

## THE LEGAL REGIME OF COMPETITION IN ISRAEL

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### **Abstract**

*The most important competition law in Israel is the Restrictive Trade Practices Law, 5748-1988 ("RTP Law").*

*Based mainly on the European model and inspired by US antitrust laws, the RTP Act gives the Antitrust Authority ("Authority") the power to monitor restrictive practices, mergers, monopolies, oligopolistic practices and more; allows the Director General to impose administrative sanctions or to prosecute violators in criminal proceedings; and also allows private enforcement through civil actions.*

*Recently, the RTP Law, as well as further competition legislation in Israel, has undergone significant changes with the aim of providing the Antitrust Authority and the Director General with unprecedented tools to address the competitive challenges arising in the Israeli economy.*

**Keywords:** *Israel,,market economy, competition, reform*

### **Introduction**

Israeli competition law demonstrates the complexity involved in finding the right balance between the different objectives of competition law.

Although non-efficiency concerns are explicitly incorporated into Israeli competition law, the actual enforcement of such concerns is sporadic and inconsistent and not necessarily related to the recognition of their virtue or merit in the context of competition law.

Although competition considerations are central to the law, some non-economic objectives are explicitly anchored in the Restrictive Trade Practices Act.

In this context, Article 3 of the law lists exceptions to the legal provisions on restrictive constructions. For example, Article 3 provides an exception for "a regulation involving restrictions, all of which are provided for by law.

Such an exemption allows the State to adopt regulations that may undermine efficiency in order to achieve, among other things, non-efficiency objectives.

Such considerations explicitly embody non-efficiency objectives such as preventing serious damage to an industry important to the national economy, ensuring the continued existence of factories as a source of employment, and improving the country's balance of payments.

## 1. General Aspects

The Economic Competition Law 5748-1988 (the Law) is the primary law dealing with competition and antitrust issues in Israel.

Its purpose is to prevent harm to competition or the public.

The law contains substantive rules applicable to various restrictive business practices (restrictive agreements, mergers, monopolies and concerted groups).

The law includes rules regarding the structure and powers of the Israel Competition Authority (ICA), the Director General of the ICA (the Director General) and the Competition Tribunal (the Tribunal), as well as procedural rules applicable to cases brought before to each of them.<sup>1</sup>

Recent years have been characterized by trends to strengthen the position of the ICA and increase administrative enforcement; criminal enforcement.

The ICA's focus on its consultative capacity within government; the expansion of block exemptions to allow parties to progress towards a regime based on self-assessment rather than statutory licensing.

The ICA's policy that Israeli consumers are not inferior to other consumers globally, for example when it comes to aspects of technology and the digital economy; and the increase in civil actions against international cartels.

Section 2(a) of the Act defines a restrictive agreement as an agreement between persons (including legal persons) carrying on a commercial activity under which at least one of the parties restricts itself from way to prevent or reduce competition may take place between the person and the other parties to the agreement or one of them or between the person and a third party.<sup>2</sup>

Section 2(b) of the Act also contains a reasonable presumption that an agreement containing a restriction is deemed to be a restrictive agreement if it relates to: the price to be charged, offered or paid; the profit to be made; market division; or the quantity, quality or type of the company's assets or services.

Generally, a restrictive covenant is prohibited by law unless it is permitted under the law.

Section 4 of the Act provides that parties to a restrictive agreement may obtain the approval of the arbitral tribunal if the arbitral tribunal considers that the agreement is in the public interest, or may be exempted from doing so by the Director-General upon request. request of a party to a restrictive agreement. and after consultation of the Director General with the Exceptions and Mergers Committee

The Director-General will consider whether the restrictive agreement restricts or materially harms competition, whether the object of the agreement is to restrict

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<sup>1</sup> See T. Eyal-Boger, Z. Schwartz, H. Zackay, *Israel: national competition law regime and how it affects multinationals*, p. 1.

<sup>2</sup> See T. Eyal-Boger, Z. Schwartz, H. Zackay, *op. cit.*, p. 2.

or eliminate competition and whether the restrictions contained in the agreement are necessary to achieve the objectives of the agreement.<sup>3</sup>

A similar provision is included in Article 15A(a) as a condition of the Director-General's power to adopt a block exemption rule.

