

Unclassified

English - Or. English

30 June 2025

Directorate for Financial and Enterprise Affairs  
**COMPETITION COMMITTEE**

## Annual Report on Competition Policy Developments in Finland

-- 2024 --

This report is submitted by Finland to the Competition Committee FOR INFORMATION.

JT03568866

## *Table of contents*

<b>Finland</b> .....	<b>3</b>
<b>1. Legislative Changes</b> .....	<b>3</b>
1.1. DMA and FSR .....	3
<b>2. Antitrust Cases</b> .....	<b>3</b>
2.1. Pending in courts .....	3
2.2. Ongoing investigations .....	4
2.3. Closed cases .....	4
<b>3. Illegal Direct Awards</b> .....	<b>4</b>
3.1. Pending in courts .....	4
<b>4. Competitive Neutrality</b> .....	<b>5</b>
<b>5. Merger Enforcement</b> .....	<b>6</b>
<b>6. Market Studies</b> .....	<b>7</b>

## *Finland*

### 1. Legislative Changes

#### 1.1. DMA and FSR

1. Two EU-level regulatory frameworks – the Digital Markets Act (DMA) and the Foreign Subsidies Regulation (FSR) – came fully into force during 2024 and brought new responsibilities for the agency. Both regimes are exclusively enforced by the European Commission, assisted by the designated authorities in each Member State. In Finland this authority is the FCCA, and its powers partly derive from Finnish legislation as well.

### 2. Antitrust Cases

#### 2.1. Pending in courts

2. Pipeline infrastructure markets. The Market Court (a first instance appellate court) rejected an FCCA proposal for a penalty payment in this case. The authority argued that a number of companies on the market had engaged in unlawful horizontal cooperation. Although otherwise rejecting the FCCA proposal, the court confirmed that certain companies did in fact hinder their competitors' ability to operate on the market, and this conduct infringed the Competition Act. However, the court considered this to be only a momentary and isolated incidence of unlawful conduct, and not sufficient to impose penalties. The case is currently before the Supreme Administrative Court as the FCCA has appealed against the legal costs it was ordered to reimburse.

3. Real estate management. The Supreme Administrative Court is currently assessing whether the Finnish Real Estate Management Federation and six companies operating in the sector implemented illegal price fixing arrangements with the aim of elevating the price level of their services. The FCCA proposed penalty payments worth EUR 22 million in total. The Market Court imposed penalty payments of around EUR 5 million as the court did not consider the illegal conduct as extensive as argued by the FCCA. The ruling of the Supreme Administrative Court is expected during 2025.

4. Local bus markets. In November 2023, the Market Court imposed a EUR 1.54 million penalty payment, as proposed by the FCCA, on six companies operating in the public transport sector in the city of Turku. The court stated that the bus companies had illegally submitted joint bids in tendering processes for public transport services, and that the joint bids constituted prohibited co-operation between competitors, including price fixing and market sharing. The case is currently pending in the Supreme Administrative Court, with a ruling expected during 2025.

5. Dawn raid obstruction. In May 2024, the FCCA proposed a penalty of 4.4 million euros on the basis that an undertaking hindered a dawn raid (an inspection in a business premises of the undertaking) carried out by the FCCA. During the inspection, an employee of the undertaking deleted work-related WhatsApp messages from his personal mobile phone as well as its incoming/outgoing calls record (calls log). After this incident, the undertaking itself cooperated with the FCCA to restore the deleted material. The FCCA took this cooperation into account as a mitigating factor in its penalty proposal to the Market Court. However, according to the court, the measures carried out by the undertaking

after the incident did significantly reduce the harm caused by the employee, and also the reprehensibility of the conduct. The court considered that this merited a lower penalty payment of 1.5 million euros. This was the first time the competition authority in Finland proposed fines for conduct of this nature (obstructing a dawn raid). Both the undertaking and the FCCA have appealed, and the case is now pending in the Supreme Administrative Court.

## 2.2. Ongoing investigations

6. In 2024, the FCCA continued with a number of cartel investigations, and the authority carried out several dawn raids in that regard. Some of the investigations are publicly known, such as those concerning nursing services (particularly sheltered housing services for older citizens), wild berry trading and influencer marketing.

