Merger Control

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Israel

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Overview of merger control activity during the last 12 months

According to unoffical data, it seems that the number of mergers submitted to the Israel Competition Authority (the "ICA") in 2019 increased from the 187 merger notifications filed in 2018. This has been unexpected, as the filing threshold was increased over the last year (see further elaboration below) and as such, a decrease in the number of filings was anticipated. Indeed, the number of merger filings has been on the rise in recent years reflecting the expansion of the Israeli economy. To counter that trend, the ICA advocated a significant increase in the turnover threshold as part of a more general legislative reform (see below). While the reform did not result in a decrease in the number of mergers filed to the ICA in 2019, the number of filings would likely have been even higher had it not been for the reform. Moreover, a certain time-lag and adjustment of the private sector to the new threshold is to be expected. In fact, preliminary data published by the ICA comparing the first four months of 2020 to the same period in 2019 shows a decrease of approximately 18–25% in the number of mergers filed with the ICA (COVID-19 was less of a consideration in Israel prior to the middle of March 2020). In April 2020, we saw a reduction of approximately 75% in the number of mergers filed to the ICA compared to the same month of 2019, as the COVID-19 virus disrupted the economy in Israel and globally.

According to the Economic Competition Law, 1988 (the "Competition Law", or the "Law"), the General Director of the ICA (the "General Director") has the power to either approve, block (if there is a reasonable likelihood that the merger will significantly harm competition in a relevant market), or approve the transaction subject to certain conditions (if said conditions can eliminate harm to competition). According to the ICA's merger registry, no mergers filed in 2019 were blocked by the General Director and of the mergers relating to which the ICA issued a decision in 2019, only four were approved with conditions (representing approximately 2%).

An analysis of the ICA's track record during the last decade shows that the share of mergers blocked is rather stable, ranging between 0–2% at most, and an additional 1–3% of notifications withdrawn.

Over the years, there has been an evident decrease in the use of remedies by the ICA. While in the years 2000–2005, approximately 18% of merger decisions included remedies, the number decreased to only 6–8% in recent years, with 0.5% in 2018 (a record low for conditional clearance decisions) and approximately 2% in 2019. The decline in use of remedies is in line with the ICA's new guidance on remedies – see "Key policy developments" below. However, we can see a small increase in the use of remedies in 2019, and it will be interesting to see whether this will evolve to be a trend. This potential trend, together with the ICA's gradual inclination to adopt more stringent structural remedies, may effectively derail more transactions than before.

New developments in jurisdictional assessment and procedure

The main policy document regarding merger procedure has remained the "General Director's Pre-merger Filing Guidelines" published in 2008 ("the Pre-merger Guidelines"). In addition, several years ago, the ICA published a detailed Q&A document relating to technical merger control procedure issues. In 2014, the ICA published an additional Q&A document, containing examples taken from pre-rulings filed to the ICA regarding merger control procedure. These guidelines elaborate and add important aspects that are not evident from a simple reading of the merger control provisions of the Competition Law.

One such example is the ICA's interpretive policy to classify a "merger" as a certain type of transaction that provides one entity with long-term control of essential assets of another company. Accordingly, the ICA has classified the long-term lease of critical assets or rights as a merger of companies (among others relating to long-term lease of a hotel and of gas stations).

The Competition Law defines a "merger of companies" as the acquisition of the principal assets of the target or more than 25% of either the outstanding shares, voting rights, rights to appoint directors or dividend rights of the target company. However, it remains unclear whether acquisitions of less than 25% of these rights may also be regarded as a merger of companies. The Pre-merger Guidelines offer limited certainty, suggesting that under specific circumstances, acquisitions of less than 25% of such rights, together with other holdings in a company, may be regarded as a merger of companies. The Pre-merger Guidelines also suggest that acquisitions of less than 25% of such rights may also be regarded as a restrictive arrangement.

On January 1st, 2019, the Israeli Parliament (the Knesset) passed a major reform to the Competition Law, formerly known as the Restrictive Trade Practices Law.