To assist parties to restrictive covenants in assessing the effect of a particular covenant, the ICA has published a public statement on the interpretation of sections 14(a)(2) and 15A(a)(2) of the Act.<sup>4</sup>

The statement clarifies that the parties must not only indicate that there is no significant harm to competition or that there is no harm to competition in a significant part of the market, but they must also indicate that the agreement between the parties has a legitimate purpose and that the restrictions are necessary to achieve the legitimate aim of the regime. In essence, the ICA extended the block exemptions and included a self-assessment regime.

As a result, restrictive covenants have rarely been assessed by the ICA under section 14 of the Act in recent years. With respect to the extraterritorial application of the restrictive covenant control regime, the ICA applies the "effects doctrine" to obtain extraterritorial jurisdiction over restrictive covenants, including cartels conducted outside of Israel, that affect the competition in Israel.<sup>5</sup>

A legal exception may also apply to certain agreements which, among other things, contain restrictions established by law, concern certain sectors of the economy (agriculture, international air or maritime transport) or contain restrictions related to intellectual property rights.

Section 15A of the Act gives the Director-General the power to grant block exemptions.

By publishing block exemptions, the Director-General essentially relieves parties to a restrictive agreement from the need to seek a specific exemption from the Director-General or court approval, provided that the conditions for the various block exemptions are met. In recent years, the ICA has granted various block exemptions, including for: syndicated loans and restrictive agreements that slightly harm competition; joint ventures; research and development agreements; exclusive trade; exclusive distribution or franchising; non-horizontal arrangements; Joint ventures to market and supply safety equipment overseas. Recent developments in the restrictive covenants regime

In July 2021 the block exemption for non-horizontal agreements was adjusted so that agreements containing price restrictions are no longer excluded. In its report on the draft amendment to the block exemption, the ICA explained that, although vertical price maintenance (RPM) agreements may harm competition in

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<sup>3</sup> See T. Eyal-Boger, Z. Schwartz, H. Zackay *op. cit.*, p. 2.

<sup>4</sup> See T. Eyal-Boger, Z. Schwartz, H. Zackay *op. cit.*, p. 2.

<sup>5</sup> See T. Eyal-Boger, Z. Schwartz, H. Zackay *op. cit.*, p. 2.

certain circumstances, there may be pro-competitive justifications for such agreements, including a greater competition between brands and companies.<sup>6</sup>

However, following the above-mentioned change, in January 2022 the ICA published a draft amendment to the policy note on RPM schemes to be in line with the self-assessment conditions in the block exemption for non-horizontal schemes.

The ICA held, among other things, that minimum RPM arrangements should generally not be permitted unless market characteristics indicate a strong degree of competition, and only for the purpose of gaining a clear and demonstrated competitive advantage.<sup>7</sup>

In July 2021, the Authority also published a policy note, according to which cooperation between competitors in issuing tenders relating to the supply of products or services, or the procurement of a project, is considered a restrictive agreement, regardless of whether the aggregation is in the race itself or in the preparatory phases.

Considerations for an exemption from the requirement to obtain approval for the restrictive regime include the number of participants in the procurement, the degree of similarity between the competitors, the impact on competition and the pro-competitive aspects of the cooperation.<sup>8</sup>

The law defines the term "corporate merger" broadly, providing a non-exhaustive list that includes the acquisition of the main assets of a company by another company, or the acquisition of shares of a company by another company, where the acquiring company has more than a quarter of the nominal value of the issued share capital, or voting rights, or the power to appoint more than a quarter of the directors, or a participation in more than a quarter of the profits of society. The acquisition that can be made directly or indirectly or through contractually granted rights.

Due to the law's broad definition of a merger, even the acquisition of less than a quarter of the above rights may constitute a merger in certain circumstances.

## 2. Administrative Aspects

The maximum fine against a person involved in a criminal case is approximately 2.26 million shekels for each violation of the law and an additional fine of up to approximately 14,000 shekels for each day the violation continues.

