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**COMPETITION COMMITTEE**

## Annual Report on Competition Policy Developments in Denmark

-- 2021 --

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

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## *Denmark*

### **1. Changes to competition laws and policies, proposed or adopted**

#### **1.1. Summary of new legal provisions of competition law and related legislation**

##### ***1.1.1. Amendment of the Danish Competition Act***

1. In March 2021, a comprehensive amendment of the Danish Competition Act came in to force in Denmark. The amendment implements the ECN+-Directive, which aims at strengthening the national competition authorities in Europe.
2. The amended law introduces a new civil fining system wherein Danish courts can impose fines to undertakings under a civil procedure instead of a criminal procedure. Previously, there were two authorities involved in competition cases as it was within the jurisdiction of the State Prosecutor for Serious Economic and International Crime (now Special Crime Unit) to assess criminal liability and initiate criminal proceedings for the courts. It was also within the jurisdiction of the State Prosecutor for Serious Economic and International Crime (now Special Crime Unit) to settle cases – referred to the prosecutor by the Danish Competition and Consumer Authority (DCCA) – with a fine notice. With the amended law, the DCCA can itself bring a case before a civil court that can impose a civil fine to an undertaking. The DCCA can also settle a case with a fine notice if the Danish Competition Council (DCC) approves it. The DCCA/DCC have already exercised the jurisdiction to do so for the first time in 2021 in a case involving 20 nightclubs. In general, the DCCA/DCC experience great interests from undertakings in settling cases with a fine notice, as this is an effective way to get a case closed quickly and because undertakings can get a fine reduction for cooperating.
3. It is still within the jurisdiction of Special Crime Unit to handle cases against individuals, as cases against individuals remain in the criminal system.
4. The amendment of the Danish Competition Act also provides the DCCA with wider powers to conduct interviews, order structural remedies, hold parent companies liable for infringements committed by subsidiaries, and carry out court-ordered inspections in private homes.

##### ***1.1.2. Amendment of the Danish Payment Regulation and other regulations***

5. In January 2021, an amendment of the Danish Payment Regulation and other regulations came in to force in Denmark.
6. Previously, the Minister of Industry, Business and Financial Affairs was responsible for the DCCA's oversight of certain provisions in the Danish Payment Regulation. With the amendment, this overall responsibility was passed to the DCC. Accordingly, the DCC decides in cases that are fundamental or of great significance. However, the DCC can delegate its decision-making powers to the DCCA. The amendment also means that the oversight with the Danish Payment Regulation is independent from the Minister of Industry, Business and Financial Affairs. This is in line with the competition area.

## 1.2. Other relevant measures, including new guidelines

7. In 2021, the DCCA published new practical guidelines regarding confidential information. The guidelines describes how the DCCA, in case of request for access to documents, consults undertakings that have submitted information to the DCCA regarding the confidentiality of the submitted information. The guidelines also addresses how undertakings that have submitted information to the DCCA can respond to the DCCA's consultation. Furthermore, the guidelines describes how the DCCA in general assesses confidentiality in connection with requests for access to documents.

8. The DCCA also published guidelines regarding protection of undertakings and individuals against self-incrimination. The guidelines describes when undertakings and individuals are obliged to provide information to the DCCA and explains to what extent the principles on self-incrimination apply. When submitting information to the DCCA, undertakings are protected against self-incrimination in accordance with the principle of self-incrimination, which has been developed through case law from the European Court of Justice. Individuals are protected in accordance with the principles in the Danish Act on Legal Safeguards in the Administration's application of coercive measures and duties to supply information.

9. Furthermore, the DCCA published Guidelines regarding Voluntary Chains. The guidelines gives companies and their advisers an overview of the competition rules they must be aware of if they cooperate with other companies within the framework of a voluntary chain. In addition, the guidelines contains references to relevant EU-rules and -guidelines. In the guidelines, companies and their advisers will also find a number of general advice and recommendations for voluntary chains. The guidelines takes into account the fact that there are many different forms of cooperation and many different kind of chains, and that the chains operate under different market conditions.

