

THE COMPETITION COUNCIL HAS SANCTIONED WESTGATE ROMANIA FOR IMPLEMENTING AN ECONOMIC CONCENTRATION BEFORE HAVING AUTHORIZATION

The Competition Council applied fines of 229.496 LEI (about € 50.000) to Westgate România SRL for the implementation of an economic concentration before its authorization by the competition authority.

Within the assessment of the transaction by which Westgate took over the right to use the trade marks Stanleybet and the domains www.stanleysport.ro and www.stanleybet.ro, belonging to Stanley International Betting Limited, the competition authority found that the operation has already been implemented. Practically, before receiving authorization from the Competition Council, Westgate opened and closed working points, installed/retracted terminals, changed the game rules for fixed odd bets.

Westgate acknowledged the violation of the law and, as a result, benefited of an appropriate reduction of the fine.

Westgate is active in the gambling market, with its main business being the exploitation of winning electronic machines. This market includes both the exploitation of game terminals slot-machine type, as well as the exploitation of game terminals used in the video-lottery program.

Following the completion of the transaction described above, Westgate also began to provide activity on the traditional betting market, respectively on the online betting market.

Any economic concentration (mergers, acquisitions), where the cumulated turnover of the companies involved exceeds the equivalent în Lei of EUR 10.000.000 and when at least two of the companies have made in Romania, each in part, a higher turnover than the equivalent in LEI of EUR 4.000.000, must be notified to the competition authority before being implemented.

According to the rules in force, it is forbidden to implement an economic concentration prior to being notified and to obtain the approval of the Competition Council. Thus, the buyer may not take decision concerning the acquired company, such as exercising the right to vote to influence the company's activity, the conclusion of contracts, the sales of assets, the restructuring of the company etc., before the competition authority analyzes the operation in terms of legislation in the field.

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