

IN-DEPTH

Public Competition Enforcement

FINLAND



LEXOLOGY

Public Competition Enforcement

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In-Depth: Public Competition Enforcement (formerly The Public Competition Enforcement Review) is an annual survey of the most important and relevant developments in public competition law enforcement in the most significant jurisdictions worldwide. Among other things, it examines the practical implications of recent enforcement activity regarding cartels, restrictive agreements, abuse of dominance, state aid and merger control.

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Explore on [Lexology](#) 

Finland

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Summary

[INTRODUCTION](#)

[YEAR IN REVIEW](#)

[CARTELS](#)

[ANTITRUST: RESTRICTIVE AGREEMENTS AND DOMINANCE](#)

[SECTORAL COMPETITION: MARKET INVESTIGATIONS AND REGULATED INDUSTRIES](#)

[STATE AID](#)

[MERGER REVIEW](#)

[OUTLOOK AND CONCLUSIONS](#)

[ENDNOTES](#)

Introduction

Prioritisation and resource allocation of enforcement authorities

In Finland, the primary public enforcement authority in competition matters is the Finnish Competition and Consumer Authority (FCCA). The FCCA's competition division consists of three enforcement units, a merger control unit, a unit for supervision of procurement and competition neutrality and a unit for international competition affairs. The FCCA cannot impose penalty payments for infringements but must make a penalty payment proposal to the Market Court. The decisions of the Market Court can then be appealed to the Supreme Administrative Court (SAC), which acts as the final instance in competition cases in Finland.

The relevant Finnish competition rules can be found in the Competition Act.^[1] Since its entry into force in 2011, the Act has been amended several times, and the most recent major amendment was at the beginning of 2023, when the merger filing thresholds were lowered. Pursuant to Section 32 of the Competition Act, the FCCA prioritises its enforcement duties to focus on the infringements that have significant impact on the proper functioning of the markets. Section 32 provides examples of situations in which the FCCA may decide not to investigate a case.

Enforcement agenda

Kirsi Leivo has been the Director General of the FCCA since September 2018, and in 2023 her term of office was extended until 2028. Recently, the Director General has stressed that the biggest drawback of Finnish competition policy currently is that market concentration may occur entirely outside regulatory control, as the FCCA has not been granted a right to investigate mergers not meeting the merger filing thresholds.

In May 2024, the FCCA published a policy brief according to which the current national turnover thresholds still allow harmful mergers to escape the scrutiny of the FCCA even though the merger filing thresholds were lowered in 2023. According to the FCCA's view, the obligation to notify mergers should be complemented by granting the Authority the right to require a notification when thresholds are not met. Further, the FCCA has stated that expanding the merger filing obligation would create notable benefits to consumers.^[2]

Regarding competition neutrality issues, the FCCA will maintain its supervisory powers over public sector entities, while aiming to deliver added social value to the Finnish economy and its consumers. In addition, the FCCA retains competence for legal supervision of public procurement, which was assigned to it at the beginning of 2017.^[3] Consequently, since then the FCCA has opened numerous investigations into public procurement matters, with annual totals of between 47 and 101; in 2023, 73 investigations were opened. Statistics for 2024 have not been published at the time of writing.

The Director General has also stated that the monitoring of public procurement in Finland remains one of the FCCA's main priorities. In this regard, the Director General wants to find out why municipalities use directly awarded contracts instead of tendering, and how widespread the phenomenon is.^[4] The FCCA has also encouraged notification of

direct award procurements. In 2024 the FCCA's powers to propose a penalty proposal for prohibited direct procurement was extended from six months to 12 months. The change entered into force on 1 June 2024.

Year in review

The new turnover thresholds entered into force in 2023. At the time, the FCCA estimated that the lowered merger control thresholds would lead to approximately an additional 30 to 40 merger notifications per year. During 2024 there was an increase in notified mergers, with 62 notifications made to the FCCA compared to 47 in 2023. In October 2024, the Market Court gave its first-ever decision concerning a breach of a commitment. The Market Court imposed a penalty payment of €600,000 on Valio for breaching a condition set for the approval of the Heinon Tukku acquisition, which was conditionally cleared in 2021.

As for cartels and antitrust, the Market Court only issued one cartel decision in 2024, and the SAC issued no competition cases. The FCCA informed publicly of two dawn raids: in January 2024, the FCCA announced its investigation into suspected anticompetitive conduct in the care services for the elderly market and in April, made investigations into possible anticompetitive practices in the market for influencer marketing.