This reform, which was advocated by the ICA, introduced extensive and significant changes to the three main chapters of the Competition Law: restrictive arrangements; monopoly; and merger control. The amendment also further increased the ICA's enforcement powers and the scope of criminal and administrative sanctions for violations of the Competition Law.

The main amendments of the **merger control** chapter included:

- A revision to the turnover threshold; the turnover threshold has been increased, such that the joint sales turnover of the merging parties that triggers a merger notification obligation has been increased from NIS 150m (approximately USD 42.6m) to NIS 360m (approximately USD 102m). The requirement that the turnover of at least two of the merging parties be at least NIS 10m (approximately USD 2.8m) remains unchanged. However, the ICA stated that an increase of this threshold to roughly NIS 20m (approximately USD 5.7m) will be implemented soon and it already grants waivers based on the elevated threshold (see below regarding reform in the Antitrust Regulations). The remaining two filing thresholds, which are based on market share tests, have not changed, although the reform did broaden the definition of "monopoly" for other purposes. Thus, mergers falling below the new turnover threshold would still be reportable if the combined market share of the parties exceeds 50% or if one of the parties has a market share exceeding 50% in any relevant market.
- Granting power to the General Director to extend the merger review period from 30 days to 150 days, by a reasoned administrative decision. Prior to the reform, the General Director was obligated to render a decision within 30 days, which could only be extended by a judicial decree or the consent of the parties. Practically, the ICA still prefers to ask for the parties' consent to an extension, rather than extending the review process unilaterally, in order to avoid issuing a reasoned decision. Such consent is usually granted.
- Applying merger control to non-profit associations by expanding the definition of "company" in the Law to include an "association" as defined in the Associations Law 5740–1980.

It should also be noted that in the framework of the reform, the maximum monetary sanction imposed by the ICA has been increased to NIS 100m (approximately USD 28.4m). Prior to the reform, the ICA had the power to impose a monetary sanction on corporations for violations of the Law amounting to a maximum of 8% of the violator's sales turnover, provided the monetary penalty does not exceed NIS 24,490,070 (approximately USD 6.9m).

Another major reform is in progress, which is anticipated to dramatically change the merger control regime in Israel. On July 28th, 2019, the ICA published a draft amendment to the Antitrust Regulations (Registry, Publication and Reporting of Transactions), 5764–2004 (the "Antitrust Regulations") for public comment. The draft includes significant and far-reaching changes, both with respect to the scope of the transactions that will require merger approval by the General Director, as well as to the extent of disclosure required when filing merger notifications. The proposed amendment was subject to a public hearing and the ICA has yet to announce the final version of the amendment.

If the reform were to be adopted as currently proposed, it is expected to adversely affect foreign entities in terms of the scope of merger control scrutiny, the level of legal certainty, and the overall burden of filing mergers in Israel.

The proposed amendment includes:

- **An increase of the individual turnover threshold** – after the reform, the Competition Law and a consequent update to the threshold, currently, a merger is notifiable under the turnover threshold if the combined turnover of the parties is at least NIS 361.45m (approximately USD 103m) and at least two parties have a minimum individual turnover exceeding NIS 10m. In the framework of the amendment to the Antitrust Regulations, the individual turnover will be increased to NIS 20m. In practice, the ICA has already partially implemented this change and grants waivers based on specific applications in the event the relevant turnover falls between the current and the proposed threshold.
- **Change in the rules concerning the calculation of turnover** – the definition of "control" for the purposes of defining an economic group (which should be taken into account when calculating turnover) will be amended to a broader, more elastic definition, such that control may be established even if the shareholding level in question is less than 50%.
- The abbreviated notification form will be abolished, and all mergers will require the submission of a new ("long") notification form.
- The regular notification form will undergo a complete "overhaul" and require more extensive information. Within the framework of the new notification form, the provision of extensive information is required, both quantitatively and qualitatively, across the full range of activities of the parties to the merger. Furthermore, regardless of its competitive complexity, the following information will be required for all mergers:
    - details of the stakeholders in each of the reporting parties;
    - a detailed mapping of their holdings and of potential overlaps between the controlling parties and other significant shareholders;
    - details of the activities of both parties to the merger;
    - details relating to the customers and suppliers of the parties;
    - details relating to the competitive context of the merger; and
    - details of financial information regarding sales turnover and quantitative sales volume.

