


Procedure file

Basic information		
CNS - Consultation procedure Regulation	1996/0224(CNS)	Procedure completed
Control of concentrations between undertakings (amend. regul. 4064/89/EEC)		
Repealed by 2002/0296(CNS)		
Subject 2.60.04 Economic concentration, mergers, takeover bids, holding companies		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs, Industrial Policy		24/09/1996
		PSE RAPKAY Bernhard	
	Committee for opinion	Rapporteur for opinion	Appointed
	JURI Legal Affairs, Citizens' Rights	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	Culture	2022	30/06/1997
	Industry	2001	24/04/1997
	Industry	1962	14/11/1996

Key events			
12/09/1996	Legislative proposal published	COM(1996)0313	Summary
22/10/1996	Vote in committee		Summary
22/10/1996	Committee report tabled for plenary, 1st reading/single reading	A4-0332/1996	
23/10/1996	Committee referral announced in Parliament		
12/11/1996	Debate in Parliament		
13/11/1996	Decision by Parliament	T4-0589/1996	Summary
14/11/1996	Debate in Council	1962	
30/06/1997	Act adopted by Council after consultation of Parliament		
30/06/1997	End of procedure in Parliament		
09/07/1997	Final act published in Official Journal		

Technical information	
Procedure reference	1996/0224(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
	Repealed by 2002/0296(CNS)
Legal basis	EC before Amsterdam E 235; EC before Amsterdam E 087
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/08299

Documentation gateway					
Legislative proposal		COM(1996)0313 OJ C 350 21.11.1996, p. 0010	12/09/1996	EC	Summary
Committee report tabled for plenary, 1st reading/single reading		A4-0332/1996 OJ C 362 02.12.1996, p. 0004	22/10/1996	EP	
Economic and Social Committee: opinion, report		CES1266/1996 OJ C 056 24.02.1997, p. 0071	31/10/1996	ESC	Summary
Text adopted by Parliament, 1st reading/single reading		T4-0589/1996 OJ C 362 02.12.1996, p. 0093-0130	13/11/1996	EP	Summary
Follow-up document		COM(2000)0399	28/06/2000	EC	

Additional information	
European Commission	EUR-Lex

Final act
Regulation 1997/1310 OJ L 180 09.07.1997, p. 0001 Summary

Control of concentrations between undertakings (amend. regul. 4064/89/EEC)

OBJECTIVE: extending the scope of merger control applying to undertakings having a Community dimension. **SUBSTANCE:** the Commission decided to make two separate proposals: - the first proposal relates to the threshold reduction, including the mechanism for multiple national filings, and is based exclusively on Article 1(3) of the Merger Regulation (Council Regulation (EEC) No 4064/89); - the second proposal relates to other aspects of the Merger Regulation and is based on Articles 235 and 87 of the Treaty. 1). First, the Commission proposes a reduction of the current world-wide and Community thresholds to ECU 3 billion and ECU 150 million, while the two-thirds rule remains unchanged. Between these thresholds and lower thresholds of ECU 2 billion and ECU 100 million, only concentrations that qualify for examination in at least three Member States of the Community would also come within the exclusive competence of the Commission. The proposed mechanism for dealing with multiple national filings would apply to all concentrations that (a) fall between the above-mentioned intermediate and lower thresholds and do not meet the two-thirds rule, and (b) qualify for examination, whether on an obligatory or voluntary basis, in at least three Member States of the European Community. The concentration would be deemed to qualify for examination under the national systems mentioned by the parties in the notification, unless the Member States concerned inform the Commission that this is not the case within two weeks from receipt of all relevant facts. The Commission would only verify whether and how the Member States concerned have reacted within the two weeks, and would not itself check whether the national thresholds have actually been met. Phase I would be extended by two weeks. 2). The proposed amendments contained in the second Commission proposal mainly deal with the following aspects: - review of the thresholds: in order to ensure that concentrations with significant cross-border effects continue to be covered by the Community merger control, it is provided that the thresholds establishing the Community dimension of concentrations can be adjusted by the Council acting by a qualified majority on a proposal from the Commission; - referral provisions: where a distinct market within the territory of a Member State does not constitute a substantial part of the common market, the request for referral by this Member State must only demonstrate that the concentration affects such a market. However, no proof of a threat to create or strengthen dominance is required; - joint ventures: the concept

of concentration under Article 3 of the Merger Regulation is enlarged so as to include all full-function joint ventures; - banking income: banking income as defined in Directive 86/635/EEC will be used as a basis for calculating the turnover of credit and financial institutions. ?

