



EUROPEAN COMMISSION  
DG Competition

***Case M.9720 - VOLVO CARS/UPPLANDS MOTOR***

Only the English text is available and authentic.

**REGULATION (EC) No 139/2004  
MERCER PROCEDURE**

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Article 4(4)  
Date: 29/10/2020



EUROPEAN COMMISSION

Brussels, 29.10.2020  
C(2020) 7628 final

## **PUBLIC VERSION**

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EC) No 139/2004 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus [...]. Where possible the information omitted has been replaced by ranges of figures or a general description.

**To the notifying party**

**To the Swedish National  
Competition Authority**

**Subject: Case M.9720 – Volvo Cars/Upplands Motor  
Commission decision following a reasoned submission pursuant to  
Article 4(4) of Regulation No 139/2004<sup>1</sup> for referral of the case to  
Sweden and Article 57 of the Agreement on the European Economic  
Area<sup>2</sup>.**

**Date of filing: 1.10.2020**

**Legal deadline for response of Member States: 23.10.2020**

**Legal deadline for the Commission decision under Article 4(4): 6.11.2020**

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<sup>1</sup> OJ L 24, 29.1.2004, p. 1 (the 'Merger Regulation'). With effect from 1 December 2009, the Treaty on the Functioning of the European Union (the 'TFEU') has introduced certain changes, such as the replacement of 'Community' by 'Union' and 'common market' by 'internal market'. The terminology of the TFEU will be used throughout this decision.

<sup>2</sup> OJ L 1, 3.1.1994, p. 3 (the 'EEA Agreement').

Dear Sir or Madam,

## **1. INTRODUCTION**

- (1) According to Article 4(4) of the Merger Regulation, before a formal notification has been made to the Commission, the parties to a concentration may request that it be referred in whole or in part to the Member State where the concentration may significantly affect competition in a market within that Member State which presents all the characteristics of a distinct market.
- (2) On 1 October 2020, the Commission received by means of a Reasoned Submission a referral request pursuant to Article 4(4) of the Merger Regulation with respect to the indirect acquisition of sole control of certain companies that are part of the Upplands Motor Group (collectively referred to as the “Target Companies”<sup>3</sup>) by Volvo Car Corporation AB (“Volvo Cars” or the “Notifying Party”) (“the Transaction”). The Notifying Party and the Target Companies are hereinafter together referred to as the “Parties”.
- (3) The Parties request the Transaction to be examined in its entirety by the competent authorities of Sweden.
- (4) A copy of the Reasoned Submission was transmitted to all Member States on 1 October 2020.
- (5) On 21 October 2020, the Swedish Competition Authority (the “SCA”) as the competent authority of Sweden informed the Commission that it agrees with the proposed referral.

## **2. THE PARTIES**

### *Volvo Cars*

- (6) The Notifying Party is a wholly-owned subsidiary of Volvo Car AB which is 99% owned by Geely Sweden Holdings AB. Geely Sweden Holdings AB is ultimately owned (directly and indirectly through subsidiaries) by Zhejiang Geely Holding Group Company Limited, which has its headquarters in Hangzhou, China.
- (7) The Notifying Party designs and manufactures passenger cars with manufacturing, research and design operations in Europe, Asia and the Americas. It also distributes, through its Swedish import organisation, passenger cars in Sweden to authorised distributors, which in turn sell the cars to end customers as well as to other authorised distributors.

### *The Target Companies*

- (8) The Target Companies (i.e. Upplands Motor AB, Upplands Motor Kronåsen AB, Upplands Motor Hyrbilar AB, Upplands Motor Personvagnar Aktiebolag, Bilpark i Hufvudstaden AB, Upplands Motor Mark KB, and Upplands Motor Fastigheter i

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<sup>3</sup> Upplands Motor AB, Upplands Motor Kronåsen AB, Upplands Motor Hyrbilar AB, Upplands Motor Personvagnar Aktiebolag, Bilpark i Hufvudstaden AB, Upplands Motor Mark KB, and Upplands Motor Fastigheter i Märsta KB.

