority of votes and control based on a contract, the latter has priority. Accordingly, joint control exists based on an agreement between the two undertakings on the joint acceptance of the business plan even if one undertaking has a majority holding in the undertaking.

2.4.3. Assessment of a contract based on its content

55. General principles such as the assessment of a contract based on its content are also applicable in competition law. Thus, a preliminary contract between the parties is not considered to be premature if in such contract the parties agreed on every material issue regarding the concentration, also agreeing that if the conditions set out in the preliminary contract are satisfied, the concentration will be implemented. Accordingly, in terms of its content a preliminary contract is no different from a ‘definitive’ contract setting out the terms, that is, it is not to be considered ‘proposed’ simply because of its name.

2.4.4. Use of the internal documents of an undertaking

56. The internal documents of the groups of undertakings participating in a merger may be taken into account in the proceedings of the GVH, whether they were prepared expressly for the purposes of a competition analysis or otherwise. The authenticity and thus evidential force of the data in such documents is strengthened by the fact that they
were not prepared at the instruction of an authority but are based on information obtained during the operation of the firm or on market information.

2.4.5. Sectorial experience obtained in merger proceedings

57. In 2017 the mergers examined by the GVH covered a number of industries; like in the previous year, the highest number of transactions (11) were implemented in the real estate business, which constituted 17% of all the proceedings started upon application or based on a formal complaint and were closed in that year.

58. The GVH looked at the food industry and electronics industry, IT services, the printing industry, the manufacture of various components and chemical materials in several proceedings, while the number of concentration in agriculture declined relative to previous years, continuing the trend of the past period.

59. The GVH examined four concentrations on the advertising market. These cases related to the markets of the printed press, web-based platforms and television commercials. The Competition Council acknowledged three of the transactions in the sector, while in one case the GVH was obliged to prohibit the concentration because of the prohibition of the Media Council as sectoral authority.

60. The GVH also looked into transactions in the financial services sector, totalling 3 in 2017. They related to the markets of insurance, fund and asset management and other financial services. In one case, the GVH terminated the proceedings because it found that no control was acquired through majority voting rights, while the other two mergers were acknowledged by the GVH without any intervention.

3. Client Friendly solution to the access to the file – Virtual Data Room at the GVH

61. In the course of its competition supervision proceedings the GVH handles and stores a significant amount of documents. The representatives of the undertakings concerned – according to the rules of the Competition Act – are entitled to access the files that have been generated in the course of their official cases; they may make copies, or for a fee may have copies or certified copies made, all of which may then be used in the cases in question. The amount of documents accumulated in relation to one case can reach several thousand in pages, with the result that access to the file by attending in person and the making of copies is a lengthy and costly process for both the GVH and clients.

62. The GVH due to opening the Virtual Data Room provides electronic access to files from 25 October 2017.

63. The Virtual Data Room will provide an online access opportunity and interface for those clients that have been approved as access-entitled users in relation to individual cases of the GVH or to the persons authorised by the clients (for example legal representatives or counsel). The login users will be identified through the system of the Client Site (Ügyfélkapu).
4. Market analysis and inquiry into sectors of the economy

64. The Competition Act authorizes the President of the GVH to launch, by an injunction, a sectoral inquiry with a view to exploring and assessing the market processes where price movements or other market circumstances suggest that competition is possibly being distorted or restricted in a market within a specific sector. The order opening the inquiry must be communicated by way of an announcement on the website of the GVH. In this inquiry, a report is prepared based on the detailed analysis of the information collected from market actors, which is used later as a basis of further activities of the GVH (particular competition supervision proceedings and competition advocacy activities). The concept of sectoral inquiry is not unknown in European practice either, as the European Commission also uses this method to obtain a general overview of the competition problems on a particular market (sector).

4.1. Sectoral inquiry on the market of accepting bank cards

65. The GVH launched a sectoral inquiry on the market of accepting bank cards to explore and assess the market processes on 20 January 2017. The GVH noticed that smaller traders faced less favourable service fees than larger traders on the market of cash-substitute payment instruments, i.e. the market of accepting bank cards when initiating and maintaining payment with them. In the inquiry the GVH plans to overview the payment card industry, in particular the bank card acceptors as a downstream market. At the heart of the sectoral inquiry covers an investigation of the competition conditions of the acceptance of bank cards and an evaluation of innovative cash-substitute payment instruments that may potentially put competition pressure on the payment card accepting market.