The FCCA also made a penalty payment proposal for the first time to the Market Court for an infringement of procedural rules during a dawn raid. According to the proposal, the Market Court should impose a penalty payment of approximately €4.4 million to a major elderly care service provider Suomi Oy. According to the FCCA, the company had obstructed the inspection carried out by the FCCA when one of its employees deleted data from their work phone after becoming aware of the inspection.

Furthermore, the current Government Programme includes an entry relating to setting a service promise for the FCCA to limit the duration of merger control processes to a reasonable time period. In addition, the possibility for the FCCA to give preliminary rulings will be explored, and the competition neutrality control of the FCCA, as well as its ability to control anticompetitive behaviour in the public sector, will be strengthened. The Government Programme also includes an entry to strengthen cartel enforcement and to clarify the relevance and effectiveness of individual sanctions for cartels.

Cartels

The FCCA made no penalty payment proposals to the Market Court concerning cartels in 2024. For comparison, in the past 10 years the FCCA brought one cartel case before the Market Court in 2022, 2019, 2018, 2016 and 2015, two cases in 2021 and no cases in 2023, 2020 and 2017. However, in 2024, the FCCA made a penalty payment proposal concerning an obstruction of inspection for the first time.

In 2023, the FCCA published a policy brief announcing that it will start using statistical methods in the detection of cartels. Statistical methods will initially be used to detect cartels in public procurement procedures. In the future, these methods may also be used

to detect other types of cartels.^[5] To date, the FCCA has not made public in which cases, if any, it has utilised these methods.

Finland implemented a leniency programme in 2004, which can be found in Sections 14 to 17 of the Competition Act; in addition, revised leniency guidelines^[6] were published in 2022. Although the leniency programme has been in place for over a decade, it has rarely been used. For example, according to a survey conducted by the FCCA in 2024, fewer than one-third of the respondents knew about the leniency programme.^[7] In 2024, the FCCA issued only one decision in which a company had issued a leniency application.

Cartels: significant cases

The FCCA's penalty payment proposal for obstructing an inspection

In May 2024, for the first time, the FCCA proposed a penalty payment for an infringement of procedural rules. The FCCA proposed that the Market Court impose a penalty payment of approximately €4.4 million on a major elderly care service provider.

In January 2023, the FCCA announced that it had conducted investigations into elderly care service providers as well as the sector's trade association concerning suspected anticompetitive conduct. During the inspection, one of the major elderly care service provider's employees had deleted data from their phone after the employee had been informed of the inspection. After the deletion of conversations and a call log was noticed, the company fully cooperated with the FCCA to recover the deleted data. Nevertheless, the FCCA considered that the company had obstructed the inspection. In setting the amount of the penalty payment, the FCCA took into account the company's cooperation in recovering the lost data.

The Market Court rejects the FCCA's penalty payment proposal for the alleged cartel in the heating, ventilation and air conditioning infrastructure market

In 2022, the FCCA proposed that the Market Court impose penalty payments of €44 million in total on six heating, ventilation and air conditioning (HVAC) infrastructure wholesalers for their alleged prohibited cooperation in the Finnish market for plastic HVAC infrastructure pipeline products from 2009 to 2016. The FCCA claimed that the aim of the cooperation was to anticompetitively maintain their own market positions and to restrain price competition in the market. According to the FCCA's proposal, two of the largest manufacturers in Finland and four of the largest wholesalers all acted in mutual understanding, restricting manufacturers from trading directly with customers and allocating the sale of the manufacturers' products to the wholesalers. In addition, the wholesalers allegedly refrained from selling competing products.

In August 2024 the Market Court rejected the FCCA's penalty payment proposal. Based on the Market Court's assessment, the FCCA had failed to show sufficient evidence of violations of competition law. The Market Court considered that some of the parties had not acted in violation of competition law but noted that some of the wholesalers had sought to hamper their competitors' activities in the market. Contrary to the FCCA's proposal, the Market Court considered that this was a temporary and individual case and that the procedure was significantly less extensive than proposed by the FCCA, therefore

the Market Court did not impose a penalty on the companies. The Market Court's decision can be considered exceptional, as it rarely rejects the penalty payment proposals in their entirety.^[8] The case has been appealed against the legal fees and is currently pending before the SAC.

Illegal cooperation between importers of cosmetic products

In 2020 the FCCA started investigations of illegal cooperation between importers of Colosé cosmetic products after receiving a leniency application from one importer, Caréliana Oy. In April 2024 the FCCA gave its decision and stated that Careliána Oy and Rising Sun Oy had violated the Competition Act by agreeing on the recommended retail prices, product range and monthly promotional products with their prices for Colosé cosmetic products in Finland between 2017 and 2020. Although the FCCA considered the cooperation to be a by object infringement, it did not make a penalty payment proposal to the Market Court, as it considered the effects to be minor when taking into consideration the small size of the parties as well as the insignificant market share of the Colosé cosmetic products. Nevertheless, the decision not to make a penalty payment proposal can be considered fairly exceptional.