Märsta KB) are wholly-owned subsidiaries of Upplands Motor Holding. Upplands Motor Holding is the parent company in the Upplands Motor Group. The Upplands Motor Group is a Swedish retailer of and after-sales service provider for cars. The Upplands Motor Group is headquartered in Kista and has facilities in Tierp, Uppsala, Arlandastad, Kista/Kronåsvägen, Kista/Kottbygatan, Danderyd, Hammarby Sjöstad, Länna, Södertälje and Rosersberg, of which the facilities in Tierp, Uppsala, Arlandastad, Rosersberg, Kista/Kronåsvägen and Hammarby Sjöstad are part of the Transaction.

### **3. THE CONCENTRATION**

- (9) On 4 September 2020, Volvo Personvagnar Norden, a subsidiary of the Notifying Party, and Upplands Motor Holding concluded a Share Purchase Agreement under the terms of which Upplands Motor Holding will sell 100% of the shares in the Target Companies to Volvo Personvagnar Norden.
- (10) The Transaction would therefore result in a concentration within the meaning of Article 3(1)(b) of the Merger Regulation.

### **4. UNION DIMENSION**

- (11) The undertakings concerned have a combined aggregate world-wide turnover of more than EUR 5 000 million and two of the undertakings have an EU-wide turnover of more than EUR 250 million (Notifying Party: EUR [...] million, Target Companies: EUR [...] million). The Parties do not each achieve more than two-thirds of their aggregate Union-turnover in any one Member State. The Transaction therefore has Union dimension within the meaning of Article 1(2) of the Merger Regulation.

### **5. ASSESSMENT**

- (12) On the basis of an assessment of the information provided by the Parties in the Reasoned Submission, the Commission considers that the proposed Transaction fulfils the criteria for a referral from the Commission to the SCA in accordance with Article 4(4) of the Merger Regulation.
- (13) The Parties' activities overlap on the markets for (i) retail distribution of new passenger cars, (ii) short-term car rental services, (iii) repair and maintenance services for Volvo, Renault and Dacia, (iv) retail distribution of spare parts for Volvo, Renault and Dacia, (v) sales of used cars, (vi) retail distribution of light commercial vehicles, and (vii) the provision of fleet leasing and fleet management services.
- (14) Moreover, the Transaction gives rise to vertical links between (i) the Notifying Party's activities in the market for franchise services to short-term car rental service providers (upstream) and the Target companies' activities in the market for short-term car rental services (downstream), (ii) the Notifying Party's activities in the market for wholesale distribution of spare parts for Volvo cars (upstream) and the Target companies' activities in the markets for repair and maintenance services for Volvo cars and for retail distribution of spare parts for Volvo cars (downstream), and (iii) the Notifying Party's activities in the market for wholesale distribution of new passenger cars (upstream) and the Target companies' activities in the markets for

retail distribution of new passenger cars and for short-term car rental services (downstream).

## 5.1. Relevant product markets

- (15) The Commission's decisional practice on the product market definition of the markets concerned is presented below. The Parties agree with these product market definitions.

### A. Fleet leasing and fleet management services

- (16) The Commission has in previous decisions considered a product market for full fleet leasing and management services for passenger cars and light commercial vehicles (which comprises operational leasing and related fleet management services) but have ultimately left open whether the market for full fleet leasing can be subdivided into funded and unfunded leasing (i.e. between fleet management services with and without funding/leasing services).<sup>4</sup>

### B. Distribution of new cars

- (17) In previous decisions, the Commission has distinguished between the distribution of passenger cars and light commercial vehicles.<sup>5</sup> Passenger cars serve the general purpose of individual transport of passengers on public roads, and unlike commercial vehicles, they are not primarily designed for commercial use. Commercial vehicles are typically subdivided into light commercial vehicles, medium trucks and heavy trucks.<sup>6</sup> Light commercial vehicles usually have space for one or two passengers, but differ from passenger cars by being designed for commercial use and having a larger cargo space for the main purpose of transporting goods.
- (18) Moreover, in previous decisions, the Commission has distinguished between wholesale and retail distribution of motor vehicles.<sup>7</sup> At the wholesale level, importers distribute vehicles to dealers, which subsequently sell the vehicles to end customers. At the retail level, vehicles are sold to end customers by dealers or, by the importer's organisation itself.