66. The GVH believes that the sectoral inquiry must fully explore every factor that can hinder efficient competition on the acceptor market. The GVH also commissioned a market research to investigate the costs of bank card payment. With the effects stemming from the changes made to the regulation of interbank commissions in mind the market research among others also covered the awareness of traders and the practice of accepting different payment methods.

67. The results of the market research affirmed the need for a sectoral inquiry. A report detailing the findings of the inquiry will then be published.

4.2. Analysis of the markets of new passenger car and LCV distribution and repair

68. The GVH published its market analysis looking into the operation of the markets of new passenger car and LCV distribution and repair and the related insurance market in Hungary on 10 May 2017. In the course of the market analysis that started on 1 December 2014, the GVH looked into the specific design of the networks related to the sale and repair of cars and LCVs, any changes in these networks in recent years, the mutual effects of the characteristics of the markets of distribution and servicing, as well as the inter- and intrabrand competition.

69. The GVH’s analysis, as evidenced by its publically available market analysis paper closing the exercise, found no market failure that could be remedied in a competition supervision proceeding, however, certain market issues affecting market conditions were identified. Accordingly, the GVH recommended the reduction of certain costs relating to the entry into service and operation of new vehicles in order to promote
the sale of new vehicles, and recommended that consideration be given to the reduction of certain costs relating to the entry into service of used vehicles.

70. Furthermore, it proposed that the re-introduction of the campaign period in the MTPL market is given thought. In addition, the GVH addressed recommendations to market participants, proposing that they closely monitor the decisions of the GVH and the development of competition law trends to promote their compliance efforts.

5. Lessons of the court reviews of the GVH’s decisions

71. In 2017 the parties filed for the judicial review of the GVH’s decision on the substance of the case on 12 occasions.

72. From among the judgments of the Budapest Court of Public Administration and Labour, which is the first-instance review court for the decisions of the GVH, one has become final and enforceable. The judgment upheld the decision of the GVH in a cartel case in full.

73. The Budapest-Capital Regional Court as second-instance court adopted 18 judgments in 2017. The second-instance court upheld the legality of the GVH’s decision in 10 cases while it altered the GVH’s decision in 3 cases, returned the case to the court of first instance for new proceedings in two cases, overturned the decision of the GVH or part thereof in two instances, and in 3 cases it instructed the GVH to conduct new proceedings while overturning the decision of the GVH.

74. The Curia of Hungary (court of third instance) adopted 1 decision, where the legality of the GVH decision was confirmed.

75. In 2017, 23 non-litigious proceedings were initiated against the decisions of the GVH; of these, in 19 cases the Budapest Court of Public Administration and Labour confirmed the legality of the authority’s decision while in two cases it overturned the substantive decision of the GVH and ordered the Authority to conduct new proceedings and in 2 other cases it instructed the GVH to conduct an administrative procedure.

6. Competition advocacy – commenting on regulations and other drafts

76. In the scope of its competition advocacy, in 2017 the GVH was sent submissions and proposed legislation for commenting in numbers similar to the average of previous years. The GVH studied 104 proposed regulations in the scope of public administrative consultation.

77. The GVH sent its comments in 25 cases. Besides the submissions officially received by the GVH for comments, the Authority delivered its opinion in further 6 cases from draft pieces of legislation uploaded on the government’s homepage. In 2017 a significant part of these comments focused on changing the competition and procedural law, general government and enforcement rules that provide the operating environment of the GVH, improving the quality of codification; another part related to governmental strategy making, and a smaller portion was connected to creating a more competition-friendly regulatory environment, reducing administrative burdens or improving the conditions of the consumer decision-making process.
78. One of the most important forms of competition advocacy is commenting on legislation but other routes are also available, including the forwarding to legislative bodies of legislative anomalies identified based on market signals, accompanied by competition policy comments. In some cases the GVH takes the initiative. Trade associations have been, and continue to be, fairly active in performing sectoral data collection and processing that may raise anticompetitive concerns. If the operation of such a system is not based on legal authorization, such associations will want to obtain preliminary information from the GVH concerning their appropriateness under competition law. In such cases, a substantive response must generally be denied due to the implication of the competition supervisions powers of the GVH; however, the entities making an enquiry are interviewed or a written response is provided, calling attention to the competition rules relevant for the issue or to existing jurisprudence.