For a company the fine or additional penalty is doubled.<sup>9</sup>

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<sup>6</sup> See T. Eyal-Boger, Z. Schwartz, H. Zackay *op. cit.*, p. 3.

<sup>7</sup> See T. Eyal-Boger, Z. Schwartz, H. Zackay, *op. cit.*, p. 3.

<sup>8</sup> See T. Eyal-Boger, Z. Schwartz, H. Zackay, *op. cit.*, p. 3.

<sup>9</sup> See T. Eyal-Boger, Z. Schwartz, H. Zackay, *op. cit.*, p. 7.

The maximum sentence for an individual is three years' imprisonment or, if the crime was committed with aggravating circumstances, a maximum of five years.

Aggravating circumstances include factors that could harm competition.

The maximum criminal penalty for committing a restrictive action is five years' imprisonment, without the need for aggravating circumstances.<sup>10</sup>

The ICA's Leniency Program provides that any person, including a company, a director or an employee of a company, will be granted full immunity from criminal prosecution for breach of a restraining order if they are the first to report to the prosecuting authority ICA and all information known to it in relation to the restrictive regime to which it has joined.

The clemency program is not considered a success in Israel as it has only been used a few times since its inception.<sup>11</sup>

The Director General may issue an administrative decision finding that a specific violation has occurred

The Director General's decision serves as *prima facie* evidence in court.

Administrative sanctions For each violation of the law, the General Director can impose administrative sanctions of up to 8% of the turnover achieved by the company in the year preceding the violation.

The maximum amount that can be imposed will not exceed approximately NIS 102 million (per violation).

For individuals or businesses whose sales were less than approximately NIS 10 million in the year preceding the violation, the law imposes a maximum fine of approximately NIS 1.05 million.<sup>12</sup>

The law sets out a non-exhaustive list of circumstances and considerations that the Director-General must take into account in determining the level of administrative sanctions to be imposed, including the duration of the violation; the harm that the infringement could cause to competition or the public, the perpetrator's involvement in the crime and his influence on its commission, the presence or absence of previous crimes and the date of their commission; and the steps taken by the perpetrator to prevent or stop the crime from recurring, including reporting the crime on his or her own initiative or taking steps to redress the consequences of the crime.<sup>13</sup> Additionally, the ICA has issued a public statement with further explanations of how fine amounts are calculated.

Guidance has also been issued to clarify when administrative sanctions will be imposed as a primary enforcement measure (rather than relying on criminal sanctions).

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<sup>10</sup> See T. Eyal-Boger, Z. Schwartz, H. Zackay, *op. cit.*, p. 7.

<sup>11</sup> See T. Eyal-Boger, Z. Schwartz, H. Zackay, *op. cit.*, p. 7.

<sup>12</sup> See T. Eyal-Boger, Z. Schwartz, H. Zackay, *op. cit.*, p. 7.

<sup>13</sup> See T. Eyal-Boger, Z. Schwartz, H. Zackay, *op. cit.*, p. 7.

These include non-horizontal agreements restricting competition, violations of arbitration law, exchange of non-secret information, abuse of dominant market position and failure to comply with requests for information.

The law authorizes the director general and third parties to agree on a consent decree which, among other things, provides for the payment of a sum of money to the Ministry of Finance in lieu of other enforcement measures.<sup>14</sup>

Any violation of the law is considered a tort under Torts Ordinance (new version) 5728-1968.

The class action law allows the filing of a motion to certify class actions in antitrust cases.

In recent years, an increasing number of motions have been filed in Israeli district courts to certify class actions based on alleged global cartels

Typical claimants in these cases are Israeli private consumers or private consumer organizations, while the respondents are global companies that allegedly were parties to (alleged) global cartels.

In the past, the trigger for a private execution was often a criminal or administrative enforcement action by the ICA.<sup>15</sup>

Serious violations of competition law may result in criminal prosecution, which may result in fines and prison sentences.<sup>16</sup>

Liability can be imposed on a company and its directors.

Administrative remedies for violations of the Competition Act include fines, consent orders, interim injunctions and Competition Tribunal injunctions

The chief executive has the power to declare certain behaviors *prima facie* illegal and to issue rules of conduct for monopolies and concentration groups (collectively dominant groups).