### C. Sales of used cars

- (19) The Commission has in previous decisions distinguished between the supply of new and used motor vehicles.<sup>8</sup> The distribution of used cars has been deemed to differ from the distribution of new cars. Among other things, the prices are lower for used cars, while end users usually spend more money on after-sales services because of

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<sup>4</sup> M.6333 – BMW/ING Car Lease, paras. 9-13; M.5568 – Volkswagen/Fleet Investment/LeasePlan Corporation JV, paras. 15-16; M.8309 - Volvo Car Corporation/First Rent a Car, paras. 34-37.

<sup>5</sup> See for example: M.6403 - Volkswagen/KPI Polska/Skoda auto Polska/VW bank Polska/VW leasing Polska, para. 22; and M.8309 Volvo Car Corporation/First Rent a Car, para. 17.

<sup>6</sup> M.8309 - Volvo Car Corporation/First Rent a Car, para. 13; M.4420 - Credit Agricole Fiat Auto/FAFS, para. 20; M.3352 - Volkswagen/Hahn & Lang; M.2832 - General Motors/Daewoo Motors, paras. 13-14.

<sup>7</sup> See for example: M.6403 - Volkswagen/KPI Polska/Skoda auto Polska/VW bank Polska/VW leasing Polska; M.2832 - General Motors/Daewoo Motors; M.182 - Inchape / IEP; M.7747 - PGA/MSA; M.5219 - VWAG/OFH/VWGI.

<sup>8</sup> M.6958 - CD&R/We Buy Any Car.

the warranties connected with a new car purchase. In addition, new cars are typically only available to purchase from the importer's organisation directly or from its authorised network of dealers. In contrast, used cars are provided also by a large number of unauthorised dealers and private individuals.

#### *D. Spare parts for motor vehicles*

- (20) The Commission has in its decisional practice made a distinction between the wholesale market and the retail market for distribution of spare parts for motor vehicles.<sup>9</sup>
- (21) In addition, the Commission has previously distinguished between original equipment ("OE") spare parts and non-original equipment ("non-OE") spare parts.
- (22) As for the market for OE spare parts, the Commission has considered this market to be brand-specific. The Commission further distinguished between categories of vehicles, i.e. light vehicles (passenger cars and LCVs) and heavy vehicles, but without any sub-distinction by product (e.g. brake pads, exhaust pipe, etc.).<sup>10</sup>

#### *E. Repair and maintenance services*

- (23) The Commission has in previous decisions defined a separate market for repair and maintenance services for motor vehicles (as compared to retail distribution of spare parts). Different segmentations of this market have been considered but the Commission has ultimately left it open whether this market should be further segmented.<sup>11</sup> In the context of the Article 101 TFEU assessment of vertical restraints, the Commission indicates that it considers the market for repair and maintenance services for motor vehicles to be brand-specific.<sup>12</sup>
- (24) The SCA has also considered that the market for repair and maintenance services is brand-specific. Furthermore, the SCA considered that this market includes the provision of spare parts as part of repair and maintenance work, excluding recall, warranty or free-service work. The SCA considered that both authorised and unauthorised workshops compete on this market.<sup>13</sup>

#### *F. Short-term car rental services*

- (25) The Commission has in previous decisions made a distinction between the market for short-term car rental services (e.g. for business trips, tourism) and long term car rental services (e.g. with a rental period of more than one year).<sup>14</sup> The Commission has also found that it may be appropriate to distinguish between corporate car rental

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<sup>9</sup> M.6718 - Toyota Tsusho Corporation/CFAO.