79. The GVH objected to the proposed legislation on the activities of layers because of its provision on the collection and analysis of data on legal fees by the Chamber, and its non-compatibility with competition law. The GVH also found the extension of membership in public bodies to legal counsels to be controversial in consideration of their employee status, highlighting the legal uncertainty arising from the potential conflicts of disciplinary procedures by the employer and the Chamber. Furthermore, the GVH made clarifying comments relating to legal professional privilege and files made for the purpose of defense, particularly because of the danger of incoherence with other legislation including the Competition Act. Following the objection concerning legal fees, the relevant provisions were dropped; however, the GVH’s comments on legal counsels, legal professional privilege and files prepared for defense were disregarded.

80. In the context of the re-regulation of tax procedures the GVH noted that the provisions of the Act on the tax procure concerning cash registers and automatic equipment affect the markets of those products and the related markets of online data transmission. The provisions concerning these markets may give rise to several competition-related and regulatory problems due to the high barriers to entry and the resulting weak competition or the creation of monopolies. Consequently, the GVH proposed the reconsideration of certain provisions and urged the introduction of more effective price control mechanisms on the monopoly markets created as a result of such regulation. The comments of the GVH were not incorporated. In particular, this Act prohibits departure from the regulated price in either direction, in contrast with the provision of the pricing act to the effect that no contract may stipulate a price higher than the regulated price. In practice this means that a monopolist service provider may not be obliged to reduce its prices even if its actual costs result in extra profits due to the absence of the review of regulatory prices or for any other reason, or if the standard of services deteriorate.

81. In the context of the proposal for a registration fee to be paid by legal counsels and law clerks the GVH highlighted that in the course of setting the registration fees, the rates should be set based on justified costs, particularly because these high costs may serve as deterrents to entry. At the same time, it expressed its concerns regarding the economic soundness of the proposed rates as they are substantially different from the rates applied by other chambers. It should be noted that in Hungary registration in a chamber of commerce is mandatory, and the fees payable for membership vary widely. The GVH had conducted competition supervision proceeding against some county-level law chambers because they openly set the objective of using high fees to hinder admission to the chamber and thus to setting up a legal practice. The comments of the GVH were not incorporated.
82. The GVH objected to the provision of the legislative proposal on the amendment of certain laws on the regulation of agriculture related to the general administrative procedure and for other purposes to the effect that the Hungarian Chamber of Plant Protection Professionals and Phytopathologists may issue recommendations concerning the upper and lower limit of the fees for services performed by phytopathologists. The comment of the GVH was not incorporated.

7. Competition culture

7.1. The activity of the Competition Culture Centre

83. The work of the GVH in developing competition culture includes the tasks of the GVH itself relying on its professional resources, as well as programmes where the GVH relies on the work of other bodies for implementation and, where required, it offers professional help and financial assistance.

84. In 2017, the GVH also placed:

- The Hungarian Competition Authority (GVH) and the Hungarian Competition Law Association.

- In September a legal history conference was organized, with the title of ‘The history of cartel law’, jointly by the GVH, the Legal Subcommittee of the Academic Committee of Szeged of the Hungarian Academy of Sciences and the Faculty of Law and Political Sciences of the University of Szeged. The event was related to the academic research on Act XX of 1931 on restrictive agreements to investigate the legal practice of the time. The topics discussed at the conference promoted the better understanding of a hitherto unchartered area of law, in the context of the theory of competition law, which may contribute to the discourse on present and future regulation.

- In cooperation with the Loyola University Chicago School of Law and the Pázmány Péter Catholic University, the Authority organized an international roundtable entitled “VI. Antitrust Marathon” in October. The event was attended by representatives of competition authorities as well as consultants, lawyers and leading academics; the agenda of the roundtable covered major issues of competition law compliance as well.

- The Competition Policy Advisory Bureau Network continues its operation in five big cities (Debrecen, Eger, Szeged, Pécs and Győr) in Hungary. The Network assists the GVH in the area of consumer protection and enhances the messages/principles of the GVH through its communication activity.

- As part of the Cultural Heritage Days.