International mergers that must be reported to the ICA under the proposed new merger control regime will additionally require the provision of details relating to filings made in other jurisdictions. Foreign entities may also be required to provide information regarding

their agents, distributors or other representatives in Israel. According to the proposed amendment, the overall burden on foreign entities is expected to significantly increase. The ICA clarified that while there is indeed a significant increase in the scope of information that will be provided upon submission, this will in turn reduce the need for requests for further information and will allow for a shorter review period. However, insofar as the draft regulations are approved in their present form, it may be assumed that such regulations will require parties to a merger to invest significant resources in order to meet the new reporting requirements in a manner which, at times, would be unjustified and potentially impractical.

The ICA has clarified that there will be a transition period before the amendment comes into effect. Thus far, the amendment has not been introduced, but we expect its completion when the economy stabilises following the COVID-19 crisis.

In 2012, the ICA published Guidelines Regarding the Use of Enforcement Procedures of Financial Sanctions, which stated that the illegal execution of non-horizontal mergers would normally result in a financial sanction (an administrative tool) rather than criminal penalties, which could also be applied under the law. Illegal horizontal mergers are still subject to criminal enforcement.

In November 2019, the ICA published an amendment to Public Statement 1/16: Considerations of the General Director in determining a monetary sanction. In the framework of this amendment, it was determined that the base sum for technical "gun-jumping" violations would normally be set at 5% (with a maximum amount of 8%) of the violator's relevant sales turnover and not more than NIS 3m (approximately USD 850,000). The ICA has yet to impose monetary sanctions with respect to merger control violations following the publication of this new methodology.

In 2016, the ICA introduced a fast-track procedure for mergers that clearly do not harm competition (dubbed the "Ultra-Green Merger Procedure"). If a transaction clearly does not present a threat to competition and a certain degree of information on the transaction and its parties has been provided, it will be internally classified as an "Ultra-Green Merger" by the ICA and the 30-day investigation period will be shortened to several days. The decision to classify a transaction as an Ultra-Green Merger is based mainly on the information provided by the merging parties. A regular merger notification form (rather than an abbreviated form) will be required for a transaction to benefit from this fast-track procedure. Merging parties who wish to qualify for the Ultra-Green Merger Procedure must provide the ICA with holding charts that fully detail direct holders of interest of each party and the controlling parties of each direct holder of interest. Moreover, the notification forms must be signed by the CEO and chief legal officer of each party (rather than any authorised signatory in the regular track). The Ultra-Green Merger Procedure has been successfully employed for several years and the ICA expeditiously clears mergers that qualify for the fast track, in some cases even clearing merger transactions within a day of submission.

Key industry sectors reviewed, and approach adopted, to market definition, barriers to entry, nature of international competition, etc.

In September 2018, the ICA published a public consultation on competition in the internet/digital economy. According to the publication, the ICA sought input from the public, including start-up companies and leading and established companies in the hi-tech sector, regarding current issues in competition as they relate to the online world. One of the questions on merger control aspects in the hi-tech sector asked for comment as to: whether scrutiny should be increased on mergers involving large tech firms; on the effects of such

increased scrutiny on competition; and on the incentives to invest in the technology sector. The ICA addressed several challenges that exist in the digital economy, such as the difficulties to implement "traditional" tests when it comes to market definition or market power tests in the digital economy. The ICA has yet to publish conclusions or a report on the subject; however, it is evident that the ICA is showing increasing interest in the online and digital market and scrutinising mergers more closely.

In several industries that are often characterised by global geographic markets, such as digital and online advertising, pharma, technology, mobility, and telecommunications sectors, the ICA has increased the degree of cooperation with foreign competition authorities, mainly the authorities in the EU and US. The ICA's clear policy is to engage with the relevant foreign authorities (and in some cases, wait for their decisions) before announcing its decision (see further elaboration below).