Participation in an anti-competitive agreement without the prior approval of the Competition Tribunal is prohibited, unless the agreement has been expressly exempted by the Director-General or is covered by a block exemption.

Additionally, some agreements fall under legal exceptions.

Legal restrictions, agreements relating to agricultural products (under certain conditions) and restrictions arising from the granting of intellectual property licenses (under certain conditions).<sup>17</sup>

The Competition Act defines a "restrictive agreement" in its broadest sense as an agreement between two or more persons carrying on a commercial activity which restricts at least one party to the agreement in a manner likely to prevent or reduce competition.<sup>18</sup>

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<sup>14</sup> See T. Eyal-Boger, Z. Schwartz, H. Zackay, *op. cit.*, p. 8.

<sup>15</sup> See T. Eyal-Boger, Z. Schwartz, H. Zackay, *op. cit.*, p. 8.

<sup>16</sup> See OECD Annual Report on Competition Policy Developments in Israel, p. 5.

<sup>17</sup> See OECD *op. cit.*, p. 5.

<sup>18</sup> See OECD *op. cit.*, p. 5.

Competition law also contains a list of agreements considered to be restrictive agreements, in particular an agreement which contains a restriction on any of the following: the price to be charged, offered or paid; the profit to be made; division of all or part of the market; the quantity, quality or type of assets or services provided.

The Competition Act specifies that a "monopolist" is one of the following persons:

- A person whose share in the whole supply of assets or in the whole of their acquisition or in the whole of the supply of services or in the entirety of their purchase is more than half;
- A person who has significant market power in relation to the supply of assets or their purchase or in relation to the overall supply of services or their purchase. The Competition Act defines businesses as a "concentration group" if a small group of businesses together hold more than half of the total supply or acquisition of an asset or more than half of the total supply or the acquisition of a service if the following two conditions are met.<sup>19</sup>

The first condition is when is little competition among firms or conditions exist for low competition.

The second condition is when regulations adopted by the Director General may prevent actual or likely harm to the public or competition, or may materially improve competition or create conditions for substantial improvement in competition.

Conditions of low competition may include, but are not limited to, barriers to entry combined with two or more of the following conditions: switching costs, cross-ownership or co-ownership among competitors, symmetrical market shares, product similarity or services, large number of competitors. Customers or suppliers, and the transparency of the key terms of exchange between members of the group.<sup>20</sup>

When discussing class actions in Israel regarding international cartels, it is important to analyze whether it is possible to apply local antitrust and class action laws to a cartel involving exclusively or primarily foreign entities.

Such circumstances raise several questions under the US Effects Doctrine (the "Doctrine").

According to the doctrine, it is not enough to assume that an alleged international cartel formulated outside Israeli territory influenced the Israeli market.<sup>21</sup>

The plaintiff must also consistently and thoroughly analyze and demonstrate that the evidence establishes concrete, direct and clear influence of an alleged international cartel in the Israeli market.

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<sup>19</sup> See OECD, *op. cit.*, p. 5.

<sup>20</sup> See Israel – OECD Country Studies, *op. cit.*, p. 5.

<sup>21</sup> See T. Eyal-Boger, Z. Schwartz, *Follow-On" Class Actions Against International Cartels*, p. 5.

The doctrine is well accepted in Israeli law, therefore allegations of a "global" international cartel affecting the Israeli market cannot be sustained without sufficient explanation of how the cartel is intended to affect the Israeli market and unless There is no evidence of the existence of a "global" international cartel affecting the Israeli market. such an influence.

This doctrine is particularly relevant to the Israeli market, which is likely smaller and less important than other global markets.<sup>22</sup>

If a defendant or defendant under Israeli law is not present in person in Israel, the court may grant a request for service out of jurisdiction if the request falls into one of the categories listed in Order 500 of the Rules of Civil Procedure of the Court.

Regulation 500 establishes the basis for granting authorization to serve abroad and is the functional equivalent of the US Long-Term Arms Statute. However, the Rules of Civil Procedure allow an Israeli plaintiff/plaintiff to avoid the need to obtain leave outside the jurisdiction if a company or individual based in Israel is deemed to be an "agent" of the foreign defendant/defendant.