85. The GVH strives to promote compliance by stakeholders through measures assisting in law enforcement and information on the proceedings of the Authority as well as soft law type instruments. In 2017 the GVH published notices about the following subjects, inter alia: the settlement procedure, the calculation of fines in case of practices infringing the prohibition of restrictive agreements and concerted practices, the abuse of dominance and the abuse of significant market power, on the factors to consider when calculating fines in consumer protection type cases, on procedural fines imposed relating to the disclosure obligation, the publication of information regarding certain proceedings
of the Hungarian Competition Authority, and the rules of communication with the senior management of the Hungarian Competition Authority. Furthermore, in view of the amended merger regulations, the GVH updated its notices relating to concentrations and modified the notice on the application of leniency rules. All the notices are available on the GVH website.¹

86. The GVH continues to subject its notices and working papers to public consultation, and the final version is worded and published following consideration of the comments received.

7.2. Cooperation with other organizations

87. The GVH has the objective of establishing and deepening ties with representatives of the academic community working in competition law and competition policy and with relevant professional organizations. In this context, based on the cooperation agreement concluded in 2016 with the SME initiative ‘Economic and Cultural Club of Family, Micro- and Small Enterprises’ (KKVHÁZ), the Authority regularly attended thematic roundtables organized jointly by the Ministry for National Economy and the KKVHÁZ in 2017.

8. The activity of the OECD-GVH Regional Centre for Competition in Budapest

88. The OECD-GVH Regional Centre for Competition in Budapest (RCC) was established by the OECD and the GVH on 16 February 2005. Relying on the professional background of the Competition Division of the OECD and the GVH, the Centre provides capacity building assistance and policy advice for the competition authorities of the Central, East and South-East European region, namely for Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, FYR of Macedonia, Georgia, Kazakhstan, Kosovo, Kyrgyzstan, Moldova, Montenegro, Romania, the Russian Federation, Serbia and Ukraine. The RCC is financially supported by the Hungarian Government.

89. The programmes of the RCC, besides others, deal with the following topics: analysis of competition cases, investigative techniques, competition policy principles in the process of regulatory reforms, training of judges, law enforcement priorities, guidelines, policies, practices and procedures, framework for the cooperation of the competition authorities of the region, competition advocacy, tools for communication, cooperation between competition authorities and regulatory bodies, other general issues falling under competition law and policy. Regular meetings, training programmes, seminars and workshops were organised on these topics.

90. In 2017 the RCC hosted 302 participants arriving from 35 economies and 49 speakers from 18 countries.

91. With a view to the needs of competition authorities, having consulted previous participants of the RCC’s events and the senior officials of authorities, the RCC has established a constantly changing, evolving programme structure that responds to the training needs of participants.

¹ [http://gvh.hu/szakmai_felhasznaloknak/kozlemenyek](http://gvh.hu/szakmai_felhasznaloknak/kozlemenyek)
92. In 2017 the RCC organised 3 seminars in Budapest for its core target group (competition authorities of South-East Europe and the majority of the CIS countries). Topics of these events were: 1/ „Market Definition”, 2/ „Best Practices in Cartel Procedures” and 3/ “Competition Rules and the Pharmaceutical Sector”.

93. Each year the RCC organizes a professional event in one of the 18 countries that constitute its primary target group. These seminars are unique as their agenda focuses on the needs of the host competition authority. After Albania, Armenia, Bulgaria, Ukraine, Croatia, the Republic of Macedonia, Georgia and Serbia, in 2017 Bosnia-Herzegovina hosted the event. The seminar was held in Sarajevo, with the title ‘OECD Competition Assessment Toolkit’. The event was attended by 36 competition law professionals from 15 countries.

94. Once a year the RCC organizes a joint event with the Federal Antimonopoly Service (FAS) of the Russian Federation. In 2017 the seminar was held in Moscow and it dealt with the topic of market studies. The speakers, who came from OECD countries, shared their experiences of the way market analyses fit into the work of competition authorities, how they may assist in and provide information for investigations and competition advocacy. Topics included general theoretical information regarding market analyses, best practices as well as available OECD, ICN and national guidelines, and the sectoral inquiry of the European Commission into e-commerce. Focal subjects included issues relating to the internet economy and purchasing power problems.

9. International relations

95. The international relations of the GVH focused mainly on co-operation with the European Commission and the national competition authorities of the EU Member States, co-operation within the framework of the Competition Committee of the Organisation for Economic Co-operation and Development (OECD) and the International Competition Network (ICN), as well as on bilateral co-operations.

96. Similarly to the practice of the previous years, the case-related co-operation within the European Competition Network (ECN) in respect of the application of the competition rules of the EU continued to be one of the main fields of the international relations.

97. The contribution to the work of the OECD Competition Committee and of its working groups had an outstanding importance also in 2017. Contributions were prepared in the topics of „Methodologies of Conducting Market Studies” and “Co-operation between Competition Agencies and Regulators in the Financial Sector”.