In 2018, the ICA published several key decisions in numerous sectors. While each of these decisions was based on different concerns, the decisions demonstrate the ICA's tendency to block transactions even if the incremental market share increase is rather limited.

The aviation sector: In January 2018, the ICA blocked the proposed merger between two out of three Israeli airline carriers, El Al Israel Airlines Ltd ("El Al"), through its subsidiary, Sun D'Or International Airlines Ltd. and Israir Airlines & Tourism Ltd ("Israir"). The ICA's concern was that the proposed merger would result in loss of potential competition in the local air route to the southernmost city of Eilat. According to the ICA, El Al is a potential entrant to the route to Eilat, which is currently served by Arkia and Israir. The ICA's concern was that the merger would be a substitute for the independent entry of El Al to the market. Furthermore, the ICA was concerned that the proposed merger would increase El Al's incentives to exclude local competitors from the international airline markets, given that El Al is the sole provider of airline security services. El Al filed an appeal to the General Director's decision, but following the filing of said appeal, the Parties terminated the transaction for business reasons and the appeal was withdrawn.

The banking sector: In June 2018, the ICA blocked the proposed merger between two Israeli banks, Mizrahi Tefahot Bank Ltd. ("Mizrahi") and Union Bank of Israel Ltd. ("Union") according to which Mizrahi would purchase Union's entire share capital. The ICA determined that the banking field in Israel is highly concentrated and is characterised by a limited number of competitors and significant barriers to entry and exit. The ICA was concerned that the acquisition of Union, which is a small bank, by a bigger bank may cause significant harm to competition and that there is a reasonable concern that the acquisition could harm the competition on banking services to the diamonds industry.

Both Mizrahi and Union appealed the decision to the Competition Tribunal. In November 2019, the Tribunal accepted the appeals and overturned the decision to block the merger. The Tribunal decided that the market definition set in the decision to block the merger raises significant difficulties, as the ICA relied upon subjective information it collected and disregarded ongoing changes in the banking industry. The Tribunal criticised such reliance on subjective evidence and stated that concerns of harm to competition raised by the ICA were purely theoretical. The Tribunal did, however, acknowledge the ICA's concerns relating to the diamond industry and ordered the case to be returned to the ICA to consider a remedy package to alleviate such concerns. Following the Tribunal decision, in January 2020, the ICA approved the merger under several conditions, including a divestiture of Union's banking activity with the diamond industry.

In May 2019, the ICA approved a merger between one of the Israeli leading banks, Israel Discount Bank Ltd., and a smaller bank, Municipal Bank Ltd. (known as Dexia Bank), under conditions including divestiture of the acquired bank's credit business to a third party.

Media sector: In July 2018, the ICA blocked the proposed merger between two Israeli media-buying agencies: Union Media Israel Ltd.; and TMF Media Force. The proposed merger between the two agencies was challenging from an antitrust perspective from the outset, due to the reluctance of the ICA to approve similar transactions within the media-buying market over the last decade. The ICA determined that the field of media buying in Israel is highly concentrated and that the proposed merger raises significant concerns of harm to competition.

Failing firm doctrine applied: In August 2018, the ICA approved a merger between two Israeli television broadcasting and production companies which were running their separate commercial television channels, Reshet Media Ltd. ("Reshet") and the new Channel 10 Ltd. ("Channel 10"). The approval of the merger was conditional on the prior sale of Reshet's holdings in the Israeli News Company Ltd. (which was jointly held by Reshet and a third competitor, Keshet Broadcasting Ltd.). The ICA's approval of the merger was based on the "failing firm" doctrine, which was last applied almost 15 years ago. The ICA decided that in the present case the three conditions of the doctrine are fulfilled: (1) Channel 10 was unable to sustain its activities without the merger and was likely to exit the market; (2) there was no alternative purchaser which was better for competition; and (3) the merger alternative was better for competition than the cessation of Channel 10's activities altogether.

