



Republic of Serbia  
**COMMISSION FOR PROTECTION  
OF COMPETITION**

Number: 1/0-08-518/2010-3

Date: November 12, 2010

Belgrade

**Subject:** Request for issuing opinion on the existence of obligation to submit notification of concentration pursuant to Article 61 of the Law on Protection of Competition in the case of implementing business transaction as described.

Pursuant to Article 21(1/8) of the Law on Protection of Competition (“Official Gazette of the RS”, no. 51/09 – hereinafter referred to as the Law) and Article 21(1/3) in reference to Article 14(1/8) of the Statute, concerning the request for issuing opinion of the Commission entered under number 1/0-08-518/2010 of October 22, 2010, and amended on November 3, 2010, submitted by attorney Radošević D. Stojan from Belgrade, 2 Dr. Milutina Ivkovića St., on behalf of its client – company OAO TREST GIDROMONTAZ with registered seat in Moscow – Russia, on November 12, 2010, President of the Commission for Protection of Competition enacts the following

### **OPINION**

The intent of the Russian company is to acquire the control package in the entity concerned by entering into the sales and purchase agreement arranging the change of ownership over majority equity interest in the target company. By implementing the sales and purchase agreement concerned, company OAO TREST GIDROMONTAZ will become the majority shareholder in the subject of privatization, while the fact that the control is acquired over a domestic company, qualifies this transaction as a concentration within the meaning of Article 17(1/2) of the Law.

Circumstances pertaining to this concrete instance unequivocally relate to the case of concentration between undertakings. However, there is no obligation to submit notification of concentration to the Commission for implementation of this transaction.

The Commission has taken this position upon inspection of the documents submitted, specifically relating to the amount of generated annual revenues of companies considered as the parties to the concentration within the meaning of the Law. On the basis of data available on financial performances measured in 2009 effected by the parties to the concentration, it is established that none of alternative thresholds from Article 61 of the Law are achieved, which are set as indicators for the mandatory notification of concentration to the Commission. As a result of mentioned reasons, company OAO TREST GIDROMONTAZ can legally achieve the control over the domestic subject of privatization as a result of entering into the sales and purchase agreement,

without prior notification of related concentration to the Commission for obtaining approval in regard to its implementation.