The Market Court imposes penalty payments for bid rigging in public transport

In September 2021, the FCCA concluded its investigations into alleged bid rigging in public transport in the Turku region and proposed that the Market Court impose a total of €1.9 million in penalty payments on six companies. Through their joint ventures, the competitors had submitted three joint bids in the competitive tendering processes in 2013, 2014 and 2016. According to the FCCA's findings, the companies had committed to refrain from price competition between themselves and to divide in a predetermined manner the transport contracts won in the tenders. Moreover, the FCCA also considered that the parties had the capability to provide services individually.

In November 2023, the Market Court gave its decision and found that the companies had submitted joint bids in breach of the Competition Act in the three public tenders. The Market Court considered that the tenders constituted prohibited cooperation between competitors and included price-fixing and market sharing. Fines amounting to €1.54 million were imposed on five companies. The Market Court did not impose a penalty payment on one company, as the company had no turnover for the financial year preceding the Market Court's decision. The case is currently pending before the SAC.

Alleged cartel in the real estate management industry

In February 2021, the FCCA submitted a proposal to the Market Court to impose penalty payments of €22 million in total on six real estate management companies and the Finnish Real Estate Management Federation for their suspected engagement in a price-fixing cartel from 2014 to 2017. The FCCA claimed that the parties mutually agreed to harmonise their prices and price increases, and additionally sought to raise price levels in the industry in general. According to the FCCA's proposal, the collusion took place at seminars and Federation board meetings. Information on price increases and harmonisation was

indicated to member companies and the entire real estate management sector through, for instance, press releases, events and the association's website.

In 2022, the Market Court gave its decision on the matter and found that the Finnish Real Estate Management Federation and six real estate management companies had nationwide collaboration concerning price-fixing from 2014 to 2017. The fines ordered by the Market Court amounted to €4.93 million, significantly lower than the FCCA's proposal. Further, the Market Court concluded that the activity had not been as intense and extensive as the FCCA had claimed. The Federation decided not to appeal and issued a public apology. The case is currently pending before the SAC as the FCCA and three real estate management companies appealed the Market Court's decision.

Cartels: trends, developments and strategies

As discussed above, cartel detection and enforcement continue to be two of the FCCA's main priorities and the FCCA has recently been concerned with the limited competition in public procurement. Similarly to EU competition rules, in Finland, the fines for infringements are limited to 10 per cent of the turnover of the company, including the entire group.^[9] In the current Government Programme, the timeliness and effectiveness of individual sanctions were also presented as matters to be further assessed.

Cartels: outlook

It is likely that the FCCA will continue focusing on the most harmful forms of infringements, such as hardcore cartels. As set out in the prioritising rule of Section 32 of the Competition Act, the FCCA is not obliged to investigate infringements that are deemed unlikely at the outset and have no major impact on the conditions of sound and effective competition, and the FCCA actively uses this right to prioritise investigations in the most harmful infringements. It also remains to be seen to what extent the FCCA will utilise, for example, the new statistical methods in its cartel enforcement work.

Antitrust: restrictive agreements and dominance

The rules on prohibited restraints on competition and on the abuse of a dominant position can be found in Sections 5 and 7 of the Competition Act. The rules have been harmonised with Articles 101 and 102 of the TFEU.

The FCCA has made only a handful of penalty payment proposals to the Market Court in the context of dominance cases and the level of fines in these cases has been rather modest. Investigations in dominance cases have generally been long-lasting, and they have often ended with the FCCA closing the case without further measures.

Perhaps the most significant fine proposed by the FCCA to the Market Court in a dominance case was in 2012, when the FCCA proposed that the Market Court impose a fine of €70 million on Valio for abusing its dominant position on the market for milk. The Market Court rendered its decision in 2014, and the decision became final when the SAC dismissed Valio's appeal in 2016. Arla lodged a damages claim of €58 million against Valio before the District Court of Helsinki, but the parties settled the matter in September 2018. Other

claims were also lodged but only two of them were not settled between the parties. In June 2019, the District Court of Helsinki awarded damages to two milk producers' cooperatives, Maitomaa and Maitokolmio. However, the damages awarded (totalling €8 million) were substantially lower than the ones claimed (totalling €27 million) as the cooperatives failed to fulfil their burden of proof regarding the amount of suffered damage. The judgments are final.