In June 2019, the ICA once again referred to the failing firm doctrine and approved a merger between Cellcom Israel Ltd., a leading Israeli telecommunications company, and IBC, a company active in the provision of optical fiber communications infrastructure services for wholesale customers and which is jointly held by the Israel Electric Corporation Ltd. and other corporations. The ICA implemented the failing firm doctrine and decided to clear the merger, even though it raised several competitive concerns, since IBC was facing insolvency issues.

Key economic appraisal techniques applied

The substantive test under Section 21(a) of the Competition Law is "reasonable likelihood that, as a result of the proposed merger, competition in the relevant market may be significantly harmed or that the public would be injured".

In 2011, the ICA published the "**Guidelines for Competitive Analysis of Horizontal Mergers**", which describe the theoretical economic and legal foundations upon which the ICA's merger review is based.

According to these guidelines, the core purpose of merger review is to prevent the creation or enhancement of market power. The guidelines further explain that such market power can be exercised either unilaterally ("merger to monopoly") or collectively. Moreover, the guidelines explain that, in order to assess the competitive effects of a contemplated merger, the following steps will be carried out:

Firstly, the ICA will identify the relevant product and geographical markets in which the merging companies operate. The definition of the relevant market is based on the hypothetical monopolist test, which is implemented using practical indices such as differences in the functional use of the products, price differences, price correlation, the perspectives of market participants, differences in quality and so forth.

Secondly, the ICA will identify the players in the market, their market shares, and the level of concentration before and after the merger.

The guidelines stress that the merger investigation does not rest solely on static analysis. Therefore, when the initial assessment yields that the merger raises significant concerns, the ICA will enter a more detailed analysis of the "dynamic aspects", i.e. the possibility that the new entry or expansion of existing players in the market will mitigate the immediate and potentially harmful effects of the merger.

The analysis of entry and expansion will focus on a variety of entry and switching barriers, including regulatory barriers, scale economics, network effects, strategic behaviour by incumbent firms, branding, and access to essential inputs, among others.

In assessing the possible competitive outcome of a merger per the substantive test mentioned above, the ICA usually applies the same methodology as the relevant US and EC authorities. The ICA would normally define the relevant market and then, if necessary, assess the relevant market shares of the parties, the existence of barriers to entry and expansion in the market, as well as other economic factors which may indicate how likely it is that the merger would result in either unilateral or coordinated effects.

The definition of the relevant market is mostly based on qualitative evidence, usually obtained by discussions with the merging parties and other market participants, internal documents, surveys, public records, information from other governmental agencies, and so forth. In cases where the qualitative analysis is not sufficiently informative, the ICA may seek to strengthen it with a quantitative analysis (critical loss analysis, price correlations, and so forth).

The ICA has increased the use of econometric analysis in recent years, but the analysis is still fundamentally qualitative. In January 2017, the ICA published a study on the methodology for defining markets utilising econometric models of demand. The study demonstrates the use of an econometric model for the evaluation of demand elasticity on the basis of consumer behaviour in order to define markets. The ICA notes, however, that the form of analysis demonstrated in the study is remarkable in its complexity and breadth and falls outside the scope of the ICA's resources in its day-to-day operations.

The ICA attributes special importance in merger investigations to direct evidence, such as natural experiments, internal documents, and market surveys. In recent years, many of the more complex cases filed with the ICA required an assessment of potential competition concerns. In this regard, the ICA is increasingly basing its analysis on the internal documentation it collects from the parties and on subjective assessments. Examples of this appraisal technique can be found in the *El Al/Israir* merger described above, in which the ICA decided to block the merger on the assumption that El Al intended to enter the route to Eilat were it not for the merger (to date, hypothetical) and the *Mizrachi/Union* merger, in which the Competition Tribunal criticised the ICA's decision to block the transaction, stating that it gave too much weight to subjective data, which was inconclusive.

