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**DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS  
COMPETITION COMMITTEE**

**Corporate Influence in Competition Policymaking – Note by Israel**

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This document reproduces a written contribution from Israel submitted for Item 13 of the 146<sup>th</sup> OECD Competition Committee meeting on 18-20 June 2025.

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## *Israel*

1. In view of the expected Competition Committee session on Corporate Influence in Competition Policy, the following are a few highlights put forth by the Israel Competition Authority (also the ICA or the Authority) on the subject.

2. Designing a competition policy, is never done out of context. Any new competition policy or amendments in competition policy advanced by the Competition Authority, are done in view of a specific concern or an identified need stemming from the reality of the markets. It can originate for instance from a competitive failure in the markets, challenges of implementing the Israeli Competition Law or otherwise implementing new legislation effecting competition in the markets.

3. Indeed, any such creation of a new competition policy, or change of an existing competition policy requires looking deeply into the markets and their players, and thus the voice and inputs of various stakeholders, including corporations play a relevant and important role in shaping it. Moreover, as an administrative authority, the ICA is subject to administrative law, according to which it is required to hear the relevant entities affected by an expected policy change. In practice, the role of corporations in competition policy making, mainly translates to either being part of the relevant sector that the competition policy affects (or is expected to affect), or to being the holders of the relevant information required for designing such policy. In both cases, corporations have a legitimate and important voice in view of advancing policy making.

4. In the CC's note preceding this session, important reference was made to the "potential for corporations to exert an outsized influence on competition policy". Indeed, it is important to ensure that while relevant market players voice their interests and views in the process, such input shall not have an undue effect on shaping competition policy. In order to mitigate this concern, the ICA regularly implements various practices and principles as highlighted below:

1. **Publicity and transparency** – Publicity and transparency of the process are of utmost importance, in the involvement of various stakeholders in the shaping of competition policy. In the relevant procedures advanced by the ICA of designing a competition policy, it firstly announces its intention to amend or create a new policy, through its website. To this end, the ICA requests written public comments. Such comments are also made public (excluding confidential information). Thus, various stakeholders, such as civil organizations, lawyers, economists and corporations are welcome to offer their input, and once published by the ICA, the debate becomes public. In addition to publishing the comments and positions submitted to the ICA on the subject, the Authority initially publishes a brief document detailing its own stance regarding the competitive policy it intends to implement or modify. The final policy is of course published as well. Importantly, the very publication of the intended position versus the final position, as well as the input provided along the way, allows the public to closely examine the process and observe what changes were incorporated, if any.
2. **Roundtables** – An additional practice employed by the Authority is holding Roundtable events. These are dedicated events open to the public, in which dialogue takes place between the Authority and market stakeholders regarding new competition policy that the Authority intends to implement or regarding changes to competition policy. Before the roundtable event, relevant material is published, and

participants may, when relevant, send queries and comments in advance. This event, which also includes an inherent dimension of publicity, allows, when relevant, for corporations on the one hand, to participate and express their positions regarding the policy the Authority seeks to advance, enables the presentation of relevant information that will help improve such policy, and on the other hand, it is public and presented equally to everyone in a manner that prevents the possibility of influences that would benefit the corporations themselves.

3. **Professionalism and specific and deep knowledge of the relevant markets** – Generally, in designing new competition policy or modifying an existing one, Authority professionals who are *regularly* engaged in such specific sector in ongoing work will be involved. Such Authority attorneys and economists maintain ongoing professional dialogue with relevant corporations in the relevant sector under the ICA's authorities pursuant to law. Such staff, thus holds unique proficiency and knowledge about the specific reality in the relevant sector. As a result, when involved in the process of competition policy making, they can determine whether the information and involvement of private corporations in the process will help improve that policy or whether the information or comments presented by such corporations do not express concern for a broader interest but rather for their own interest. In addition to the required professionalism in the "internal" process of policy making, as highlighted above, such deep knowledge and professionalism which mitigates the concern for outsized and undue effect of corporations is also important in the following process, vis-à-vis the parliament (the Israeli Knesset). Whereas various lobbyists bring fourth the interests of corporations and other stakeholders before the various committees and parliament members – both publicly and non-publicly; It is the Authority's (and other state authorities') role to bring fourth the professional voice and stand, and safeguard the public interest.

## Case Study

5. During 2023, The ICA initiated an amendment to the Israeli Competition Law, which prohibits direct importers from harming competition from parallel import.
6. In short, the amendment determined that a direct importer may not carry out any act that could result in harm to personal imports or parallel imports which could adversely affect competition in a sector (*a "Direct Importer" is one that imports or distributes goods in Israel through an arrangement with a foreign manufacturer or that manufacture goods in Israel through an arrangement with a party abroad*). In addition, it determined that Direct Importers may not carry out any act whose main objective is to prevent or reduce competition from parallel imports or personal import; Direct importers may not carry out any act that could prevent or reduce competition from parallel imports or personal imports, which is not essential for the Direct Importer to import its goods; and finally, that corporations who violate these provisions will be subject to pecuniary sanctions of up to 8% of their sales turnover, up to a maximum sanction of ILS 111 million. The pecuniary sanction can be as high as approximately ILS 1.1 million for an individual violating the law.
7. Prior to passing the amendment in parliament the ICA published a draft to public hearing and received public comments. In addition, the ICA held several in depth meetings regarding the amendment with various stakeholders, including corporations, lawyers, civil organizations and member of parliament, discussing the amendment's objectives and its reasoning. In accordance, while passing the amendment in parliament it was noticeable that significant work was done beforehand, and the amendment passed without unnecessary

delays. The public, transparent and organized process, made it possible for the ICA to deeply understand the markets from the broad standpoint of all relevant stakeholders, receive all relevant information for its competitive analysis, while preventing undue corporate influence in the process of creating this new and important competition policy change. An additional benefit from the preliminary process which was conducted by the Authority was that the discussions in Parliament were quick and efficient, and the amendment to the law passed without objections since the Authority had addressed all obstacles in the public preliminary procedures.

8. To conclude, the involvement of private corporations in competition policy design processes led by the Competition Authority is essential since such corporations possess relevant and important information about the market. The information is necessary for the Authority to design the desired competitive policy for the consumers. Additionally, often those private corporations are the ones expected to be affected by such change and have the right to be heard before the Authority. Possible concerns about the influence of those companies on policy design in a manner that benefits them are weakened once the process of designing or changing that policy is orderly, its processes are established and known in advance, and it receives public expression throughout.