10. Finally, the DCCA published a concise guide for undertakings that consider bidding jointly for a contract. The guide gives undertakings a quick overview of what to be aware of when bidding jointly; e.g. under which circumstances are undertakings considered competitors in relation to a contract and under which circumstances can a joint bid limit competition. The concise guide is a supplement to extended guidelines on the subject published by the DCCA in 2020.

## 1.3. Government initiatives

11. In August 2021, the Danish government launched a broad range of political initiatives to address the issue of how to create fair competition and better consumer protection in light of the emergence of tech giants. Three of these initiatives potentially involve amendments of the Danish Competition Act.

12. The first initiative regards enabling the DCCA to "call-in" mergers that potentially may lead to a significant impediment of effective competition, even though they are below the thresholds for notification of mergers.

13. The second initiative regards enabling the DCCA to conduct so-called market investigations, inspired by the tools in UK and Iceland. A market investigation tool will give the DCCA the power to impose remedies if competition issues are identified, even if there are no violations of the Danish Competition Act.

14. The third initiative regards enabling the DCCA to require tech giants to pay for analyses/reviews conducted by independent experts (skilled person reviews) in order to ensure and encourage tech giants to comply with the competition rules.

15. The Danish government has not yet put forward the necessary legislation.

## 2. Enforcement of competition laws and policies

### 2.1. Action against anticompetitive practices, including agreements and abuse of dominant position

#### 2.1.1. Summary of significant cases before the Danish Competition Council

##### *Nightclub cartel*

16. In December 2021, the DCCA/DCC exercised its jurisdiction to settle a case with a fine notice for the first time in a case involving 21 nightclubs. The case concerns a market sharing agreement between a large number of nightclubs and their jointly owned purchasing company. Thus, the nightclubs and their jointly owned purchasing company had agreed not to open nightclubs in each other's towns or within a radius of 20 kilometers from one another. The nightclubs accepted to pay fines for infringing the Danish Competition Act.

##### *Commitments in case concerning personal tax compliance software*

17. In December 2021, the DCC accepted binding commitments offered by Wolters Kluwer Danmark A/S (Wolters Kluwer). Thus, the DCC did not make an infringement decision but decided that the commitments offered by Wolters Kluwer were sufficient to meet the DCC's competition concerns.

18. Wolters Kluwer sells personal tax compliance software. The software is mostly purchased by auditors and tax advisers, who offer advice to individuals on tax related matters, e.g. tax returns and calculation of tax. The case concerns Wolters Kluwer's application of (i) terms of non-termination or (ii) conditional rebates or (iii) a combination of both terms. The length of contracts containing the terms were up to 3 years and 4 months.

19. It was the DCCA's preliminary assessment that the relevant product market may be defined as the market for personal tax compliance software in Denmark, and that Wolters Kluwer had a dominant position on the market. The DCCA's preliminary assessment also showed, that the market was characterized by the fact that the majority of customers only used one supplier at a time.

20. The DCCA's competition concerns regarded that the terms – as a consequence of the market characteristics – restricts customers in the same way exclusivity clauses do, where the customer have to cover all or a significant part of their demand at Wolters Kluwer. Thus, the DCCA's assessment was that the customers could not purchase personal tax compliance software from other providers during the lock-in periods, just as other providers could be foreclosed from competing for customers demand in the period the customer was bound by the agreement with Wolters Kluwer.

21. Among other things, the commitments offered by Wolters Kluwer imply that costumers with multi-annual agreements with Wolters Kluwer have the possibility to terminate the agreement, and that rebates will no longer be subject to the agreement being multi-annual.

22. The commitments ensure that buyers of personal tax compliance software are no longer tied to Wolters Kluwer and allow for increased competition from other providers. The commitments will last until 31 August 2027.