Antitrust: significant cases

The SAC imposes fines on Isojoen Konehalli Oy for resale price maintenance

In May 2020, the FCCA proposed that the Market Court impose a penalty of €9 million on Isojoen Konehalli Oy (IKH) for engaging in illegal resale price maintenance from 2010 to 2020. IKH is an import and hardware company selling products directly to consumers and retailers. According to the FCCA's proposal, IKH had set recommended prices for its products and had also pressured retailers to comply with its recommendations. In practice, this had prevented price competition between IKH's retailers and increased prices for the products sold to customers.

In its decision rendered in 2022, the Market Court imposed a penalty payment of €1.75 million on IKH for illegal resale price maintenance. Continuing the trend of the past few years, the penalty payment imposed by the Market Court was significantly lower than the one proposed by the FCCA. The Market Court considered that IKH imposed retail prices for its retailers in their online stores from 2010 to 2015 and agreed with its retailers on fixed resale prices from 2014 to 2020. According to the Market Court, the evidence presented by the FCCA was not sufficient for all the claims in the penalty payment proposal. Both the FCCA and IKH appealed the decision to the SAC.

In December 2023, the SAC adopted a decision in the case and found that IKH had engaged in illegal resale price maintenance by setting minimum selling prices for IKH products in certain retailers' online stores and by agreeing with its authorised retailers on fixed resale prices for IKH's online stores. Contrary to the Market Court, the SAC considered that it had not been shown that the fixed resale prices had been agreed with all retailers selling IKH products in their online stores. However, the SAC did not reduce the fine because it considered that the infringement was long-lasting, serious and reprehensible in nature and had a concrete negative impact on the level of prices on the retail market. Nevertheless, the fine of €1.75 million can be considered relatively low in relation to the company's total turnover.

Alleged horizontal cooperation in relation to compliance with Forest Stewardship Council certification rules

In 2020, the FCCA was requested to investigate in two separate cases whether forest companies had engaged in horizontal cooperation in violation of the Competition Act when complying with Forest Stewardship Council certification rules. At the time, the FCCA decided not to continue investigations. The decisions were appealed to the Market Court, overturned, and returned to the FCCA. According to the Market Court, the FCCA's decisions did not meet the conditions set for an administrative decision under Sections 44 and 45

of the Administrative Law (434/2003), as it did not sufficiently disclose the facts based on which the FCCA had concluded not to continue investigations.

In decisions given out in 2022 and 2023, the FCCA still concluded that, based on the preliminary investigation, it was likely that the procedure presented in the request did not, as defined by Section 32 Subsection 2 Point 1 of the Competition Act, involve a prohibited restriction of competition as referred to in Sections 5 or 7 of the Competition Act or Articles 101 or 102 of the TFEU. Entrepreneurs can choose which certificates are necessary for their business, regardless of competition legislation.

The FCCA's decision of 2022 was appealed to the Market Court. In March 2024, the Market Court rejected the appeal and concluded that there were sufficient grounds for the FCCA not to investigate the case further. The case has been appealed and is currently pending before the SAC.

Abuse of dominance

In 2024, one investigation concerning an alleged abuse of a dominant position was made public by the FCCA. Auto Sky Oy submitted a request for action to the FCCA according to which insurance companies, If Vahinkovakuutus Oyj and LähiTapiola, would have abused their dominant position by restricting the performance of damage repairs on motor vehicles covered by their insurance. Pursuant to Section 32 of the Competition Act, the FCCA decided not to investigate the case further as it considered, inter alia, that the insurance companies did not have a dominant position in the relevant market and that their conduct was not anticompetitive.

Antitrust: outlook

As evident from the case examples above, the FCCA has decided not to investigate further any of the publicly announced dominance cases in recent years, mainly by referring to the prioritisation provision set out in Section 32 of the Competition Act. The trend of closing dominance investigations without further measures had been prevailing even before the actual prioritisation provision was implemented into the Competition Act.^[10] The FCCA has considered in many of the dominance cases that they are disputes rather than actual competition infringements. As for restrictive agreements, the FCCA publicly announced in June 2024 that it is investigating further any possible restrictions on competition in the Finnish national hockey league, SM-liiga. At the time of writing, the FCCA has not published any further information regarding the case.

