

Newsletter:

Expert center for cooperation between competition authorities of BRICS

July 16, 2018

Dear Ladies and Gentlemen,

One of the recent trends, in the era of digitalization and globalization, is the deepening cooperation between the BRICS countries in different economic, political and legal sectors.

Over the course of the lifetime of BRICS, meaningful progress was achieved in the field of competition regulation as well. In May 2016, a Memorandum of Understanding for cooperation in the field of competition policy among BRICS competition authorities was signed. Moreover, a set of bilateral Memoranda of Understanding with the BRICS countries was also executed between the countries to ensure further cooperation and combine efforts of the competition authorities while considering trans-border transactions, conducting joint investigations and assessments of the markets.

A number of events, with the participation of representatives of the BRICS countries business representatives and scientists, were held, a number of committees and Working Groups were established to ensure further developments of the competition regulation and ensuring cooperation and building dialogues between the competition authorities of the BRICS countries.

Just recently, following negotiations with President of CADE (Brazil), the Head of FAS Russia, Mr. Igor Artemiev, proposed the establishment of the expert center for cooperation between the competition authorities of the BRICS countries (hereinafter – the “**Center**”) based at the Russian National Research University Higher School of Economics (hereinafter – “**HSE**”) in Moscow. HSE also agreed to provide the funding for the creation of the Center.

Purpose of the Center

The Center shall monitor major M&A transactions and elaborate common approaches to their assessment. Moreover, the Center shall support an information exchange between the competition authorities while considering multinational transactions. The special attention of the Center shall be dedicated to the transactions implemented in IT markets.

Organizational structure of the Center

The Center will have a small-scale staff, consisting of specialists from the competition authority and prominent scholars from large foreign universities. Competition authorities of BRICS countries shall be able to decide independently on whether to participate in the project and assessment of the transactions or not.

Prerequisite

The proposal to establish the Center is not the first attempt to enhance cooperation related to the competition policy within the BRICS countries. There already exist a coordinating committee on competition policy and a number of working groups studying different markets, such as IT and automotive, pharmaceuticals, food and agro-industrial markets, within the framework of BRICS. However, contrary to the previous forms of cooperation, the Center is going to be a permanent mechanism.

Further development

The first results of the work of the Center will be one of the topics for discussion within the planned BRICS International Competition Conference, which is going to be held in Moscow in 2019. The representatives of the BRICS countries will analyze the experience gained by the Center and decide on the necessity of its further existence.

Conclusions

The establishment of the Center reflects the willingness of the BRICS countries to harmonize approaches and to expand analytical capabilities. Since BRICS covers around 46% of the global market, hardly any multinational transaction could avoid notification in at least one of the BRICS' jurisdictions. In this regard, the approaches to be elaborated and used by the Center could significantly affect not only the national competition regulation, but a global merger control environment.

We hope that the information provided herein will be useful to you. If you would like to learn more about our Competition / Antitrust Practice, please, [click here](#).

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If you have any questions, please do not hesitate to contact ALRUD partners.



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Sincerely,

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