### ***2.1.2. Summary of significant cases before the Danish Competition Appeal Tribunal***

#### *Abuse of dominance on the Danish market for distribution of unaddressed mail*

23. In April 2021, the Danish Competition Appeal Tribunal (DCAT) upheld a decision from the DCC.

24. The DCC decided that FK Distribution (Forbruger-Kontakt) abused its dominant position on the market for distribution of unaddressed mail (print circulars) in Denmark by tying its sale of distribution of print circulars in Denmark with its sale of viewing of circulars on its digital platform “MineTilbud” in Denmark.

25. The DCAT found that the contractual tying was capable of restricting competition by providing Forbruger-Kontakt with a certainty that the circulars of a large number of customers – including circulars from large and important customers – were shown on MineTilbud. On one hand, this conduct ensured that Forbruger-Kontakt had more users on MineTilbud, and on the other hand, the conduct reduced the incentive of the customers to use and pay for the use of alternative digital platforms for circulars.

26. Subsequently, the DCAT’s decision was appealed to the Danish Maritime and Commercial High Court. The case is still pending.

#### *Anti-competitive exchange of information between retailers of clothing items*

27. In June 2021, the DCAT upheld two separate decisions from the DCC concerning (i) HUGO BOSS NORDIC ApS (HUGO BOSS) and Axel Kaufmann ApS (Kaufmann) and (ii) HUGO BOSS, Ginsborg ApS and Ginsborg Frederiksberg Centret ApS (Ginsborg).

28. In both decisions, The DCC decided that the parties’ exchange of information on prices, discounts and quantities in relation to future sales constituted a violation of Section 6 of the Danish Competition Act and TFEU article 101(1).

29. HUGO BOSS is an international manufacturer, supplier and retailer of clothing items of the brand Hugo Boss. Kaufmann and Ginsborg are Danish retailers of clothing items from different brands, including the brand Hugo Boss.

30. HUGO BOSS has a vertical relation to Kaufmann and Ginsborg as a supplier as well as a horizontal relation as a competitor at the retail level.

31. Often, there are no competitive concerns associated with exchange of information in a vertical relationship. However, when the manufacturer/supplier is also a retailer of clothing items competing with its downstream customers, the exchange of information on prices, discounts and quantities may restrict competition between them at the horizontal level.

32. In the two cases, the exchange of information on prices, discounts and quantities gave HUGO BOSS, Kaufmann and Ginsborg the ability to coordinate future sales in accordance with the information exchanged which may have led to a more uniform and reduced range of products on sale as well as lower discounts to the detriment of consumers.

33. The majority of the DCAT upheld the decisions from the DCC. The minority found that it was questionable whether it was in fact a by object infringement and found that the case should be remitted to the DCC.

34. The decision from the DCAT has been brought before the Danish Commercial and Maritime court. The case is still pending.

### *2.1.3. Summary of significant cases before the Danish Courts*

#### *Refusal to supply and prevention of parallel import*

35. In January 2021, the Danish Maritime and Commercial High Court upheld the DCC's decision regarding that Deutz had abused its dominant position, and that Deutz and Diesel Motor Nordic A/S (Diesel Motor Nordic) had entered into an anti-competitive agreement.

36. Thus, like the DCC, the Danish Maritime and Commercial High Court found that Deutz abused its dominant position by refusing to supply engine spare parts to the Danish IC3-trains, and that Deutz and Diesel Motor Nordic jointly entered into an anti-competitive agreement to prevent the import of the spare parts.

37. Deutz prevented the supply of spare parts for the IC3-trains owned by the Danish State Railways, DSB, by preventing the supply to DSB's subcontractors outside Deutz' exclusive dealership network. The spare parts were to be used in the renovation of 404 Deutz-engines. Deutz refused to supply spare parts to the IC3-trains and prevented parallel imports of spare parts in an agreement with its distributor in Denmark, Diesel Motor Nordic.

38. The case began in 2010 were DSB attempted to reach an agreement regarding renovation of the engines with Deutz and Diesel Motor Nordic. DSB could not accept the price and conditions offered. Instead, DSB entered into an agreement with a consortium of four smaller companies.

