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The COVID-19 Virus Crisis and the competitive challenges: Israel Competition Authority publishes reliefs for Business Sector

In light of the challenges caused by the covid-19 virus crisis in Israel, the Israel Competition Authority (ICA) recently published several reliefs for the business sector, as briefly described in this memo.

Restrictive arrangements: reliefs for collaborations among competitors

The Antitrust Rules (Block Exemption for Joint Ventures), 2006 (the "block exemption") has set certain rules, that subject to them, collaborations among competitors are allowed. A main rule of the block exemption sets the requirement that the main objective of the collaboration is necessary to the parties and is not the reduction or prevention of competition.

In its announcement, the ICA clarifies that collaborations among competitors (joint ventures), that are meant to ensure the continuity of their normal operations during the COVID-19 crisis, generally meet the said requirement of the block exemption. Thus, the ICA promotes legal certainty for competitors seeking to cooperate in light of the current crisis.

However, it should be mentioned, that the parties should still examine, by themselves or by the guidance of their legal advisors, whether their joint venture meets the other requirements of the block exemption, and in particular the requirement according to which the restrictions in the arrangement do not limit competition in a substantial part of the market affected by the arrangement.

Mergers: reliefs regarding the waiting period until obtaining the Director-general's consent

The Economic Competition Law, 1988 (the "Law") prohibits parties to a merger from taking any action that may be considered as execution of the merger before obtaining the Director-general's consent (as long as the merger requires such consent).

Now, the ICA announced, that given the special circumstances of the economy and its frequent changes nowadays, it will allow the parties to the merger to contact it with the purpose of finding solutions to the waiting period until the approval of the merger, in the case that the waiting period may cause irreparable damages.

This is a significant relief, since in the days before the crisis the ICA would rarely allow the parties to the merger to take any actions that may be considered as execution of the merger.

The Law of Promotion of Competition in the Food Industry: Postponing the deadline for the annual report to the Israel Competition Authority

In accordance with the Law of Promotion of Competition in the Food Industry, 2014 and the Regulations of Promotion of Competition in the Food Industry (Reporting of Large Suppliers and Large Retailers), 2014, a large supplier and a large retailer are required to submit an annual report to the Director-general by March 31st each year (the "annual report").

In light of the current situation, the ICA announced that, this year, the annual report can be submitted by April 30th.

Alongside the reliefs listed above, the ICA clarifies that the provisions of the Law are still valid nowadays, and that it will take measures against collaborations that will exploit the difficulties of current times to harm the competition, the consumer and the public.

To view the Israel Competition Authority's announcement click [here](#).

The information provide in this notice is for informational purposes only and does not constitute legal advice.

The antitrust and competition team at Gornitzky & Co is ready to assist during these challenging circumstances and is available for any clarifications with respect to this update and any general concerns or needs that arise.

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