

**The Hungarian Competition Authority (GVH) has revoked its decision clearing DIGI's takeover of Invitel; however, the concentration can still be executed with conditions attached.**

**The GVH established that the above-mentioned undertakings had provided false information with the possible intention of misleading officials and therefore imposed a HUF 90m (EUR 0.27m) fine on the undertakings. Consequently, the GVH has revoked its decision clearing DIGI's takeover of Invitel and it has reopened the case. The new procedure aims to assess the relevant markets that have been affected by the misleading information.**

The Gazdasági Versenyhivatal (GVH) conditionally cleared DIGI Távközlési és Szolgáltató Kft.'s (DIGI) takeover of Invitel Távközlési Zrt. (Invitel) in May 2018. One of the commitments undertaken by DIGI concerned the cable television provided by its i-TV subsidiary (i-TV Digitális Távközlési Zrt.). i-TV provides a cable television service by renting other network owners' infrastructures. According to the decision, in those towns where i-TV provides a cable television service, and in relation to which it would acquire Invitel's cable television service as a result of the takeover, i-TV will not renew its rental contracts with the local cable network owners. With this commitment the GVH wanted to ensure that consumers would not only be able to use the cable service provided by the DIGI Group, but would also have the opportunity to choose between independent competitors.

However, the GVH subsequently became aware that the decision clearing the concentration based on misleading information that was provided by the parties. The GVH has received market indications that suggest that the commitments do not cover all of the towns where i-TV and Invitel are both present. Consequently, the GVH initiated competition supervision proceedings to investigate the matter on 29 August. The investigation found that DIGI had failed to indicate in the merger review procedure that the planned remedies did not cover all of the areas where both undertakings are present. The original decision only covered 23 overlapping areas, when in fact it was established that there are actually 89 places where overlaps occur. Therefore, the GVH revoked its decision and imposed a HUF 90m (EUR 0.27m) fine.

With the revoking of the decision, the commitments, such as the termination (non-renewal) of the rental contracts, also ceased. The GVH will now reopen the case and adopt a new decision. However, given that parts of the concentration that have already been implemented would be deemed illegal in light of the withdrawal of the approval, the GVH accepted DIGI's request and allowed the tie-up with Invitel to continue – with the supervision of a trustee – until a new decision is adopted (for

instance: the transfer and development of its networks and services, or Invitel's integration into DIGI).

Case number: Vj/31/2018.

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Hungarian Competition Authority

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