<sup>10</sup> For example: M.8963 - Eurocar/Bonaldi.

<sup>11</sup> M.6063 - Itochu/Speedy; M.2087 - Feu Vert/Carrefour/Autocenter Delauto; M.1526 - Ford/Kwik-Fit.

<sup>12</sup> Commission Notice - Supplementary guidelines on vertical restraints in agreements for the sale and repair of motor vehicles and for the distribution of spare parts for motor vehicles, para. 57.

<sup>13</sup> SCA, Decision no. 212/2004, Bilia/Eneqvist.

<sup>14</sup> M.8744 - Daimler/BMW/Car Sharing JV, para. 44; M.8569 - Europcar/Goldcar, para. 11; M.4613 - Eurazeo S.A./Apcoa Parking Holdings GmbH, para. 16; M.2510 - Cendant/Galileo, para. 19; M.1810 - VW/Europcar, para. 8.

and leisure car rental.<sup>15</sup> Further, a division of the short-term car rental market between passenger cars and industrial vehicles, i.e. trucks, has been considered.<sup>16</sup>

- (26) It has also been considered whether other mobility solutions such as car sharing is part of the short-term car rental service market, but the definition has ultimately been left open.<sup>17</sup> However, the Commission has in one decision considered it inappropriate to include car sharing in the short-term car rental market.<sup>18</sup>
- (27) There are no indications on the Commission's file that would indicate that the relevant product markets in this case are wider than those considered by the Commission in previous decisions. As regards any possible narrower delineation or segmentation of these markets, the Commission considers that the exact product market definition may be left open since the Transaction fulfils the conditions for a referral to Sweden independently of the exact product market definition, as explained in more detail in Section 5.3 below. The SCA will be able to investigate and delineate the exact product market definition if appropriate.

## **5.2. Relevant geographic market**

- (28) The Commission's decisional practice on the geographic market definition of the markets concerned is presented below. The Parties agree with these geographical market definitions.

### *A. Fleet leasing and fleet management services*

- (29) The Commission has previously considered the market for the provision of fleet leasing and fleet management services to be either EEA-wide or national in scope.<sup>19</sup>

### *B. Distribution of new cars*

- (30) In previous decisions, the Commission has considered that the market for wholesale distribution of new passenger cars is at least national.<sup>20</sup>
- (31) In previous decisions, the Commission has left open the question whether the markets for retail distribution of new passenger cars and LCVs are regional, national or EU-wide in scope.<sup>21</sup>

### *C. Sales of used cars*

- (32) Used cars are to a greater extent purchased by customers on online platforms, which indicates that the market is most likely national in scope. Previous Commission

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<sup>15</sup> M.8569 - Europcar/Goldcar, para 19; M.6333 - BMW/ING Car Lease, para 17; M.4613 – Eurazeo S.A./Apcoa Parking Holdings Gmbh, para. 16; M.3090 - Volkswagen/Offset/Crescent/LeasePlan/JV; M.2510 Cendant/Galileo, para. 21.

<sup>16</sup> M.8569 - Europcar/Goldcar, para. 15; M.4613 - Eurazeo S.A./Apcoa Parking Holdings Gmbh, para. 16; M.5347 - Mapfre/Salvador Caetano/JV, para. 9.

<sup>17</sup> M.8569 - Europcar/Goldcar, para. 11; M.8309 - Volvo Car Corporation/First Rent A Car, para. 41; M.6333 - BMW/ING Car Lease, para. 19.

<sup>18</sup> M.8744 - Daimler/BMW/Car Sharing JV, para. 50.