However, this depends on the degree of intensity of the relationship between the "agent" and the foreign interviewee/suspect<sup>23</sup>

The greater the cooperation between the local entity and the foreign defendant/suspect from a commercial perspective in the specific circumstances, the more likely it is that the court will be inclined to conclude that the local entity is an "agent" of the defendant /suspected foreigner. An additional method of serving court documents on a foreign defendant is through personal service when a representative of the company is present in Israel and the plaintiff serves the court documents on him.

Recent decisions by Israeli district courts consider the issue of out-of-jurisdictional service in the case of a request for approval of a class action against non-parties to an alleged cartel.<sup>24</sup>

The indirect purchaser doctrine is a principle of antitrust law that states that a consumer is not entitled to damages following a violation of antitrust law.

The indirect buyer doctrine has not yet been fundamentally revised in Israeli law.

Today, all class action lawsuits filed in Israel regarding alleged international cartels are still pending.

Therefore, there is no definitive answer to the question of whether the indirect purchaser doctrine applies in Israel.<sup>25</sup>

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<sup>22</sup> See T. Eyal-Boger, Z. Schwartz, *op. cit.*, p. 5.

<sup>23</sup> See T. Eyal-Boger, Z. Schwartz, *op. cit.*, p. 5.

<sup>24</sup> See T. Eyal-Boger, Z. Schwartz, *op. cit.*, p. 5.

<sup>25</sup> See T. Eyal-Boger, Z. Schwartz, *op. cit.*, p. 6.



On the one hand, the indirect purchaser doctrine is consistent with common legal principles of Israeli law, such as the Civil Torts Ordinance, consumer protection laws, and so on.

On the other hand, the Israeli Attorney General recently decided to join a pending motion to certify a class action lawsuit regarding the air cargo cartel and took the position in this case that the indirect purchaser doctrine does not apply and should not be, applicable, in Israel regarding collective actions against price fixing, and especially regarding collective actions related to international cartels.

The Attorney General emphasizes that, in his opinion, the claims of indirect consumers should be upheld, regardless of whether the damage to buyers is direct or indirect.

The Israeli Class Action Law establishes issues regarding the types of motions to certify class actions that may be filed in Israel and establishes the principles and requirements governing class actions in Israel.

The Class Action Act provides a two-step process for hearing a class action.<sup>26</sup>

First, the Motion to Certify stage – an initial stage in which the court must determine (primarily) on the basis of *prima facie* evidence whether the request gives rise to an action and whether a class action is the vehicle appropriate procedure to address such issues. cause of the action. Under Israeli class action law, a potential class action petitioner must pass an evidentiary test in the first stage for his or her application to be certified as a class action.

Accordingly, a court may characterize a claim as a class action only if it finds that all of the following conditions are met: The claim raises substantial questions of fact or law common to the class, and it is reasonably possible that such questions would benefit the group.

A class action is the most efficient and appropriate way to resolve the dispute under the circumstances of the case. There is a reasonable basis to believe that the interests of all class members will be adequately represented and there is a reasonable basis to believe that the interests of all class members will be represented and administered in good faith.

These conditions are cumulative and in the absence of one of these conditions, the court is obliged to reject a request for certification. It should be noted that the first phase includes pleadings, depositions, reports, cross-examinations and summaries.<sup>27</sup>

The disclosure of documents at the first stage of the procedure would also be authorized under the Regulation on class actions 5770-2010, in order to allow the court to make an informed decision on the request, subject to three conditions:

- Disclosure is limited to these sources, necessary for decision-making on certification issues;

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<sup>26</sup> See T. Eyal-Boger, Z. Schwartz, *op. cit.*, p. 6.

<sup>27</sup> See T. Eyal-Boger, Z. Schwartz, *op. cit.*, p. 7.

