

# **Antimonopoly Law Developments: Strengthening Merger Control in Financial Markets**

13 January 2025

On 28 December 2024, the Russian President signed Law No. 539-FZ which introduced amendments to the current law On the Protection of Competition aimed at strengthening merger control in Russian financial markets. The amendments were prepared by the Russian competition authority (*the FAS*) and will come into effect on 1 September 2025.

The currently effective law On the Protection of Competition requires that FAS clearance be obtained for any transaction where the target is a 'financial organisation' (i.e., a bank, pension fund, asset manager, insurance company, leasing company, another type of a regulated financial institution, etc.), the asset value of which exceeds the threshold set by the Russian Government (in most cases, together with the Central Bank of Russia) for the relevant category of financial organisations<sup>1</sup>. Accordingly, if the target's asset value does not exceed the threshold, the acquirer could purchase any number of such targets, and thus achieve significant consolidation without FAS clearance – which could adversely affect competition in the sector.

The amendments have introduced an additional control mechanism over concentration in the financial institutions sector: after the new rules come into effect, a deal may become notifiable not only because of the target's asset value, but also because of the combined asset value of financial organisations of the same category already within the acquirer's group. In other words, any acquisition by an acquirer of a certain size in the same financial organisation category will require FAS clearance. These additional controls will be included in the law as a separate provision and will apply irrespective of the target's asset value.

The relevant asset value thresholds will be set by the federal government, in most cases together with the Central Bank. To our knowledge, such thresholds have not been set yet.

The FAS believes that the amendments will help facilitate merger control, and protect smaller players, in the financial institutions sector.

We will continue monitoring the situation.

<sup>1</sup>By way of example, the threshold for banks is 29 billion roubles, for insurance companies (other than medical insurance companies), 200 million roubles, and for medical insurance companies, 100 million roubles