Sectoral competition: market investigations and regulated industries

Chapter 4a of the Competition Act deals with ensuring competitive neutrality between the public and private sector. Chapter 4a gives the FCCA the power to intervene in the economic activities of a municipality, a joint municipal authority, a well-being services county, a well-being services consortium, the central government or an entity within its control if the activities of such a public sector entity distort or are likely to distort

the conditions for competition or prevent or are likely to prevent the emergence or development of competition. The FCCA's guidelines on market-based pricing help public sector entities assess the competition neutrality of their own activities and were updated in 2022^[11] by clarifying the definition of profit requirements and taking into account recent changes in competition law relating to separation of accounts. The updated guidelines provide more detailed guidance on the methods of supervision used by the FCCA, in particular for assessing a reasonable return on capital employed in competitive activities.

Sectoral competition: significant cases

Based on public sources, the FCCA did not investigate any cases concerning competition neutrality in 2024, but in 2023 the FCCA investigated two cases. The first case in 2023 concerned alleged conduct that infringed competitive neutrality in the preparation and marketing of a group construction project. The FCCA decided not to investigate the case further since, according to the assessment of the FCCA, the operation was unlikely to have significant negative effects on the competitive conditions in the group construction consultancy sector. The second case concerned alleged distortions of competition in the market for services in the field of round-the-clock child welfare services. In its decision, the FCCA found that the database combining the information of child welfare foster care units and offering did not constitute an economic activity to which the competition neutrality provisions of the Competition Act would apply, and therefore the case was closed.

Sectoral competition: outlook

The FCCA focuses on improving the identification and monitoring of sectors where competition is weak as well as on tackling measures that maintain and enhance passive competition and anticompetitive coordination in these sectors.

In 2024 the FCCA continued advocating for a right to require notifications in mergers where the turnover thresholds are not met (call-in powers). The FCCA published a policy brief in May 2024 explaining why such tool would be needed in order to avoid concentration of markets. On the same note, the FCCA provided merger data from the private healthcare services market showing how non-notifiable mergers have led to higher prices for consumers.^[12] In addition, in November 2024 the FCCA published a study concerning veterinary services. According to the study, the market for veterinary services has in recent years concentrated into the hands of two leading chains owned by foreign private equity firms and the market concentration has led to higher prices for consumers. The FCCA further concluded that it cannot prevent the harmful concentration of the market without call-in powers.

The FCCA also issued a study in December 2024 concerning the effects of the update of the Alcohol Act in 2018. The update included the liberation of the sale of alcoholic drinks with an alcohol by volume of 5.5 per cent, which meant that after the entry into force of the new law such alcoholic drinks could also be sold in grocery stores in addition to Alko, the national beverage retailing company. The study showed that the prices of such alcoholic drinks declined, in addition to which, a larger selection has become available to consumers. The sale of these stronger alcoholic drinks has also shifted from Alko to grocery stores. No significant change in the amount of alcohol consumed was found.

The pharmacy market has also been under scrutiny and, in 2020, the FCCA published an extensive study on the market stating, inter alia, that price competition between pharmacies should be encouraged by setting price caps for certain medicines so that pharmacies could compete by reducing their margins. In addition, to increase competition and improve access to pharmacy services, the FCCA suggested in 2021 that the pharmacy market should be further developed by enabling pharmacy businesses to operate in the online environment. In 2023, the FCCA published a research report in which it concluded that taxation was not sufficient to compensate for the lack of competition in the pharmacy market.

In addition, in 2023, the FCCA investigated possibilities to increase competition in the rail freight traffic market. Furthermore, the Government Programme also includes entries aiming to increase competition in certain markets and to open up a number of markets to competition, including gambling and rail transport markets.

State aid

The applicable state aid rules in Finland are Articles 107 to 109 of the TFEU and no national corresponding provisions exist. There are, however, several procedural rules concerning, for example, the recovery of unlawful state aid, the European Commission's inspection powers as well as the duty to notify state aid and exemptions thereof. The Act on the Openness and Obligation to Provide Information on Economic Activities Concerning Certain Undertakings concerns the European Commission's abilities to monitor state aid and competition rules in Finland. The aforementioned Act applies to public and private companies that carry out services of general economic interest.^[13]

It is worth noting that the responsible authority in state aid matters is the Ministry of Economic Affairs and Employment, which also acts as the contact point for the Commission. Thus, the FCCA does not have any role in state aid matters.

State aid: significant cases

State aid during Russia's invasion of Ukraine

In 2024, the European Commission approved one state aid measure granted by Finland based on the Temporary Crisis Framework. The approved aid measure concerned the development of the production of renewable fuels of non-biological origin and energy storage. The estimated budget for the measure was €250 million, partly financed via the Recovery and Resilience Facility and partly via the State budget.

