

On 19 January 2011, the Commission decided to initiate proceedings in *case 39.839 – Telefónica and Portugal Telecom* within the meaning of Article 2(1) of Regulation No 773/2004 and Article 11(6) of Regulation No 1/2003.

The proceedings were opened with a view to adopting a decision in application of Chapter III of Regulation No 1/2003 and according to Article 2 of Protocol 23 to the EEA Agreement and concern possible agreements or concerted practices between Telefónica, S.A. (Telefónica) and Portugal Telecom SGPS, S.A. (Portugal Telecom) not to compete in the markets for electronic communications in Spain and Portugal. In particular, the conducts under investigation include a non-compete clause covering the Iberian markets agreed between Telefónica and Portugal Telecom in the context of the acquisition by Telefónica of sole control over the Brazilian mobile telecommunications provider Vivo, as well as a possible non-compete strategy between the parties since 1997.

The initiation of proceedings does not imply that the Commission has proof of an infringement – it only signifies that the Commission is dealing with the case as a matter of priority.