SLAUGHTER AND MAY/

NEWSLETTER

11 – 24 MARCH 2026

ISSUE 6

COMPETITION & REGULATORY NEWSLETTER

QUICK LINKS

For further information on any EU or UK Competition related matter, please contact the Competition Group or your usual Slaughter and May contact.

Square de Meeûs 40
1000 Brussels
Belgium
T: +32 (0)2 737 94 00

One Bunhill Row
London EC1Y 8YY
United Kingdom
T: +44 (0)20 7600 1200

European Commission proposes Industrial Accelerator Act

On 4 March 2026, the European Commission proposed a new Industrial Accelerator Act, aiming to strengthen industry and create jobs in Europe while supporting the adoption of cleaner technologies. Amongst other measures, the Act proposes targeted 'Made in EU' and low-carbon requirements for public procurement and public support schemes, and establishes conditions for major foreign direct investments in strategic sectors.

Background

The Industrial Accelerator Act was first announced by European Commission President Ursula von der Leyen in her 2025 State of the Union address. It seeks to respond to some of the recommendations outlined in the 2024 Draghi Report, with a particular focus on the risks posed to EU security, competition and the EU economy through the weaponisation of the EU's dependencies on trading partners. The proposal therefore suggests an increased focus on strengthening the Single Market and reducing foreign dependencies in strategic sectors. At the same time, the EU wishes to maintain its open markets as a key source of economic strength and resilience.

Key features of the proposal

'Made in EU' and low carbon preferences

The proposal introduces targeted 'Made in EU' and low-carbon requirements for public procurement and public support schemes, in order to boost demand for European industrial products. The requirements will apply to cement and aluminium, as well as to specified net-zero technologies, including batteries, heat pumps, and renewable energy technologies. Each product has its own designated EU-content threshold. For steel, the Act proposes specific low-carbon preferences.

The aim of these measures is to strengthen European production capacities, and increase demand for EU-made clean technology. The proposal currently provides equal treatment to countries that offer EU companies access to their markets – content from such countries will be deemed to be of EU origin – although this point can be expected to be heavily debated by the European Parliament and the Council of the European Union.

Foreign direct investment

While the EU is keen to make clear it remains open to foreign direct investment, the Act will introduce new conditions for certain foreign direct investments to ensure that they bring maximum value to the EU, including through technology and knowledge transfer.

Under the proposal, an investment will need mandatory, suspensory approval from the relevant Member State Investment Authority (or, in certain circumstances, the Commission) where it:

- Exceeds €100 million;
- Is in one of the specified emerging strategic manufacturing sectors, namely battery technologies, electric vehicles, solar technologies or critical raw materials;
- Is by an investor from a third country that holds more than 40 per cent of the global manufacturing capacity in that sector; and
- Results in the investor (or foreign investors collectively) holding 30 per cent or more of the share capital or voting rights in the EU target or 30 per cent or more ownership of the EU asset.

The notification requirements will not apply to investors and investments covered by economic partnership and free trade agreements to the extent relevant commitments have been made under those agreements, or to investments targeted at providing services or portfolio investments.

Under the proposal, approval will be conditional on the Investment Authority being satisfied that at least four of the following six conditions are met:

- **No majority control** – Foreign investors do not acquire or hold more than 49 per cent of the share capital, voting rights or equivalent ownership interest in the Union target or asset.
- **Limits on joint venture control** – The foreign investor will not acquire more than 49 per cent of the share capital, voting rights or equivalent ownership interest in the joint venture. The joint venture must also be structured to ensure effective participation of Union partners in management and technology transfer.
- **Licensing of intellectual property** – Foreign investors have entered into agreements to license their IP to the benefit of the Union target or asset to enable it to carry out its economic activities in the context of the foreign direct investment. Furthermore, all IP rights developed by the target or asset prior to the foreign investment or without the collaboration of the foreign investor will belong exclusively to the Union target or asset. IP rights developed as a result of collaboration with the foreign investor's other assets, or by a joint venture, will be jointly owned by the investor and the Union target, asset or joint venture.
- **Contribution to research and development** – The foreign investor will contribute one per cent of the gross annual revenue of the Union target or asset (pro rated to the investor's share of control) to research and development within the EU.
- **Employment of EU workers** – At least 50 per cent of the employees across all categories of the workforce will be made up of Union workers.
- **EU sourcing requirement** – The foreign investor must publish a strategy for enhancing Union value chains and prioritising sourcing manufacturing inputs from within the EU. The foreign investor will endeavour to source at least 30 per cent of its manufacturing inputs from within the EU.

The Investment Authority will have to decide on a notification's admissibility within 30 days of receipt (extendable by 15 days in certain circumstances), at which point it must transfer the notification to the Commission, which has a further 30 days to issue a written opinion on whether the investment fulfils the conditions and should be approved. Within 60 days of notification (75 days if the initial deadline was extended, and subject also to further extensions in certain circumstances), the Investment Authority must issue its reasoned decision approving or declining the investment.

The Commission will also have the authority to carry out its own review, either of its own initiative, or at the request of an Investment Authority.

Where a foreign investor fails to comply with notification requirements, or fails to comply with four of the six conditions listed above (or with its monitoring obligations in this respect), the Investment Authority or the Commission will be able to impose a fine of at least 5 per cent of the average daily aggregate turnover of the investor.

Next steps

The Commission opened a consultation on the proposal on 11 March 2026, which will remain open until at least 6 May 2026. The proposal will then be negotiated by the European Parliament and the Council of the European Union before its adoption and entry into force.