7. The FCCA also continued its ex officio investigation into whether the exclusivity and price parity terms applied by Wolt, an online platform for ordering food for delivery or pickup, breached competition rules, harming its competitors and leading to increased market concentration. In February 2024, the FCCA informed Wolt of its preliminary assessment, based on the sales data of two competitors, Wolt and Foodora, that the trading terms applied by Wolt were harmful for competition in the market by reducing customer mobility, among other effects. After this assessment, Wolt announced it would cease the harmful practices by October 2024. The final decision on the matter was put off until 2025.

8. During 2024 the FCCA also investigated cases relating to the national ice-hockey league and network cooperation between telecom operators, among others.

## 2.3. Closed cases

9. Cosmetics market. The FCCA concluded that two competing cosmetics importers engaged in unlawful price cooperation. However, the authority did not propose any penalty payment for these companies as the impact of their arrangement on the economy was marginal and their Finnish market share was low.

## 3. Illegal Direct Awards

10. State and municipal authorities and other contracting entities referred to in the Act on Public Procurement must arrange competitive tendering for their procurements and concession contracts, as provided for in that Act. The FCCA is empowered to take action to combat illegal direct procurement (illegal direct awards). In an illegal direct procurement, the contracting entity (the entity acquiring the goods or services) negotiates contract terms directly with its selected supplier(s), and no statutory call for bids is organised despite being required by the Act. In such cases the FCCA is obliged to make a penalty payment proposal to the Market Court within a given timeframe.<sup>1</sup>

### 3.1. Pending in courts

11. In-house procurement. An important precedent is pending in the Supreme Administrative Court. The matter is highly important in principle and relates to a larger

---

<sup>1</sup> As of June 2024, this deadline – counted from the conclusion of the procurement contract – was extended to twelve months. The previous six month deadline was in many cases too tight to carry out investigations effectively and prepare a case for the upcoming court proceedings.

phenomenon: whether the concept of *in-house providers* has been interpreted too broadly by public sector entities in the country. As a result, as the FCCA argues, no tendering process takes place despite it being mandatory under the Act.

12. The Act on Public Procurement contains exemptions that allow derogations from the obligation to call for bids. In certain situations, procurement of goods or services need not be put out to tender, for instance if the procurement is from an in-house entity, meaning that there is a legally acceptable in-house connection between the contracting entity and the supplier. However, an additional requirement for the supplier to be an in-house entity is that the contracting authority exercises control over the supplier in question itself or jointly with other owners.

13. The FCCA brought two separate cases before the Market Court seeking termination of a procurement contract with suppliers. In both cases, the FCCA found that the contracting entity had awarded contracts to an entity over which it had no controlling interest as required by law. As a result, without the valid in-house connection, the direct contract awards were illegal, and contracts should have been put out to tender. Both the contracting authorities were Wellbeing Services Counties, one in Western and the other in Southern Finland. In the Western Finland case, the procurement related to debt collection services (worth EUR 1.9 million), and the contracting authority had a 0.09 per cent ownership share in the supplier. As for the case in Southern Finland, the procurement related to personnel management services (worth EUR 9.3 million), and the contracting entity had a 0.04 per cent ownership share in the supplier.

14. In both cases, the Market Court came to the same conclusion as the FCCA, that there was no lawful in-house link. The Southern Finland case is pending in the Supreme Administrative Court, and its decision is expected in 2025.<sup>2</sup>

15. Tourism and marketing services.

The FCCA requested that the Market Court impose a penalty payment of EUR 40,000 on the city of Rovaniemi on the basis that the city had conducted illegal direct procurement of tourism and marketing services. The case is pending in the Market Court.

#### 4. Competitive Neutrality

16. In November 2024, the Market Court delivered a judgement in its first competitive neutrality case.

17. The FCCA has powers to enforce the provisions of the Competition Act which aim to secure a level playing field (competitive neutrality) between publicly and privately owned undertakings. This case concerned a database which is needed to find a foster care unit for a child. The database compiles information on various foster care units into one place, and it helps the responsible authority find foster care units for children protected under the Child Welfare Act.

---

<sup>2</sup> There is also an ongoing proposal to deal with the in-house matter through legislation. This would mean that a shareholder (public sector entity) must own at least 10 per cent of a company before this company can be declared an in-house service provider in a procurement process. The FCCA has objected, arguing that this proposal is too rigid. It does not take into account specific characteristics of the procurement process in various sectors and industries, regions and purchasing entities. The FCCA is also concerned that the proposed new legislation in its current form would increase procurement costs.