39. In order to restore the IC3-trains the consortium needed to buy spare parts. However, through refusal to supply and prevention of parallel trade Deutz and Diesel Motor Nordic tried to block the delivery of spare parts that could only be sourced through Deutz. The purpose hereof was to prevent the consortium from fulfilling the agreement with DSB and to push DSB to buy at a higher price from Deutz' own distributor in Denmark, Diesel Motor Nordic.

40. The case has been appealed and is now pending before the Eastern High Court.

#### *Coordination of prices for service of natural gas furnaces*

41. In March 2021, the Court of Appeal of Eastern Denmark upheld a decision from the DCC regarding HMN Naturgas' coordination of prices with two competitors and an industry association.

42. Thus, like the DCC, the Court of Appeal of Eastern Denmark found that HMN Naturgas had illegally coordinated prices for service of natural gas furnaces with two competitors and an industry association.

43. In 2014, the parties entered into an agreement, in which the parties coordinated subscription prices for service on natural gas boilers to end users.

44. Like the DCC, The Court of Appeal of Eastern Denmark found that the coordination according to its content, objectives and the economic and legal context of which the provision formed part was as a horizontal agreement concerning the coordination of end user prices of such nature that it, according to experience and established competition law practice, must be considered a restriction of competition.

*Joint discounts for the sale of advertisement space on the Danish market for the sale of outdoor-advertisement space*

45. In November 2021, the Danish Maritime and Commercial High Court partly upheld a decision from the DCC regarding Clear Channel Danmark A/S' (Clear Channel) and AFA JCDecaux A/S' (AFA JCDecaux) adoption of formal agreements of joint discounts for the sale of advertisement space in the outdoor media segment.

46. Thus, like the DCC, the Danish Maritime and Commercial High Court found that Clear Channel and AFA JCDecaux had acted in violation of section 6 of the Danish Competition Act and article 101(1) TEUF by adopting formal agreements of joint discounts for the sale of advertisement space in the outdoor media segment. However, the Court did not find that the companies also had a concerted practice for a following period after the expiry of the formal agreements.

47. Clear Channel and AFA JCDecaux were the largest players on the Danish market for the sale of outdoor-advertisement space during the period reflected in the decision. Clear Channel and AFA JCDecaux had written agreements to maintain common rates for "media commission", "security compensation" and "information compensation" regarding 2009 and 2010. The companies also agreed on a common rate for a cash reimbursement discount regarding 2010.

48. After the expiry of the written agreements Clear Channel and AFA JCDecaux continued to apply the common rates for "media commission", "security compensation" and "information compensation" until at least 21 April 2015.

49. The case has been appealed and is now pending before the Eastern High Court.

**2.1.4. Cases with criminal charges**

50. In 2021, 27 undertakings and 5 individuals were fined. The fines to companies amounted to a total of DKK 9,605 mill. and the fines to individuals amounted to a total of DKK 270.000.

51. As described in *section 1.1.1.*, the amendment of the Danish Competition Act in 2021 introduces a new civil fining system wherein Danish courts can impose fines to undertakings under a civil procedure instead of a criminal procedure. There is a transitional period, which means that cases where the DCCA has sent out a statement of objections to an undertaking or where the State Prosecutor for Serious International and Economic Crime (now Special Crime Unit) has filed preliminary criminal charges against an undertaking before 4 March 2021 will be handled pursuant to the previous rules. In addition, there is a time span between the referral of a case to the State Prosecutor for Serious International and Economic Crime (now Special Crime Unit), with or without a previous administrative decision<sup>1</sup>, and when the fine was imposed. Consequently, some of the fines imposed in 2021 were imposed under a criminal procedure, even though no cases were referred to Special Crime Unit in 2021.

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<sup>1</sup> 2 of the cases where undertakings were fined in 2021 were referred to the State Prosecutor for Serious International and Economic Crime (now Special Crime Unit) after a previous administrative decision.