<sup>19</sup> M.8309 - Volvo Car Corporation/First Rent a Car, paras. 38-40; M.6333 - BMW/ING Car Lease, paras. 20-23; M.4199 - De Lage Landen/Athlon, paras. 19-22.

<sup>20</sup> M.6403 - Volkswagen/KPI Polska/Skoda auto Polska/VW bank Polska/VW leasing Polska

<sup>21</sup> See for example: M.7747 - PGA/MSA; M.8966 – PGA Motors/Fiber/Bernard Participations.

decisions have suggested that the geographical market for distribution of used vehicles is national or regional in scope.<sup>22</sup>

#### *D. Spare parts for motor vehicles*

- (33) In previous decisions, the Commission has considered that the geographic market for wholesale distribution of spare parts could be either EEA-wide or national, but ultimately left the exact definition of the market open.<sup>23</sup>
- (34) In previous decisions, the Commission has considered that the retail distribution of spare parts could be either national or regional, but ultimately left open the exact definition.<sup>24</sup>

#### *E. Repair and maintenance services*

- (35) The Commission's decision-making practice has left open the geographical definition of the market for repair and maintenance services, considering a possible segmentation at regional or national level.<sup>25</sup> The SCA has in a previous decision considered that the relevant geographic market for the provision of repair and maintenance services is likely to be regional in scope.<sup>26</sup>
- (36) The Commission has noted that customers generally have their vehicles serviced or repaired in the urban agglomeration of their domicile, that is to say in a relatively limited geographical catchment area.<sup>27</sup> Similar considerations have been made by the SCA in its decisional practice.<sup>28</sup>

#### *F. Short-term car rental services*

- (37) In prior decisions, the Commission has considered the geographic market for short-term car rental to be national.<sup>29</sup> However, in two recent decisions, the Commission considered the market to be either national or local.<sup>30</sup>
- (38) There are no indications on the Commission's file that would indicate that the relevant geographic markets in this case are wider than those considered by the Commission in previous decisions. As regards any possible narrower delineation or segmentation of these markets, the exact geographic market definition of these markets may be left open since the Transaction fulfils the conditions for a referral to

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<sup>22</sup> M.9389 - Porsche Holding Salzburg/SIVA/Soauto, para. 7; M.6958 - CD&R/We Buy Any Car.

<sup>23</sup> M.9839 - VGRD/Auto Wichert Assets, para. 26; M.9070 - Eurocar/Vicentini, para. 13; M.8963 - Eurocar/Bonaldi, para. 13; M.6718 - Toyota Tsusho Corporation/CFAO, para. 22; M.5250 - Porsche/Volkswagen; M.3198 - VW-Audi/VW-Audi Sales Centres.

<sup>24</sup> M.9839 - VGRD/Auto Wichert Assets, para. 32; M.9070 - Eurocar/Vicentini, para. 14; M.8963 - Eurocar/Bonaldi, para. 14; M.6718 - Toyota Tsusho Corporation/CFAO, para. 22.

<sup>25</sup> M.2087 - Feu Vert/Carrefour/Autocenter Delauto, paras. 9-10.

<sup>26</sup> Ibid, para. 38. The regional market considered in that decision consisted of Stockholm County, where the parties had overlapping activities.

<sup>27</sup> M.2087 - Feu Vert/Carrefour/Autocenter Delauto, para. 9.

<sup>28</sup> SCA, Decision no. 212/2004, Bilia/Eneqvist.

<sup>29</sup> M.8309 - Volvo Car Corporation/First Rent a Car, para. 45; M.5568 - Volkswagen/Fleet Investments/LeasePlan Corporation JV, para. 20; M.3090 - Volkswagen/Offset/Crescent/LeasePlan/JV, para. 12; M.1810 - VW/Europe Car, para. 13.

<sup>30</sup> M.8744 - Daimler/BMW/Car Sharing JV, para. 106; M.8569 - Europcar/Goldcar, para. 42.



Sweden independently of the exact geographic market definition, as explained in more detail in Section 5.3 below.

