



## Requiring upfront buyer in complex mergers should be CADE 'default,' Alkmin says

Jurisdiction : Brazil / CADE / Latin America

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### IN BRIEF

Merger applicants seeking approval for a complex deal should always present a proposed upfront buyer for the assets they intend to divest, a member of the Brazilian antitrust authority's Tribunal said. Councilor Cristiane Alkmin Junqueira Schmidt of the Administrative Council for Economic Defense, or CADE, said requiring this for mergers in which high concentration concerns are an issue should be the agency's "default." Only when this is not possible should antitrust officials think of other remedies for a deal, she said.

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Councilor Cristiane Alkmin Junqueira Schmidt of the Administrative Council for Economic Defense, or CADE, said requiring this for mergers in which high concentration concerns are an issue should be the agency's "default." Only when this is not possible should antitrust officials think of other remedies for a deal, Alkmin said.

Speaking today at an event\* in Brasilia, Alkmin said CADE expects merger applicants to present a buyer for the assets they are willing to propose divesting and be "very specific, clear, objective and straightforward" when submitting information about the deal to the antitrust authority.

The CADE official said that the most effective remedies are those that aren't difficult and costly for the antitrust authority to enforce.

"Our resources are scarce. We have only 200 workers. Considering the type of deals that have been closed in Brazil, the perfect scenario would obviously be that we had much more infrastructure than we do," she said.

Alkmin also said that she is against standardizing the duration of remedies imposed by CADE in settlement agreements in order to approve complex transactions. "We can't impose the same

duration in all accords because each transaction involves a different market," Alkmin said.

"Each market has its own dynamics. One market can be much more mature and slow than another. A five-year remedy in the cement market is completely different than a five-year remedy in the telecom market," she said.

*\*"First Seminar on Women in Antitrust." Ibrac. Brasilia, Brazil. May 10, 2018.*

Subjects : Mergers & Acquisitions

Industries : Non Industry Specific

Regulators / Courts : Brazil Courts, CADE

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