

**Decision CPC: 61/2018**

Case Number 8.13.018.30

## THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW

**No. 83(I)/2014**

**Notification of a concentration concerning the agency agreement between  
Char. Pilakoutas Group Ltd and Renault s.a.s. for Renault vehicles**

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou,	Chairperson
Mr. Andreas Karidis,	Member
Mr. Panayiotis Oustas,	Member
Mr. Aristos Aristeidou Palouzas,	Member
Mr. Polynikis-Panagiotis Charalambides	Member

Date of decision: 27/11/2018

### SUMMARY OF THE DECISION

On 24/10/2018, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of Char. Pilakoutas Group Ltd (hereinafter “Pilakoutas”), a notification of a proposed concentration.

The notification was filed according to Section 10 of the Control of Concentrations between Enterprises Law 83(I)/14 (hereinafter the “Law”) and it concerns the agency agreement between Pilakoutas and Renault s.a.s. for Renault vehicles.

Pilakoutas is company duly registered under the laws of the Republic of Cyprus and is engaged in the retail sale of motor vehicles all over Cyprus, in the provision of repair services of motor vehicles and the sale of spare parts of various motor vehicles. As regards retail sale of motor vehicles, the Group acts as an agent of the following

brands: BMW, Mini, Rolls Royce, Alpina, Jaguar, Land Rover and Nissan. It should be noted that it recently acquired and the Mitsubishi motor vehicles dealership.

The target in this concentration is the dealership agency of motor vehicles and parts under the Renault brand. The company Renault s. a. s is duly registered under the laws of France and operates worldwide in manufacturing motor vehicles.

The concentration is based on a Distribution Agreement, between Pilakoutas and Renault s.a.s. According to this Agreement, Pilakoutas will gain the right to sell motor vehicles Renault in Cyprus.

The above type of agreement is covered Regulation (EE) No. 461/2010 and Regulation (EE) No. 330/2010.

The Commission underlines in accordance with the Law, that control shall be constituted by rights, contracts or any other means which, either separately or in combination and having regard to the considerations of fact or law involved, confer the possibility of exercising decisive influence on an undertaking, in particular by - (a) ownership or the usufruct of all or part of the assets of an undertaking, or/and (b) rights or contracts which confer decisive influence on the composition, voting or decisions of the organs of an undertaking.

The Commission furthermore noted that in accordance with Pilakoutas, there is no agreement for the purchase by the company of any spare parts or old car models (stock), which are located in Cyprus or car repair workshops with the Cypriot company that held the distribution agency of Renault motor vehicles.

The Commission further notes the Commission's Consolidated Jurisdictional Notice under Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings. According to the Jurisdictional Notice, the Regulation provides that the object of control can also be part of a business or assets. The acquisition of control over assets can be considered a concentration only if those elements constitute all or part of a business, namely a business with a presence in the market, which has an identifiable turnover. The transfer of a company's clientele can meet these criteria if a turnover occurs.

In this case, Pilakoutas does not acquire from Renault s.a.s. any control over assets since it is a standard distribution agreement which does not include sale transactions between the two parties. The Agreement only concerns the right of Pilakoutas to import and distribute Renault motor vehicles.

This transaction does not indicate a lasting change of control either (i) the merger of two or more previously independent undertakings or parts of undertakings, or (ii) the acquisition, by one or more persons already controlling at least one undertaking, or by one or more undertakings, whether by purchase of securities or assets, by contract or by any other means, of direct or indirect control of the whole or parts of one or more other undertakings. (b) The creation of a joint venture performing on a lasting basis all the functions of an autonomous economic entity.

The Commission, taking into account all the above, concludes that the transaction in question does not fulfil the criteria laid down in Section 6 of the Law, thus it does not need further examination.

Therefore, the Commission, acting in accordance with section 22(1)(a) of the Law, unanimously decided that the notified transaction does not fall within the meaning of a concentration.

Loukia Christodoulou  
Chairperson of the  
Commission for the Protection of Competition