State aid awarded to Helsingin Bussiliikenne Oy

In July 2024 the ECJ gave its ruling on a case concerning alleged illegal state aid to Finnish bus transport company Helsingin Bussiliikenne Oy (HeB).^[14]

In 2019, the European Commission concluded its investigations and found that HeB had received €54.2 million of incompatible state aid from Finland. The European Commission's

investigation confirmed that private market creditors would not have granted the loans under the same terms and conditions, particularly considering the financial difficulties HelB was facing at the time the loans were granted. Subsequently, the European Commission considered the loans constituted state aid in breach of EU rules, and Finland was ordered to recover the aid from HelB. During the investigation, HelB's assets and business operations were sold to one of its competitors. According to the European Commission, the new owner became the economic successor to HelB and therefore also became responsible for repaying the incompatible state aid.

The case was appealed to the European General Court and the court gave its judgment in 2022. It confirmed that HelB had to repay €54.2 million in state aid and upheld the European Commission's decision. The European Commission's view on the economic continuity between HelB and the new owner was also confirmed.

HelB appealed against the judgment of the General Court. In 2024, in a judgment by the ECJ, the previous ruling by the European General Court was set aside, and the ECJ found that the decision must be annulled due to the European Commission's breach of an essential procedural requirement. The ECJ considered that the European Commission had, in the context of the acquisition of HelB by the new owner, namely the appellant, failed to adopt a supplementary decision initiating the formal investigation procedure in order to enable it to submit its comments in the context of that procedure.

State aid to public service broadcaster Yleisradio Oy

In 2021, Sanoma Media Finland Oy submitted a complaint concerning the granting of alleged unlawful state aid to the Finnish public service broadcaster Yleisradio Oy (Yle) for video-on-demand (VOD) and online learning services. According to Sanoma Media Finland Oy, these services did not comply with EU state aid rules. The Finnish authorities stated that the aid granted to Yle, including the aid for VOD and online learning services, is existing aid. According to the Finnish authorities, those services constituted means of using new technologies and distribution platforms in order for Yle to fulfil the public service mandate it had been entrusted with before Finland joined the EU.

In November 2024, the European Commission confirmed that the aid for the financing of Yle is existing aid and therefore compatible with the internal market.

State aid: trends, developments and strategies

The application of EU state aid rules has become an established practice, and national courts regularly deal with cases concerning the application of state aid rules. Some recent cases have concerned, inter alia, whether certain measures have constituted state aid, the interpretation of the *de minimis* criteria as well as state aid in the context of taxation measures.^[15] The Foreign Subsidies Regulation^[16] became fully applicable in October 2023. No national corresponding rules have been implemented. The FCCA acts as the national contact point for the European Commission's enquiries.

State aid: outlook

In 2024, the focus on state aid has been shifting from the Temporary Crisis Framework to more traditional, industrial aid. In practice, the effects of the war in Ukraine and the resulting energy crisis are not any more visible in the state aid measures than before. The majority of the crisis tools of the Framework were phased out at the end of 2023 and 2024. The remaining tools are set to be phased out during 2025.

Merger review

Under the merger control provisions that entered into force in 2023, a concentration shall be notified to the FCCA if the aggregate turnover of the parties to the acquisition exceeds €100 million in Finland and the turnover of at least two parties to the transaction exceeds €10 million each in Finland. The rules for calculating turnover correspond to a large extent to the provisions of the EU Merger Regulation.

Once a concentration has been notified to the FCCA, the authority has 23 working days to investigate and either clear the concentration (possibly with conditions) or initiate a Phase II investigation. If a Phase II investigation is opened, the FCCA has an additional 69 working days (the Market Court may extend the deadline by a maximum of 46 working days) to approve the concentration with or without conditions or make a request to the Market Court to prohibit the concentration. If a prohibition is requested, the Market Court must decide within three months whether to clear the concentration with or without conditions, or to prohibit it.

The majority of notified concentrations are cleared in Phase I. In 2024, the FCCA cleared 57 mergers in Phase I. Phase II investigations were initiated in four cases, of which one merger was approved conditionally by the FCCA. In one Phase II case, the party to the transaction withdrew its filing during the FCCA's investigations, and two Phase II investigations were still ongoing at the end of 2024. There were no proposals for a prohibition in 2023 or 2024.

Merger review: significant cases

Conditional approval for acquisition of Humana Group by Mehiläinen Group

In December 2024, the FCCA conditionally approved Mehiläinen Group's acquisition of 21 units of elderly social services from Humana Group. Mehiläinen is one of Finland's biggest healthcare companies and it operates widely on the market for healthcare and social services, including residential and home care services for the elderly as well as for mental health and substance abuse rehabilitants. Humana also offers care services for the elderly and mental health and substance abuse rehabilitants.