- The court must ensure that the plaintiff has established a “primary evidentiary basis” for his or her claims and that the plaintiff has established that he or she has a personal cause of action in the suit; and
- The disclosure order must contain such restrictions as are necessary to ensure the confidentiality of the defendant's information, including trade secrets.<sup>28</sup>

If the claim is certified as a class action, the Code of Civil Procedure requires, among other things, that both parties disclose, upon request, all documents in their possession relevant to the claim and allow the other party to become aware of these documents.

Additionally, each party is required to answer the other party's questions.

If the court ultimately grants the motion to continue the case as a class action, it moves to the second step and handles the claims in the lawsuit itself.<sup>29</sup>

### 3. Recent changes

On January 1, 2019, the Israeli parliament, the Knesset, adopted a comprehensive reform of the Israeli competition law (the “new” legislation).

- The reform provided for a long-awaited relaxation of the thresholds for submitting mergers; a major change in Israel's “monopoly provisions;
- In the same time, improves the application of law also towards company representatives;

The new legislation added further executive powers of the Commissioner, which were already quite formidable: The criminal liability of officers was revised:

- The new legislation places a duty on officials of companies and other commercial entities to take active steps to ensure their companies comply with competition law.<sup>30</sup>

Violation of this obligation is punishable with imprisonment of up to 1 year and a personal criminal sanction.

Supervisory obligations are, at least in theory, independent of the occurrence of a violation, meaning that there does not have to be a violation to violate supervisory obligations.

The Authority has stated on several occasions that it does not intend to do so.

If a violation occurs, the officers are deemed to have breached their duty.

Before the new legislation, the system of accountability for officials was strict liability, meaning that officials could not be sentenced to prison without at least proving negligence.

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<sup>28</sup> See T. Eyal-Boger, Z. Schwartz, *op. cit.*, p. 7.

<sup>29</sup> See T. Eyal-Boger, Z. Schwartz, *op. cit.*, p. 7.

<sup>30</sup> See T. Solomon, I. Achmon, *Israeli Competition Authority – Who Guards the Guardians*, p. 627.

It is unclear whether this standard applies to supervisory obligations under the new law.

The maximum administrative penalty increased significantly from ~24.5 million NIS per violation (approximately 5,800,000 EUR, 6,800,000 USD) to 100 million NIS (approximately 25,000 000 EUR, 28,000,000 USD) .

Criminal sanctions have been revised.<sup>31</sup>

Until the new regulations, the maximum prison sentence of five years only applied to crimes committed with aggravating circumstances.

Since January 2019, the five-year prison sentence applies to any unauthorized restrictive covenant.

The Authority investigates criminal offenses under the law, and that the Authority is also the one that initiates criminal proceedings.

Furthermore, the new legislation allows the Authority's investigators to investigate obstruction of justice in relation to breaches of competition law that occurred before the Authority's investigation began, which under the Authority's existing language would have could have been considered impossible. the law.

The Commissioner's powers were also expanded with respect to the supervision of mergers:

Israeli supervision of mergers applies only to "companies", which under the new legislation also included registered companies, registered unions and cooperatives

The definition of "enterprise" has been expanded to include non-profit organizations and unincorporated partnerships.<sup>32</sup>

The new legislation increased the combined turnover threshold from NIS 150 million to NIS 360 million (approximately EUR 90,000,000, USD 100,000,000).

The new legislation authorized the Commissioner to extend the deadlines for reviewing mergers, introducing a "Phase II" review period.

To rebalance the situation, a similar system of extensions has been introduced to evaluate requests for exemption from restrictive rules, which until now provided for the liability of executives for 90 days if no actual violation occurred.

But theoretically such application is possible and therefore depends on the Authority's policy of applying the legislation.<sup>33</sup>

Until the adoption of the new legislation, the formal power to extend merger review deadlines rested with the Competition Tribunal and was almost never used in practice.

Rather, it was a system of voluntary expansion that left some power in the hands of the merging parties.

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<sup>31</sup> See T. Solomon, I. Achmon, *op. cit.*, p. 627.

<sup>32</sup> See T. Solomon, I. Achmon, *op. cit.*, p. 627.

<sup>33</sup> See T. Solomon, I. Achmon, *op. cit.*, p. 627.