### 5.3. Assessment of the referral request

#### 5.3.1. Legal requirements

- (39) According to Article 4(4) of the Merger Regulation, in order for a referral to be made by the Commission to one or more Member States, the following two requirements must be fulfilled:
- a) the concentration may significantly affect competition in a market or markets, and
  - b) the market(s) in question must be within a Member State and present all the characteristics of a distinct market.
- (40) On the basis of the information submitted in the Reasoned Submission, the Transaction gives rise to the following horizontally affected markets:
- (a) the market for short-term car rental services in the Stockholm and Uppsala region (where the Parties have a combined market share of [20-30] %);<sup>31</sup>
  - (b) the market for retail distribution of OE spare parts for Volvo cars in the Stockholm and Uppsala region (where the Parties have a combined market share of [20-30] %);<sup>32</sup>
- (41) The Commission considers that the existence of affected markets is generally sufficient to meet this requirement of Article 4(4) of the Merger Regulation.<sup>33</sup> As regards the horizontally affected markets, those markets are likely to be national or narrower in scope.
- (42) Therefore, the requirements of Article 4(4) of the Merger Regulation are met in relation to these horizontally affected markets.
- (43) The Transaction also gives rise to the following vertically affected markets:
- (a) the upstream Swedish market for the provision of franchise services to short-term car rental service providers (where Volvo Cars has a market share of [30-40] %) and the downstream market for the provision of short-term car rental services in the Stockholm and Uppsala region (where the Parties have a combined market share of [20-30] %);

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<sup>31</sup> All market shares in this decision are provided in terms of value of sales.

<sup>32</sup> If one were to consider the Stockholm and Uppsala County's as belonging to separate geographic markets, the Parties combined market shares would be as follows: on the market for short-term car rental services, the Parties' have a combined market of [20-30] % in Stockholm and also of [20-30] % in Uppsala; On the market for repair and maintenance services as well as retail distribution of OE spare parts for Volvo cars, the Parties' have a combined market share of [40-50] % in Uppsala County (Volvo Cars having [10-20] % and Upplands Motor [30-40] %), and [10-20] % in Stockholm County (Volvo Cars having [5-10] % and Upplands Motor [10-20] %).

<sup>33</sup> The Commission Notice on case referral in respect of concentrations (the "Referral Notice"), OJ C 56, 05.03.2005, p. 2-23, footnote 21.

- (b) the upstream Swedish market for wholesale distribution of OE spare parts for Volvo cars (where Volvo Cars has a market share of [60-70]%) and the downstream market for retail distribution of OE spare parts for Volvo cars in the Stockholm and Uppsala region (where the Parties have a combined market share of [20-30]%); and
  - (c) the upstream Swedish market for wholesale distribution of OE spare parts for Volvo cars (where Volvo Cars has a market share of [60-70]%) and the downstream market for the provision of repair and maintenance services for Volvo cars in the Stockholm and Uppsala region (where the Parties have a combined market share of [10-20]%).
- (44) These vertically affected markets are all defined as national or narrower in scope, except for the market for the wholesale distribution of OE spare parts for Volvo cars, which could also be EEA-wide in scope (as regards the latter, see paragraph (47) below).
- (45) Therefore, the requirements of Article 4(4) of the Merger Regulation are met in relation to vertically affected markets that are national or local in scope.
- (46) As set out in section (27) above, for some of the relevant product markets, the Commission has previously left open the possibility of wider than national geographical markets.
- (47) In this Transaction only the market for wholesale distribution of OE spare parts would be affected under such a market definition. However, even under the assumption that the market for wholesale distribution of OE spare parts is EEA-wide, the effects of the Transaction are negligible considering that the Target is present only in Sweden. Indeed, any effects outside of Sweden on this market would be insignificant given that any such effects would result from input foreclosure, which is highly unlikely to materialize as a result of the lack of incentive to do so considering (i) the low market shares of the Parties on the downstream markets<sup>34</sup>, (ii) that the Parties [...], and (iii) that the customer base of an upstream rival would, if an EEA-wide geographic market is adopted, cover the whole of the EEA whereby the Parties would be considered to represent an insignificant part of that customer base.
- (48) As regards the other relevant product markets that may potentially be defined wider than national in scope, there are no indications on the Commission's file that the Transaction would significantly affect competition on any of them.
- (49) Hence, the legal requirements of Article 4(4) of the Merger Regulation are equally met as regards these other relevant product markets in so far as they may potentially be defined as wider than national.
- (50) Therefore, the Commission considers that the Proposed Concentration may significantly affect competition in markets located exclusively in Sweden, which present the characteristics of distinct markets.