The FCCA opened an in-depth investigation into the case in September 2024. Based on the FCCA's initial investigations, the acquisition could have had adverse competition effects on the market for elderly residential care services in the regions of Varkaus and Mikkeli and on the market for residential care services for mental health and substance abuse rehabilitants in the North Ostrobothnia and Central Finland well-being services counties. In its final decision, the FCCA came to the conclusion that the acquisition would have adverse competition effects on the market for round-the-clock residential care for the elderly in

Varkaus. The FCCA considered that Mehiläinen would acquire a dominant position within the region as the number of private service providers would decrease. Consequently, Mehiläinen would become an unavoidable trading partner for the welfare region.

As a remedy, Mehiläinen and Humana committed to selling the nursing home, Hoivakoti Joutsenkulma Oy in Varkaus. The FCCA confirmed that the commitment would be effective enough to ensure that the regional market in Varkaus would not concentrate as a result of the acquisition. The implementation of the acquisition is subject to Mehiläinen making a binding agreement with a buyer that has been approved by the FCCA.

PostNord withdrew its filing during Phase II investigation

In 2024, there was one case where the party withdrew its filing from the FCCA during an in-depth investigation. The case concerned a proposed merger in which PostNord Strålfors Oy would have acquired Edita Prima Oy. Both parties offer companies and authorities customer communication management services that include, for example, processing and printing services of invoicing, payslips and other administrative documents. The FCCA opened a Phase II investigation into the case in November 2023. Based on the FCCA's investigations, the merger would have led to harmful effects on competition on the markets of traditional customer communication management services, or transactional printing services. The combined market share of the merging parties would have become high and only two significant players would have remained on the market. Ultimately, PostNord informed the FCCA that it would withdraw its notification in January 2024.

Penalty payments imposed for the first time in a merger case

In December 2023, the FCCA made a proposal to the Market Court to impose a fine of €900,000 on Valio Oy. The FCCA conditionally approved the acquisition of Heinon Tukku, a foodservice wholesaler, by Valio, a dairy and food company, in 2021. The transaction could not be approved as such because Valio would have received information on the pricing of competing food manufacturers through Heinon Tukku, which would have affected Valio's incentives in its own pricing. To address the competition concerns, Valio committed to protect the confidential information of its competitors in a way that it would not be passed on to the persons in the organisation responsible for pricing Valio's products. Data protection was implemented through system limitations, and an independent expert was appointed to oversee compliance.

At the end of 2022, Valio informed the FCCA that it had detected an error in the protection of competitors' price information and that some of Valio's employees had had access to competitors' price information for several months. According to the FCCA, Valio had failed to comply with the key condition for the approval of the transaction. In October 2024 the Market Court confirmed that Valio had failed to comply with a key remedy set for the approval of the Heinon Tukku acquisition and imposed a penalty payment of €600,000 on Valio.

Merger review: trends, developments and strategies

The new turnover thresholds entered into force on 1 January 2023. By lowering the thresholds and changing the requirement of worldwide turnover to national turnover, the

FCCA originally estimated that the number of notifications would almost double compared to the average amount of notifications from 2017 to 2022.^[17] In 2024, the FCCA received 29 more notifications than the average for the period from 2015 to 2022. The number of notified transactions to the FCCA in 2024 was 62, while the average number of the merger notifications from 2015 to 2022 was 33.

In addition to the new thresholds, the merger notification form^[18] was updated in 2023. The new form requires full and detailed information on the affected markets only if the parties are in a horizontal relationship and have a market share over 20 per cent or if the parties are in a vertical relationship and have a market share over 30 per cent. If the parties do not have horizontal or vertical connections, the new notification form requires only limited information. The FCCA has also published new guidance and updated its old guidelines on merger control in 2022. New guidelines concern the processing of transactions by the FCCA and the information requirements of the notification form.

In connection with the reform of the thresholds, the FCCA also advocated for a right to require a notification even when the turnover thresholds are not met. This was not included in the final amendments. However, the FCCA has continued its efforts to advocate for a call-in option and published in November 2024 an extensive report on veterinary services and how the market has concentrated due to the acquisitions within the market falling below the merger thresholds and the FCCA being unable to investigate the acquisitions.