## 2.2. Mergers and acquisitions

### *2.2.1. Statistics on number, size and type of mergers notified and/or controlled under competition laws*

52. In 2021, the DCCA approved a total of 65 notified mergers. 58 of the mergers were processed under the simplified procedure. Of the remaining mergers, 5 were approved in phase I and 2 were approved in phase II. 2 mergers were approved with commitments offered by the merging parties – 1 in phase I and 1 in phase II.

### *2.2.2. Summary of significant cases*

#### *Orifarm's acquisition of certain assets from Takeda*

53. The DCC has approved Orifarm Generics Holding's (Orifarm) acquisition of certain assets, including a product portfolio consisting of prescription pharmaceuticals, over-the-counter pharmaceuticals, vitamin and dietary supplements and herbal medicines and two manufacturing sites from Takeda Pharmaceuticals International AG (Takeda). Orifarm has committed to divest the rights related to a series of products as a condition of the approval.

54. Orifarm is a privately held Danish pharmaceutical company. The company's two business areas are parallel imported pharmaceuticals and generic pharmaceuticals. Takeda is a wholly owned subsidiary of Takeda Pharmaceutical Company Limited, a multinational pharmaceutical and biopharmaceutical company listed before the Tokyo and New York stock exchange.

55. Orifarm acquires a product portfolio of 50 pharmaceuticals, 43 vitamin and dietary supplements and herbal medicines and two manufacturing sites in Denmark and Poland from Takeda.

56. Based on an overall assessment the DCCA considered that the merger would lead to a significant impediment to effective competition due to unilateral and/or coordinated effects in 11 of the affected markets.

57. Takeda is a member of The Danish Association of the Pharmaceutical Industry (hereinafter "Lif"), a trade association for researching pharmaceutical companies. As a generic company and parallel importer, Orifarm cannot become a member of Lif. As a result, the DCCA found that the merger could lead to a significant impediment to effective price competition and thus higher prices since Orifarm would not be part of the price ceiling agreements that Lif has entered into with the Ministry of Health and the Danish Regions.

58. Orifarm has offered commitments to address the competition concerns of the DCCA. Orifarm commits to divest seven generic pharmaceuticals, five marketing authorizations for parallel imported pharmaceuticals and one over-the-counter product. In addition, Orifarm commits to comply with the price ceiling agreements that Lif has entered into with the Ministry of Health and the Danish Regions for 108 pharmaceutical products.

#### *JP/Politikens Hus' acquisition of sole control over Dansk Avis Omdeling A/S and A/S Bladkompagniet*

59. The Danish Competition Council has approved JP/Politikens Hus A/S' (JP/Politiken) acquisition of sole control over the newspaper distributors Dansk Avis Omdeling A/S (DAO) and A/S Bladkompagniet (Bladkompagniet). JP/Politiken has committed to sell newspaper distribution on fair, reasonable and non-discriminatory terms to DAO and Bladkompagniets costumers.

60. JP/Politiken is a Danish media company that publishes the newspapers Ekstra Bladet, Jyllands-Posten and Politiken. In addition, JP/Politiken runs publishing, printing and news services and sells books.
61. DAO offers distribution of daily newspapers in Jutland and distribution of parcels throughout Denmark.
62. Bladkompagniet offers distribution of daily newspapers on Zealand and the surrounding islands and distribution of magazines and letters throughout Denmark.
63. Before the merger, JP/Politiken had joint control over DAO and Bladkompagniet together with Den Sydvestjydske Venstreprese ApS respectively Berlingske Media A/S. After the merger, JP/Politiken will become the majority shareholder, while Jysk Fynske Medier PS (partly owned by Den Sydvestjydske Venstreprese ApS) and Berlingske Media A/S will become minority shareholders.
64. As part of the acquisition, Bladkompagniet will become a subsidiary of DAO. DAO thus becomes a nationwide distributor of daily newspapers and mail (including parcels, magazines and letters).
65. Based on an overall assessment the DCC considered that the merger would lead to a significant impediment to effective competition.
66. JP/Politiken becomes the owner of the only two daily newspaper distributors in parts of Jutland and on Zealand and the surrounding islands. This would give JP/Politiken the opportunity and incentive to raise prices or degrade conditions for competing newspaper publishers that need the distribution of newspapers in these areas.
67. To meet the concerns of the DCC, JP/Politiken has submitted five commitments. Overall, the commitments ensure that DAO and Bladkompagniet sell newspaper distribution on fair, reasonable and non-discriminatory terms to their customers.