The ICA will adjust its analysis to the case at hand and may adopt different market definitions within the same industry. For instance, in the food retail industry, the ICA's common approach has been to define broad demand areas when determining the relevant geographical market. However, in June 2019, subject to conditions, the ICA approved a merger between two food retail chains active in ultra-orthodox cities, Nativ Hahesed and Bar-Kol. Based on the unique consumer habits of this demographic, the ICA defined an ultra-narrow geographic market (short walking distance around each store) and accordingly required that in four areas the parties would divest one of their stores. In many areas, the ICA refused to view large discount retailers positioned in close geographic proximity and beyond walking distance to competitors.

Approach to remedies

If the analysis results in a conclusion that the merger is anticompetitive, the ICA will examine whether there are available remedies that can eliminate the potential harm to competition.

If such remedies are unavailable, the ICA will block the merger, subject to the rare situations whereby an efficiency defence or the failing firm doctrine may be applied as mentioned above.

In 2011, the ICA published the "**Guidelines on Remedies for Mergers that Raise a Reasonable Concern for Significant Harm to Competition**" (the "Remedies Guidelines").

The Remedies Guidelines outline the governing legal principles of merger remedies, two of which stand out: (a) the ICA is authorised to request remedies only if the merger, as it was originally proposed, presents a concrete danger that competition will be significantly harmed – in other words, the ICA may impose conditions only for mergers that it would otherwise block; and (b) remedies are preferable to outright objection to the merger whenever they are capable of mitigating harm to competition.

The Remedies Guidelines explain that the ICA will generally prefer structural remedies over behavioural remedies. The ICA alleges that structural remedies are generally more effective as they deal with the proverbial disease rather than the symptoms. Moreover, they do not require complex and constant monitoring, demand fewer public resources, and are executed within a defined and often brief time period. However, the ICA acknowledged that in certain instances behavioural remedies, or a mix of behavioural and structural remedies, would be more appropriate.

However, over the years the ICA's willingness to accept behavioural undertakings has been significantly reduced. Since the implementation of structural remedies has too faced difficulties, including a failed attempt at divesting several supermarket stores in a major food retail case, the ICA shifted to an *a priori* sale of assets ("fix-it-first") remedy as the "new standard". This was the case in the decision to approve the merger between Shufersal Inc., (retail chain) and New-Pharm Drugstores Ltd. (drugstore chain), the merger between Reshet and Channel 10 and the aforementioned Nativ Hahesed merger with Bar-Kol.

In the *Shufersal/New-Pharm* case, the ICA even took the fix-it-first policy a step further and not only required the divestiture of assets to a third party before finalising the merger, but also the sale of 10 stores as a bulk to the same third party. The ICA concluded that there are two main chains active in the relevant segment and thus conditioned the approval of the merger between Shufersal and New-Pharm on the sale of 10 stores to create a third competitor and increase competition. While it would have been sufficient to require the sale of assets to any third party in order to alleviate concerns from harm to competition on the specific divested locations, the ICA attempted to restructure the market in a more competitive way. In retrospect, the ICA's attempt failed and the third party that acquired the divested stores entered financial difficulties, forcing the sale of some of the stores. In the Nativ Hahesed merger, the ICA also required the third-party acquirer to compensate the ICA in the event of a failure to operate the divested stores for a period of 18 months.

As mentioned above, the merger control procedure in Israel does not have a formal classification method. Regardless, it is not uncommon for parties seeking swift approval for complicated mergers to offer upfront remedies, attempting to expedite the review process. However, it is more common that remedies are discussed only if the ICA reaches a tentative conclusion that the proposed merger may significantly lessen competition in the market. In such cases, the parties may propose remedies that eliminate the harm to competition or, alternatively, the ICA may stipulate conditions in order to secure merger approval, which may then be discussed with the parties.

Key policy developments

As can be seen above, recent regulatory changes are expected to affect the merger control regime in Israel. On the one hand, the turnover filing threshold has been elevated significantly in order to filter less substantial transactions; on the other hand, the contemplated changes in the manner in which the turnover will be calculated may create regulatory uncertainty and have the opposite effect.

