

# Short-form merger notification

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A short-form merger notification needs to contain significantly less information than a full-form notification: the applicant only has to provide the basic details regarding the relevant markets, limited information on the participants in the merger, and information under a number of headings regarding the economic and financial aspects of the merger need not be included.

Enterprises (parties to the merger) may file a short-form merger notification if at least one of these two conditions is present:

None of the participants in the merger operates in a single relevant market or in a market that is vertically related thereto

Thus, for instance, if the merger involves economic operators that produce different, non-substitutable products, the merger most likely will not affect the state of competition in any of the markets associated with the merger, as their market power will not directly increase as a result of it. It is also important for the operators not to be linked vertically: e.g. as manufacturers and distributors of the same product.

The combined market share of the market participants involved in the merger does not exceed 20 per cent

In this instance, it is important that, at the time of the merger, the overall share of goods offered in the relevant market (an isolated territory with similar conditions of competition where the particular good is marketed) by the merging operators is sufficiently small in relation to the total volume of goods offered in that market – i.e. do not exceed 20 per cent – so that such merger, as a general rule, does not adversely affect competition.

Merger participants operate in vertically related markets, and the market share of each merger participant does not exceed 30% on the relevant market.

If a merger is implemented between undertakings that operate on vertically related markets, for example, a manufacturer and distributor of any particular product, then both manufacturing and distribution markets of the relevant product will be identified as affected markets. In the case, when the manufacturer's market share on the product manufacturing market and the distributor's market share on the product distribution market do not exceed 30%, usually, the merger will not significantly affect competition.

Merger participants acquire joint decisive influence over another market participant, which does not generate and the objective of which is not to generate turnover from selling of goods or provision of services in the territory of Latvia.

If joint decisive influence is acquired over an undertaking, which deals with and also in the future plans to deal with, for example, export of goods only, without generating turnover from selling of goods or provision of services in Latvia, merger participants are obliged to provide substantiated information on the existing and planned economic activity.

A merger participant acquires decisive influence over another undertaking, where the merger participant already has joint decisive influence.

For example, prior to merger the undertaking A and B each possess 50% of capital shares of the undertaking C; however, by implementing the merger it is planned, that the undertaking A will also acquire shares possessed by the undertaking B, thereby exercising decisive influence on the undertaking C through ownership of 100% share capital.

If a merger of market participants, regarding which a short-form merger notification has been submitted causes concern about its impact on competition and requires additional investigation, the Competition Council may require the market participants to submit a full-form merger notification.

<https://www.kp.gov.lv/en/short-form-merger-notification>