OTHER DEVELOPMENTS

ANTITRUST

Japan proposes to expand rules governing unfair trade practices to address exploitation in manufacturing and logistics sectors

On 12 March 2026, the Japan Fair Trade Commission (JFTC) launched a public consultation on proposed amendments to its rules on unfair trade practices under the Antimonopoly Act and the Subcontract Act, with a particular focus on business practices relating to manufacturing and logistics.

The proposed changes aim to better address abuses of superior bargaining position in supply and logistics chains, particularly where suppliers and logistics service providers face undue economic burden unilaterally imposed by their (larger) counterparties. Under Japanese law, a superior bargaining position does not necessarily require market dominance or absolute bargaining power. When determining whether such a position exists, a number of factors would be taken into account, including the party's relative market position and business size, the counterparty's dependence, its ability to switch partners, and whether there are other circumstances that demonstrate the need to maintain the relationship.

Set out below are the key proposed amendments:

- **Delayed payment for manufacturing services** – The JFTC proposes to expand the scope of unfair trade practices to cover situations where a business operator, without justifiable grounds, fails to pay for performance under a manufacturing entrustment (i.e. where a business operator entrusts a manufacturer for the production of goods, semi-finished parts or accessories for regular sales, repair, or self-consumption) within 60 days of the performance.
- **Refusal to engage in fair negotiations amid cost changes in logistics services** – The JFTC proposes to introduce a new category of unfair trade practice to address situations where there is material fluctuation in transportation or storage costs, and the logistics service provider seeks price negotiations to reflect these costs, but the shipper refuses to engage or unilaterally determines the adjusted price.
- **Retaliatory conduct against logistics service providers** – The JFTC proposes explicitly to prohibit retaliatory measures against logistics service providers who report unfair conduct to the JFTC. Relevant unfair conduct may include, among other things, withholding or delaying payment without justification, unilaterally reducing consideration, or pressuring service providers to provide value-added services beyond the scope of the original agreement without appropriate compensation.

Overall, the proposals are intended to better reflect transactional realities, particularly in cases where abusive conduct may not readily be covered by existing enforcement categories. A public hearing on the proposed amendments is scheduled to take place on 14 April 2026, following the conclusion of the consultation process. If adopted, the amendments will materially affect supply chain and logistics businesses in Japan, notably in relation to payment practices, pricing negotiations, and the handling of whistleblower reports.

GENERAL COMPETITION

CMA responds to UK government's consultation on refining UK competition regime

On 10 March 2026, the Competition and Markets Authority (CMA) published its formal response to the UK government's consultation on refining the UK competition regime, expressing broad support for the proposed reforms.

The government's consultation, released on 20 January 2026, seeks views on proposed modifications to the UK competition framework, including measures designed to support the CMA's '4Ps' initiative and enhance accountability of the CMA Board for certain decisions (see our previous newsletter edition for more detail).

The CMA characterised the proposals as a refinement to the current regime and closely aligned with its ongoing '4Ps' transformation focused on pace, predictability, proportionality and process. However, the CMA did not support the proposed increased role for the Secretary of State with respect to CMA guidance. The CMA raised concerns that the proposal could impact the CMA's ability to distribute timely, updated guidance in response to legal developments in a way that minimises any impact on existing cases. The CMA also identified the need – should the proposal be taken forward – to protect its statutory role as an independent competition authority.

The consultation, which closes on 31 March 2026, is part of an ongoing transformation at the CMA to support the government's 'pro-growth' agenda, as covered in detail in our previous briefing.

CMA sets out actions to ensure situation in Middle East does not lead to exploitation of consumers and businesses

The ongoing disruption and effective blockade of the Strait of Hormuz has created significant and sustained pressure on energy markets worldwide. The UK has not been immune to the disruption, which prompted Chancellor Rachel Reeves to write a letter to the CMA on 11 March, thanking the regulator for monitoring the situation, and stressing that the Chancellor "*will not tolerate any company exploiting the current crisis to make excess profits at customers' expense*."

On 14 March 2026, the CMA published a response from its Chief Executive, Sarah Cardell. Cardell confirmed that the CMA is "*acutely aware*" of the upward pricing pressures observed across the economy and emphasised that the authority will act "*without hesitation*" where there is evidence of breaches of competition or consumer law.

Cardell noted that the CMA has already initiated targeted action in relation to heating oil, writing urgently to a number of suppliers and intermediaries to investigate practices including:

- The cancellation of existing orders followed by new offers at significantly higher prices; and
- Price increases applied through automated tank-monitoring delivery arrangements.

In the road fuel sector, Cardell noted that the CMA is intensifying its statutory monitoring activity, with further analytical insights expected through the Fuel Finder scheme.

Subsequently, on 20 March 2026, the CMA launched a heating oil market study, with a final report expected to be published in June 2026. The Statement of Scope indicates that the study will focus on the retail supply of heating oil for domestic use, examining in particular the effects of sudden increases in global oil prices on retail prices and profit margins, the extent to which competition between suppliers restrains price rises, whether there is sufficient price transparency for customers, and evidence of poor conduct on the part of suppliers that may harm customers, including during periods of volatile input costs. The CMA has invited interested parties to share views on the scope of the study by 8 April 2026.

For businesses operating in sectors vulnerable to sudden price volatility, the correspondence and market study underscore the CMA's heightened focus on pricing conduct during periods of crisis, when firms may be perceived as engaging in unfair practices or exploiting vulnerable consumers. Companies should carefully consider their pricing policies to ensure that any increases are supported by a clear and well-documented evidential basis, and that robust internal processes are in place to respond swiftly and effectively to CMA information requests.

London
T +44 (0)20 7600 1200
F +44(0)20 7090 5000

Brussels
T +32 (0)2 737 94 00
F +32 (0)2 737 94 01

Hong Kong
T +852 2521 0551
F +852 2845 2125

Beijing
T +86 10 5965 0600
F +86 10 5965 0650