

## Recent developments in Competition Law

In May, a legislative amendment was made regarding the procedure followed in competition investigations and the Board published an important decision on the labor market. The details are called to your attention below:

### The procedure in competition investigations has been amended.

With the amendments published in the Official Gazette dated 29.05.2024, some amendments were made in the procedure of competition investigations.

- **The obligation to submit a first written defense has been abolished:** According to the former practice, the undertakings that were party to the investigation had to submit their first written defense within 30 days from the notification of the investigation. According to amendments in question, this obligation was abolished.
- **Requirement to prepare additional written opinion has been amended:** According to the previous practice, the investigation committee would prepare additional written opinions within 15 days following the parties' second written defense, additional written opinions with amendments will be forwarded to the parties only if there is a change in the opinion of the delegation.
- **Legal periods for third tour document exchange have been limited:** According to the former practice, the 15-day additional written opinion and 30-day third written defense submission periods could be extended up to one-fold. The amendments removed the possibility of extending these deadlines.

### Supplier and buyer relations in labor market

In its decision<sup>1</sup> published last month, the Board addressed an interesting issue regarding labor markets. The decision granted exemption to a supplier's dealers from recommending a base wage to be taken into account in the wages of their employees. According to the application, the supplier plans to recommend a base wage that will be above the industry average for the personnel employed by its dealers and authorized dealers in sales and after-sales services.

Although the practice in question is a recommendation, it has the potential to result in a stiffening of employees' wages, so it is considered as an action that can eliminate labor and wage competition of buyers and limit the mobility of labor. For this reason, a negative declaratory certificate is not issued and an exemption analysis is performed. It is stated that application can benefit from group exemption through mentioning that supplier's total employee market share for each business family remains below the threshold value of 30%, it does not have significant power over its subsidiaries and dealers in the "labor market in automotive sales and after-sales services", therefore there is a low risk of taking into account the base wages to be recommended will be used by buyers as a reference.

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<sup>1</sup> Decision numbered 23-41/796-280

The decision in question may have an impact on enterprises on several accounts. First of all, it can be said that a new window has opened in human resources practices, which are now an integral part of the competition compliance program. In addition, evaluating actions that can be directly assigned to the main activity under the concept of resale price determination may necessitate reviewing the relations between suppliers and buyers regarding the supply and quality of raw materials.

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