The seemingly technical change to the review period is significant because it is part of the Competition Act's move to expand the powers of the Commissioner, including removing the powers of the Competition Tribunal.<sup>34</sup>

No appeal procedure has been established for a decision to extend the review period, and it is possible to appeal only by appealing to the Supreme Court of Israel, which functions as the Supreme Court, which has very strict standards of review and will only modify the decision of the commissioner.

in extreme circumstances, such as. a serious violation of due process rights.

Finally, the new legislation changed the definition of a "monopoly," broadening the application of Israel's dominance rules.

Before the new legislation, a "monopoly" was defined as having more than 50% of the supply or purchase of a product or service.<sup>35</sup>

Under the new legislation, this definition remains, but the following alternative definition has been added: "A person who has significant market power in relation to the supply or purchase of goods, or in relation to the supply or purchase of services". The new additional definition is vaguer than the previous one.

During the legislative process, the Knesset Economic Committee considered the definition of market power more comprehensively. However, it was decided that the gap will be filled with the guidelines issued by the commissioner.

Therefore, there is another important power in the hands of the commissioner: determining what the definition of market power will be in Israeli law in the coming years.<sup>36</sup>

The competition law itself provides a series of appeal possibilities against the commissioner's decisions: in the event that the commissioner opposes a merger, the parties involved can appeal to the Court in relation to the commissioner's decision.

The Commissioner's decisions and monopoly declarations can be appealed to the Court.

A direct importer who has received instructions from the Commissioner can appeal to the Tribunal.

Administrative sanctions can also be appealed to the court.<sup>37</sup>

Third parties can appeal to the courts against the Commissioner's decision to grant an exception to an agreement restricting competition.

Although the decision not to grant an exemption cannot be appealed, parties to a non-exempt agreement can apply to the court for court approval of their arrangements.

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<sup>34</sup> See T. Solomon, I. Achmon, *op cit.*, p. 628.

<sup>35</sup> See T. Solomon, I. Achmon, *op. cit.*, p. 628.

<sup>36</sup> See T. Solomon, I. Achmon, *op. cit.*, p. 628.

<sup>37</sup> See T. Solomon, I. Achmon, *op. cit.*, p. 628.

Similarly, certain decisions of the Commissioner may be appealed under the Food Industry Act, such as the Commissioner's decision to issue directions to large suppliers and retailers or the Commissioner's decision to impose administrative sanctions, and the court acts as an appellate authority. However, this is not the case for all decisions of the Commissioner made under this Act and some decisions can only be challenged by an appeal to the Supreme Court.<sup>38</sup>

Decisions of the Commissioner and the Concentration Committee under the Concentration Act cannot be appealed and are subject to the general mechanisms of administrative law, which allow for more limited judicial review.

The court's decisions can be appealed to the Supreme Court.

Although the coercive powers of the commissioner have undoubtedly expanded over the years, a more subtle trend appears to accompany this development, namely a notable strengthening of the attitude and position of the commissioner, as well as the respect accorded to him by the competent judicial authorities, in particular the Supreme Court of Justice of Israel and the Israeli Competition Court.<sup>39</sup>

However, the new trend has led competition authorities in other countries to take more enforcement actions and copy class action lawsuits launched around the world

Other requests for class action authorization are based on claims against monopolists for excessive pricing

## Conclusion

Recently, Israeli courts issued landmark rulings that could have a significant impact on subsequent class action lawsuits arising from alleged global cartels:

Some changes have been made to Israeli competition law in 2023, ranging from proposed amendments targeting distribution agreements to increased scrutiny in emergencies.

War recommendations demonstrate the ability to adapt to unforeseen economic threats and emphasize cooperation within the legal framework. Recent case law highlights a cautious approach to balancing competing interests.

Other case highlights the consequences of anti-competitive practices, while the ongoing investigation into Strauss reflects constant vigilance aimed at maintaining fair competition in the market. The developments demonstrate the authorities' commitment to advancing regulation and ensuring a competitive landscape in Israel.

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<sup>38</sup> See T. Solomon, I. Achmon, *op. cit.*, p. 628.

<sup>39</sup> See T. Solomon, I. Achmon, *op. cit.*, p. 629.

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