Control of concentrations between undertakings (amend. regul. 4064/89/EEC)

The committee adopted the two reports by Mr Bernhard RAPKAY (PSE, D) on the monitoring of company mergers. The committee was required to vote both on the Commission paper and communication and on the proposal to amend the regulation on mergers. The committee advocated a significant reduction in thresholds, as it had reaffirmed in various resolutions. In view of Council's resistance to too drastic a reduction, it called on it to approve at least the compromise proposed by the Commission. It also called for the scheme to apply both to concentrative joint ventures and cooperatives. Finally, it called on the Commission to carry out a critical review of the exception to the two-thirds rule. This area is currently governed by a regulation which entered into force in 1990 and which stipulates that the Commission is responsible for mergers as soon as they have a Community dimension, as defined on the basis of the annual turnover of the companies. At present, in order to fall within the scope of the regulation, the combined worldwide turnover of companies party to a merger must exceed ECU 5 billion and the Community turnover of at least two of these companies must exceed ECU 250 million. Mergers with a significant cross-border impact may be excluded from the scope of the regulation if the companies involved achieve over two-thirds of their Community turnover in one and the same member state. Given the increase in national control systems since 1989 and the problems which have arisen as a result, especially in the case of multiple notifications, the Commission has proposed a new approach. In its Green Paper, the Commission proposes a linear reduction in the thresholds to 2 billion and 100 million. An alternative would be to apply this reduction solely to mergers involving companies in three Member States. In view of the resistance expected from the Council, it finally opted for a combined approach: - a reduction in current worldwide and Community thresholds to ECU 3 billion and 150 million and - for mergers which would be subject to examination in at least three Member States, thresholds of ECU 2 billion and 100 million. The Commission also proposed to maintain the exception to the two-thirds rule. Given its proposal for a resolution on the Green Paper, the committee approved the Commission proposal on the amendment to the rules on the monitoring of company mergers.?

Control of concentrations between undertakings (amend. regul. 4064/89/EEC)

The Economic and Social Committee: -. recognizes the Commission's considerable efforts to propose ways of improving the implementation of the merger regulation, which furthermore has hitherto operated very effectively; -. readily confirms its support for the lowering of the turnover thresholds to ECU 3 billion and ECU 150 million, but has serious doubts about the soundness of the proposed system for extending the scope of the regulation to multiple filings; -. considers that the solution adopted for joint ventures does not resolve the problem of legal certainty in the treatment of cooperative joint ventures; -. endorses the various other alterations already put forward in the green paper. ?

Control of concentrations between undertakings (amend. regul. 4064/89/EEC)

In adopting the report by Mr Bernhard RAPKAY (PSE, D), Parliament approved, without amendments, the Commission proposal amending Council Regulation (EEC) No 4064/89 on the control of concentrations between undertakings. ?

Control of concentrations between undertakings (amend. regul. 4064/89/EEC)

OBJECTIVE: to amend Regulation (EEC) No 4064/89 on the control of concentrations between undertakings. COMMUNITY MEASURE: Council Regulation (EC) No 1310/97. CONTENT: the Council only adopted one final text, despite the fact that the European Commission submitted two separate proposals. It should also be noted that the new regulation does not incorporate a major amendment proposed by the Commission, namely the reduction in the thresholds of current worldwide and Community turnover to ECU 3 billion (from the present value of 5 billion) and ECU 150 million (from the current figure of 250 million). The turnover thresholds laid down in article 1 (2) of Regulation (EEC) No 4064/89 therefore remain unchanged. However, the new regulation makes provision for an additional system in the form of new thresholds expressed in terms of the total turnover of the companies in question worldwide, in the Community and in at least three Member States. Thus, for the purposes of the regulation, a merger which does not reach the thresholds laid down in article 1 (2) has a Community dimension if: a) the total worldwide turnover of all the companies concerned exceeds the sum of ECU 2.5 billion; b) the total turnover of all the companies concerned in each of at least three Member States exceeds ECU 100 million; c) the total turnover achieved individually by at least two of the companies concerned in each of at least three Member States included for the purpose of point b) exceeds ECU 25 million and d) the total Community turnover achieved individually by at least two of the companies concerned exceeds the sum of ECU 100 million unless each of the companies concerned achieves over two-thirds of its total Community turnover within one and the same Member State. The other amendments to the 1989 regulation deal mainly with: - cooperative joint ventures: these companies now come within the scope of the merger regulation; - the first phase of the inquiry: during the first stage, the Commission may accept undertakings by the parties to make the concentration compatible with the common market. The first stage is extended to 6 weeks if the companies in question give undertakings. DATE OF ENTRY INTO FORCE: 1 March 1998.?