### 3. The role of competition authorities in the formulation and implementation of other policies, e.g. regulatory reform, trade and industrial policies

#### 3.1. Advocacy

68. The DCCA's mission is to support well-functioning markets. One of the tools to achieve this goal is advocacy.
69. In January 2021, The DCC published a large-scale analysis on competition in the Danish market for lawyers. The analysis comprises both large and small law companies. In addition, the analysis focuses on the information asymmetry and the challenges that consumers face when navigating in the market. The analysis resulted in 16 recommendations on how to improve competition in the Danish market for lawyers. A summary of the report is included in section 5.
70. In the end of 2021, the DCC launched an analysis of the competition on the market for insurance. The purpose of the analysis is to measure potential indicators of competition and to analyze potential differences in insurance premiums that is not related to the risk profiles of customers.
71. In 2017, an agreement between political parties stipulated that the DCCA each year should draft an analysis on the visibility and mobility on the Danish mortgage market. In January 2021, the DCCA published its third report of the market development of mortgage loans in Denmark. Among other things, this report showed that the prices for mortgage

loans are generally stable on a high level. It also showed that mortgage banks earnings were relatively high in 2019.

72. The report from January 2021 included data up to and including the first half of 2020. In the first half of 2020, the mortgage banks return on equity fell to almost 5 percent from 9 percent in 2019. This was not least due to higher expected losses in the wake of the general economic downturn because of covid-19.

73. Nonetheless, the mortgage banks have come through the covid-19 crisis well. In the first half of 2021, the banks had a profit before tax of DKK 10,5 billion, which was an increase of DKK 4,2 billion compared to the first half of 2020.

## 3.2. Communication and knowledge

### *3.2.1. Press releases, general communication and social media*

74. In 2020, the DCCA sent out 51 press releases and 10 opinion pieces regarding competition law, public procurement and other cases related to competition. The DCCA frequently appeared in the media in the form of articles and interviews.

75. In addition, DCCA has continuously communicated on Twitter and LinkedIn, including posts about the DCCA's results and knowledge as well as conferences that the DCCA has hosted or attended.

76. In particular it should be mentioned, that in November 2021, the DCCA hosted a conference on "Well-functioning markets and effective competition. The conference is an annual returning conference. The purpose of the conference is to bring focus to prevailing subjects being important to competition in Denmark.

77. In 2021, the subject of the conference was "Competition and regulation". Around 300 from both Denmark and internationally participated in the conference.

78. The conference consisted of a joint part and 3 parallel sessions; (i) digital platforms and regulation of competition, (ii) competition on the market for lawyers and (iii) competition on the pension market. Among others, EU-Commissioner Margrethe Vestager spoke on the conference. The presentations were subsequently published as a podcast on the DCCA's website.

### *3.2.2. Articles and publications*

79. In 2021, the DCCA published 5 articles.

#### *Marketing in digital platforms*

80. The article<sup>2</sup> describes that digital platforms help consumers to search markets and find the best products to the best price, and that digital platforms can increase competition between undertakings. The article investigates the prevalence of a number of psychological means that digital platforms use in their marketing. The article concludes that, largely, all digital platforms use psychological means in their marketing, and that the means and marketing are expected to become more focused and personified in the future.