18. A private sector entity asked the FCCA to investigate whether competitive neutrality was infringed, for instance due to the fact that private undertakings were denied access to the database by public sector entities. It was claimed that this damaged the competition between public and private undertakings. The FCCA rejected the complaint, largely on the basis that the database was closely connected to the powers of a public authority under the Child Welfare Act. The FCCA concluded that this function is a non-economic activity and hence outside the enforcement powers of the FCCA, and this conclusion was confirmed by the Market Court.

## 5. Merger Enforcement

19. In 2024, the FCCA received 62 merger notifications, of which 56 cleared in phase one without remedies. Two notifications were referred for more in-depth phase two assessment. One merger was cleared in phase two with remedies. Four notifications were withdrawn by the merging parties. Although merger control notification thresholds were lowered in 2023, handling times have not notably increased.<sup>3</sup>

20. **Breach of remedies.** Responding to a proposal by the FCCA, the Market Court imposed a penalty payment on Valio Ltd for breaching commitments in relation to its acquisition of Heimon Tukku, a grocery sector and food service wholesaler. The penalty payment (EUR 600,000) was lower than that proposed by the FCCA (EUR 900,000). The Market Court found that Valio's violation was somewhat narrower than argued by the FCCA, and this was taken into account in the amount of the penalty payment imposed by the court.

21. Valio, a food manufacturer, was able to obtain – through its ownership of Heimon Tukku – pricing information of other food manufacturers competing with Valio. Before the acquisition was cleared, the FCCA concluded that Valio's access to pricing information of competing food manufacturers would restrict competition between manufacturers for food service customers (e.g., hotels, cafés and restaurants, public institutions). As a remedy, Valio committed to ensuring that this competitor information held by Heimon Tukku would not be passed on to those who were responsible for the pricing of Valio's products. This way, the Valio/Heimon Tukku acquisition would not mean that competitors' confidential pricing information would be passed on to Valio. However, at the end of 2022 Valio informed the FCCA that it had detected an error in the information system firewall. As a result, Valio staff responsible for food service customers had access to the confidential price information of Valio's competitors for several months.

22. This was the first time the FCCA proposed a fine for breaching a commitment in relation to merger enforcement. Given that mergers are often approved after the notifying party offers commitments to resolve the FCCA's potential competition concerns, a precondition for the efficiency and credibility of merger enforcement is that remedies and commitments are respected and that the FCCA intervenes effectively in detected remedy violations. In this respect, the case in question is an important precedent that highlights the

---

<sup>3</sup> The new thresholds came into force in January 2023 as section 22 of the Finnish Competition Act (948/2011) was amended. Since this amendment, the Finnish Competition and Consumer Authority (FCCA) investigates transactions (which must be notified to the FCCA) under which the parties' combined turnover generated in Finland exceeds EUR 100 million and the total turnover generated in Finland of at least two parties exceeds EUR 10 million per party. Prior to the amendments, a notification had to be submitted to the FCCA if the parties' combined worldwide turnover amounted to EUR 350 million and the turnover in Finland of at least two of the parties exceeded EUR 20 million.

importance of compliance with and effective fulfilment of commitments. The FCCA has appealed against the decision, and the case is currently pending in the Supreme Administrative Court.

23. In March 2024, the FCCA issued new and updated remedies guidance on commitments in the context of merger enforcement. According to the Competition Act, commitments (remedies) are the primary tool used to resolve any competition harm a merger notified to the FCCA may cause. The guidance aims to increase awareness of acceptable remedies in general, to allow the parties to take into account the principles of the guidance in advance, and as a result to streamline the remedies procedure as a whole.

## 6. Market Studies

24. In 2024, the FCCA published twelve studies and reports exploring how various markets function as well as potential regulatory and/or advocacy options relating to these markets. These studies concerned gambling, public procurement, food sector, pharmacy, rail passenger transport and taxi markets. Along with other Nordic competition authorities, the FCCA prepared a report on the relationship between competition law and labour markets.

25. The FCCA has also conducted ex-post studies on how veterinary and health care markets have evolved after mergers and acquisitions in these industries. According to the FCCA, these studies show that the authority should have an additional tool (e.g., a call-in option) to intervene – even in mergers and acquisitions which the parties are not obliged to notify to the FCCA – because not all harmful mergers are notified to the competition authority. There are currently no ongoing preparations to change the Competition Act in this respect.