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<sup>34</sup> As explained above, the combined market shares of the Parties in the downstream markets in the Stockholm and Uppsala region are [10-20]% and [20-30]%. Therefore, at EEA level the combined market shares (and particularly the increment brought about by the Transaction) would be very modest given that the Target is only active in Sweden.

### 5.3.2. *Additional factors*

- (51) In addition to the verification of the legal requirements, point 19 of the Referral Notice provides that it should also be considered whether referral of the case is appropriate, and in particular whether the competition authority or authorities to which they are contemplating requesting the referral of the case is the most appropriate authority for dealing with the case.
- (52) In addition, point 23 of the Referral Notice states that consideration should also, to the extent possible, be given to whether the NCA(s) to which referral of the case is contemplated may possess specific expertise concerning local markets, or be examining, or about to examine, another transaction in the sector concerned.
- (53) The requested referral will preserve the “one-stop shop” principle as this case will be referred in its entirety to a single competition authority.
- (54) The SCA has previously examined the markets relevant to this Transaction.<sup>35</sup> In particular, it has reviewed a merger case where the parties’ activities included repair and maintenance services and the sale of motor vehicles and spare parts in a similar region to the one in which Upplands Motor is active.<sup>36</sup> The SCA has also published reports regarding the competitive dynamics of markets relating to after-sales services for motor vehicles, which is identified in this reasoned submission as a potential affected market.<sup>37</sup> The SCA’s possession of expertise concerning the specific national characteristics of the markets, as well as the fact that the SCA previously has examined a transaction in the sector and region concerned, are additional circumstances which the Referral Notice identifies as indicative for an appropriate referral candidate.<sup>38</sup>

### 5.3.3. *Conclusion on referral*

- (55) On the basis of the information provided by the Parties in the Reasoned Submission, the case meets the legal requirements set out in Article 4(4) of the Merger Regulation in that the concentration may significantly affect competition in a market(s) within a Member State which presents all the characteristics of a distinct market.
- (56) Moreover, the SCA can be considered to possess specific expertise concerning the local markets in question.

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<sup>35</sup> SCA, Decision no. 212/2004, Bilia/Eneqvist. See also the court case about an alleged cartel among Volvo dealers, brought by the SCA; judgement from the Swedish Market Court MD 2008:12 in case no T4231-04.

<sup>36</sup> SCA, Decision no. 212/2004, Bilia/Eneqvist.

<sup>37</sup> Personbilsmarknad i förändring – konsekvenser för konkurrensförhållanden och konsumentskydd med särskild betong på eftermarknaden, report no 2016:5, and Makten över bilen – en rapport om bilförsäkringar och marknaden för bilreparationer, report no. 2019:2.

<sup>38</sup> Referral Notice, para 23.

**6. CONCLUSION**

- (57) For these reasons, and given that Sweden has expressed its agreement, the Commission has decided to refer the Transaction in its entirety to be examined by the SCA. This decision is adopted in application of Article 4(4) of the Merger Regulation and Article 57 of the EEA Agreement.

*For the Commission*

*(Signed)*  
*Olivier GUERSENT*  
*Director-General*