Merger review: outlook

The median duration of review periods of Phase I cases has been declining since 2020 and was approximately eight working days in 2024. Also, the overall duration of Phase I cases, including the pre-notification period and the review period, has been declining since 2020 and the median duration in 2024 was 19 days compared to 28 days in 2020. In more complex cases the pre-notification period lasts usually one to two months.

As for Phase II cases, there has been a significant change in the duration of merger control review periods. The FCCA has requested each year from 2019 to 2023 in at least one case an extension from the Market Court. In some cases, extensions have been requested even twice. Such requests for extensions have previously been highly exceptional but seem to be becoming rather common, even though in 2024 the FCCA did not request extensions for any Phase II investigations.

The new merger filing form requiring only minimal information for cases with no horizontal or vertical relations has allowed the FCCA on the one hand to conduct reviews more effectively, leading to the shortening of review periods and on the other hand to focus its resources on the more complex transactions. The review periods will likely remain fairly short in simple cases in the coming years. The FCCA is also expected to continue its efforts to advocate for a call-in option, as has also been the case in other European jurisdictions.

Outlook and conclusions

As has been the case for several years, merger control continues to be the most active segment among Finnish competition law. In 2024, the FCCA issued 59 merger decisions,

and Phase II investigations were initiated in four cases. The FCCA submitted to the Market Court only one penalty payment proposal in a case concerning an infringement of procedural rules in 2024. Furthermore, the Market Court ordered fines in one merger case and dismissed the FCCA's penalty payment proposal in one cartel case. Although several cases are pending before the SAC, it did not issue any competition cases in 2024.

Endnotes

- 1 948/2011, as amended. ^ [Back to section](#)
- 2 The FCCA Policy Brief 1/2024 and the FCCA study on the potential need for legislative change regarding the national merger filing obligation. ^ [Back to section](#)
- 3 One of the most important aspects of this new task is the supervision of significant errors and omissions, such as illegal direct awards of contract. ^ [Back to section](#)
- 4 Hartikainen, Jarno: Helsingin Sanomat 10 December 2022. ^ [Back to section](#)
- 5 FCCA Policy Brief 1/2023. ^ [Back to section](#)
- 6 Guidelines on immunity from and reduction of penalty payments in cartel cases: Guidelines on the application of the Competition Act (2022). ^ [Back to section](#)
- 7 See for more: <https://www.kkv.fi/uploads/sites/2/2024-05-yritysten-nakemyksia-kilpailulaista.pdf>. ^ [Back to section](#)
- 8 See for more: <https://www.kkv.fi/en/current/press-releases/the-market-court-rejected-the-fccas-proposal-for-a-penalty-payment-for-prohibited-cooperation-in-the-hvac-infrastructure-pipeline-market/>. ^ [Back to section](#)
- 9 The highest cartel fines in Finland to date were imposed in the Asphalt case in 2009 (totalling €82.6 million). For example, the fines in the Raw Wood Procurement infringement case in 2009 amounted to €51 million in total. ^ [Back to section](#)
- 10 See, for instance, decisions of the FCCA in *Liikennevakuutuskeskus* of 20 December 2012, Record No. 130/14.00.00/2011, *Fonecta Oy* of 1 October 2012, Record No. 452/14.00.00/2011, and *Alko Oy, Stella Wines Oy* of 19 March 2012, Record No. 764/14.00.00/2011. ^ [Back to section](#)
- 11 The FCCA's Guidelines on Market-Based Pricing, updated 11/2022. ^ [Back to section](#)
- 12 See for more information: <https://www.kkv.fi/en/current/press-releases/health-care-market-concentration-has-led-to-higher-prices-fcca-needs-a-more-effective-tool-to-prevent-harmful-concentration/>. ^ [Back to section](#)

- 13** See the Act on the Application of Certain State Aid Provisions of the European Union (300/2001), Government Decree on the Notification Procedures concerning State Aid to the Commission (89/2011) and the Act on the Openness and Obligation to Provide Information on Economic Activities Concerning Certain Undertakings (19/2003). [^] [Back to section](#)
- 14** Case C-697/22 P. [^] [Back to section](#)
- 15** See, for instance, judgments of the Supreme Administrative Court of 7 July 2021, Record No. 393; 10 May 2021, Record No. 337; 7 July 2021, Record No. 393; 20 January 2021, Record No. 28. [^] [Back to section](#)
- 16** Regulation (EU) 2022/2560. [^] [Back to section](#)
- 17** FCCA blog post, dated 14 April 2023. [^] [Back to section](#)
- 18** The notification form is based on the amendment (920/2022) to the Government Decree on the Obligation to Notify Transactions (1012/2011). [^] [Back to section](#)

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