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<sup>2</sup> <https://www.kfst.dk/media/vyzhkbnb/markedsf%C3%B8ring-p%C3%A5-digitale-platforme.pdf>

*Price algorithms*

81. The article<sup>3</sup> is part of a broader uncovering of the digital economy, which is a prioritized area of the competition authorities. The article describes that price algorithms can be an effective tool when undertakings determine their prices. On the other hand, algorithms can also give rise to concerns about coordinated behavior and price agreements, which can weaken competition to the detriment of consumers.

*Economics of scale in the pension market*

82. The article<sup>4</sup> is based on results from a report on competition on the pension market published in 2021. The article describes that pension funds do not attain economies of scale when the size of the funds increase. This can be due to a limited competition pressure in relation to this part of the business and can lead to consumers not benefitting from lower prices that economies of scale would give rise to.

*Prices and profits in the pension market*

83. The<sup>5</sup> article is also based on results from the report on competition on the pension market. The article describes large differences in price on asset management among pension funds. However, the article also describes that higher investment prices or fees do not imply higher return.

*The economic consequences of standards on competition*

84. The article<sup>6</sup> describes that standards can further development of new and better products. However, standards can also lead to anti-competitive effects, e.g. less competition on price. The article concludes that is not possible in general to conclude whether standards are positive or negative to competition, as this will depend on their functioning, market characteristics and if all competitors etc. has access to the standard setting process. Whether the standard is national or international may also be important. The article particularly focusses on product standards that can increase the price level and lead to welfare loss.

## 4. Resources of competition authorities

### 4.1. Resources overall

#### 4.1.1. Annual budget

85. In 2021, the DCCA's annual budget was DKK 98,4 mill. / USD 14,4 mill.

#### 4.1.2. Number of employees (person-years)

- Economists: 34

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<sup>3</sup> <https://www.kfst.dk/media/yecpmmxu/prisalgoritmer.pdf>

<sup>4</sup> <https://www.kfst.dk/media/lw4hpoo4/2105-publikationsartikel-skalafordele-der-blev-v%C3%A6k.pdf>

<sup>5</sup> <https://www.kfst.dk/media/se2ctyza/20210806-pensionssekskabernes-priser-og-afkast.pdf>

<sup>6</sup> <https://www.kfst.dk/media/kalov2d4/20210915-standards-%C3%B8konomiske-virkning-p%C3%A5-konkurrencen.pdf>

- Lawyers: 53
- Other professionals: 10
- Support staff: 7
- All staff combined: 104

## 4.2. Human resources

86. Person-years applied to:
- Enforcement against anticompetitive practices: 51
  - Merger review and enforcement: 13
  - Advocacy efforts: 33
87. *Note:* Support staff is not included.
88. The information above (*section 4.1.* and *section 4.2.*) covers the year of 2021.

## 5. Summaries of or references to new reports and studies on competition policy issues

89. In January 2021, the DCC published a large-scale analysis on the competition of the Danish market for lawyers. The analysis focused on both large and small law companies and is based on a thorough examination of the market for lawyers in Denmark. The market for lawyers plays an important role in society and to the economy. However, the analysis shows that competition on the market is challenged. According to the analysis, there are clear indications that competition in the market can be improved to the advance of undertakings, consumers and society as a whole. Profit margins and financial returns are relatively high and has increased since the 00's, especially for the big law firms that primarily has business clients and public clients. At the same time, the turnover is concentrated on a few areas of specialization that these customers request. Legal assistance is often based on trust and customers are generally very loyal to a law firm that they have used in the past. It weakens competition in the market that customers are relatively passive when searching the market. Hence, most business customers and private customers do not compare providers before they buy legal assistance. Furthermore, a large part of the services, provided by law firms, can be provided by other than law firms, e.g. by accountants. However, the report shows that competition pressure from other providers of legal service is very limited.

90. The analysis comprises 16 recommendations on how to improve competition on the Danish market for lawyers. These recommendations aim to (i) lower the market barriers for new players to enter the market and for existing players to expand, (ii) strengthen the competition in regard to legal service to public customers and (iii) strengthen the competition in regard to legal service concerning bankruptcy and liquidators.