The new merger notification form contemplated in the framework of the proposed amendment to the Antitrust Regulations is also expected to increase regulatory uncertainty. The scope of information which filing parties will be expected to collect before submission would be significantly broader. It remains to be seen whether the ICA's declarations that this reform would expedite the review period will come to fruition, or that in fact, the preparation period may increase, resulting in an overall increase in the process from preparation to clearance.

In the field of remedies, the ICA's tendency to demand stringent remedies is expected to continue. As described above, the ICA prefers to implement structural remedies and with respect to divestitures, implements a fix-it-first policy. Structural remedies, the fix-it-first policy and other requirements intended to ensure adherence to remedies are gradually becoming the default position of the ICA when remedies are implemented. Obligations and commitments of third parties that acquire carved-out assets are becoming more prevalent as well.

With respect to international mergers, especially those involving industries with which the ICA is less familiar or when the "remote" access of the ICA to the foreign entities makes it difficult for the ICA to gather extensive information needed to analyse the merger, the ICA's policy is to defer its approval pending the decision of other antitrust authorities (namely the EU and US authorities). This practice has become increasingly common in past years in foreign-to-foreign transactions and may have a significant influence on the review schedule of certain merger transactions. The ICA will usually want to consider remedies offered to the foreign authority and possible Israeli-specific aspects and will take a few business days after the relevant foreign authorities' decision to finalise the decision locally.

The ICA published several clarifications regarding the application of the Competition Law in light of the COVID-19 pandemic and the unprecedented business-related challenges it raises. Among others, the ICA acknowledges the need to apply a more flexible approach with respect to "gun-jumping" rules and clarified that if the waiting period during this crisis was likely to cause irreversible harm to the merging entities, they may reach out to the ICA in order to find solutions to difficulties that could arise in the face of the exceptional state of the economy.

Reform proposals

As mentioned above, the ICA is currently working on a proposed amendment to the Antitrust Regulations that entails a complete reform to the merger control regime in Israel and an increase to the turnover threshold. For further information, please see the section above regarding new developments in jurisdictional assessment and procedure.

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Dr. David E. Tadmor is the co-chairman and managing partner of Tadmor Levy & Co. His areas of expertise are competition law, M&A, government regulation and banking law, and his practice includes the representation of many leading multinational clients in a large variety of industries, as well as many of Israel's largest industrial companies, holding companies, and financial institutions. *Chambers* described David's antitrust reputation as "(in) a league of his own and a first port of call". Widely recognised as a foremost expert in competition law and regulation, David served as the General Director of the Israel Competition Authority (ICA) between 1997 and 2001. Under his tenure, the ICA tripled in size and much of the foundations for Israel's competition law and enforcement policies were laid. David introduced the ICA to the competition committee of the OECD and was the driving force behind the cooperation agreement between the United States and Israel in the area of competition.

As a leading lawyer in the area of government regulations, David has represented major clients before governmental bodies and legislative committees in many of Israel's major regulatory and legislative reforms.

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Shai Bakal heads the firm's Competition/Antitrust practice group.

Shai's practice covers all areas of antitrust law and regulation. He regularly advises and represents leading corporations in Israel and abroad with respect to complicated antitrust matters, including complex mergers, joint ventures, restrictive trade practices and abuse of dominant position proceedings. He is well acquainted with the different sectors of the Israeli economy, particularly the food, energy, retail, and banking sectors. Shai has created and implemented antitrust compliance programmes for large Israeli companies and multinational corporations. Shai advises leading suppliers and retailers in Israel with respect to the recently enacted food sector law as well as leading conglomerates regarding the new anti-concentration law.

Shai successfully represents clients in complex antitrust litigation before the Competition Tribunal and in civil litigation, including class actions and appeals before the Supreme Court. In addition, Shai has represented clients before various Israeli regulators, as well as in administrative petitions to the Israeli Supreme Court.

Prior to joining the firm, Shai practised law in the legal department of the ICA (2002–2007), where he was in charge, among others, of the food sector, retailing, and intellectual property. He was later appointed as the head of the ICA's mergers team, where he participated in the International Competition Network's subgroup for merger investigative techniques.

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