98. In compliance with the established practice, the GVH sent also in 2017 one of its experts to the OECD for a whole year as a secondee on a rotation basis.

99. Concerning co-operation with the International Competition Network (ICN), in 2017 the GVH remained active participant in particular in the work of the Cartel Working Group, being responsible for the coordination of the project on “Anti-Cartel Enforcement Template”. In addition to this, from April 2016 the GVH undertook the co-chairmanship of the Regulatory Framework Subgroup of the Cartel Working Group of the ICN and in this capacity it has been running several other ICN CWG projects as well.
10. Recommendations of the GVH to the Parliament

100. In line with its established practice, the Hungarian Competition Authority formulates recommendations to the Parliament on issues identified that are beyond its competence or that are less suitable for treatment through the tools at its disposal but affect competition or consumers. The report on 2017 contained the following recommendations:

- Based on concrete experience gained from competition supervision proceedings, the GVH holds that consideration should be given to amending the Competition Act to the effect that if the prohibition of anticompetitive conducts set out in the Competition Act or Article 101 TFEU is not violated, it should be prohibited to invite a competitor to engage in a conduct infringing the competition law. This would facilitate the qualification of an invitation for infringement as unlawful. In the specific proceeding, the GVH found that with regard to the products concerned (plant protectives and artificial fertilizers) the association of merchants repeatedly attempted to convince the association of manufacturers, and when that attempt failed, the individual manufacturers, to harmonize their commercial strategies and withdraw from the market their promotional materials. The GVH found that an agreement or concerted practice (infringement) was not supported by evidence because the aforementioned practices on their own are ‘insufficient predicate offences’ as long as the contact between suppliers based on the decision does not result in an agreement between suppliers or a concerted practice; however, the GVH is of the view that an invitation to commit an infringement can in itself be of concern as it goes beyond legitimate interest representation.

- Again, the GVH recommended to Parliament the review of the rules governing the timeshare market. In the experience of the GVH, its competition supervision proceedings and available tools in themselves continue to be insufficient to prevent unfair commercial practices relating to timeshare holidays and investigations against new undertakings need to be started again and again. Therefore, the GVH considers it appropriate to reconsider the rules governing such market, with particular emphasis on the registration of secondary distributors, the expansion of the scope of instances resulting in their banning from such operations and the establishment of the liability of the operators of holiday homes through the recording of telephone communication.

- The GVH recommended that a “Do not call” register is set up. In the recent past, the GVH received signals again from consumers complaining about unfair commercial practices and mentioning that undertakings contacted them by telephone to promote their goods or services, and consumers did not know how their phone numbers had been obtained. Even though such calls may represent new information for consumers, potentially containing favourable offers, it is also important that consumers should be able to give instructions whether they wish to be contacted through that channel and to be able to do so in the simples possible manner, and to have a way to review the calls that they consented to. Even though unsolicited calls are prohibited, the control of compliance with the relevant legislation requires the establishment of whether the prior consent was (appropriately) granted, which may be a long process. It could be effective to supplement the system by a register set up pursuant to legislation in which consumers may enter their telephone numbers, clearly expressing that they do not wish to be contacted for commercial purposes, and undertakings would be
required to respect such opt-out or else face, relatively quickly and consistently, dissuasive penalties (imposed by sectoral market surveillance or data protection institutions).

11. Technical conditions and other information

Table 2. Resources of the competition authority

<table>
<thead>
<tr>
<th></th>
<th>2017 billion HUF</th>
<th>2,917</th>
<th>2017 million EUR</th>
<th>9,1</th>
</tr>
</thead>
</table>

Table 3. Number of employees

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economists</td>
<td>14</td>
</tr>
<tr>
<td>Lawyers</td>
<td>55</td>
</tr>
<tr>
<td>Lawyer-economists</td>
<td>8</td>
</tr>
<tr>
<td>Other professionals</td>
<td>8</td>
</tr>
<tr>
<td>Support staff</td>
<td>35</td>
</tr>
<tr>
<td>All staff combined (actual)</td>
<td>120</td>
</tr>
</tbody>
</table>

101. In 2017 the Authority had 2,917 billion HUF (approx. 9.1 million EUR) available to fund its work. The annual finances of the budget chapter were balanced, with no liquidity issues arising; the GVH honoured its payment obligations in time.