

# Competition & Regulatory Newsletter

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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

## EU launches in-depth FSR probe into Chinese acquisition

### Introduction

On 28 May 2026, the European Commission [decided](#) to open an in-depth investigation under the Foreign Subsidies Regulation (FSR) into the proposed acquisition of CECONOMY AG by JD.com, Inc, in light of concerns that JD.com may have received foreign subsidies from the Chinese authorities which could distort competition in the internal market.

### Background

On 17 April 2026 the Commission was notified of the proposed acquisition of German consumer electronics and home appliances retailer CECONOMY by JD.com under the FSR. JD.com is part of the JD Group, a Chinese group known for retail business and an e-commerce marketplace platform primarily in China.

The Commission conducted a preliminary investigation into the receipt of potentially distortive foreign subsidies by JD Group from China under Article 10(1) of the FSR and concluded that there was sufficient evidence to initiate an in-depth investigation.

### The Commission's preliminary concerns

The Commission's preliminary investigation indicates that JD Group may have received various subsidies from China in the three years leading up to the announcement of the transaction, including preferential financing, tax measures, grants and other financial contributions.

In particular, based on the information available to it at this point, the Commission considers there are sufficient indications that the subsidies:

- May have improved the competitive position of JD Group in the acquisition process, by: (i) releasing resources for the potential financing of the transaction; (ii) contributing to securing management and shareholder support for the transaction by offering them a high premium and access to potentially

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subsidised logistical and technological capabilities; and (iii) deterring others from making competing offers.

- May distort the activities of the combined entity after the transaction, by releasing financial resources and bolstering the development of JD Group's capabilities which may then be integrated into the operations of the combined entity, allowing it to adopt strategies that may harm conditions in the EU internal market.

### What does the in-depth investigation mean for the transaction?

The Commission will conduct a 90-working day investigation, until 2 October 2026. Following the investigation, it may: (i) issue a no-objection decision if it finds there is no distortion or the positive effects of any subsidy outweigh the negative effects; (ii) accept commitments proposed by the company which fully and effectively remedy any distortion found, and which may be structural or behavioural; or (iii) prohibit the transaction.

### Conclusion

This in-depth investigation – the first in-depth merger investigation under the FSR involving a Chinese acquirer – comes at a time of rising tension between China and the EU. Since the FSR's implementation in 2023, Chinese companies have been firmly in its cross-hairs – as noted in our [previous briefing](#). Of the thousands of procurement-related submissions the Commission has received under the FSR to date, it has launched only four in-depth investigations, all of them into Chinese, or Chinese state-owned, companies. The Commission has also initiated several reviews on an ex officio basis, with two leading to in-depth investigations, both of which involve Chinese companies – Nuctech (a Chinese-based manufacturer of threat detection systems) and Goldwind (a Chinese wind turbine manufacturer).

Against this backdrop, China's Ministry of Justice, jointly with China's Ministry of Commerce, recently declared the Commission's investigative measures in respect of Nuctech an "improper extraterritorial jurisdiction" measure under Chinese law, and prohibited any organisation or individual from complying or assisting with the Commission's investigation.

With a decision due by 2 October 2026, the JD.com/CECONOMY case will be closely watched both for its substantive outcome and for what it signals about the Commission's FSR enforcement priorities more generally.

## Other developments

### Merger control

#### CMA launches consultation on draft rivalry-enhancing efficiencies guidance

On 3 June 2026, the Competition and Markets Authority (CMA) [launched](#) a consultation on its approach to assessing rivalry-enhancing efficiencies in mergers. The consultation seeks views on draft revised guidance following an earlier call for [evidence](#) from January 2026. The consultation closes on 1 July 2026.

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Revising this guidance forms part of the CMA's ongoing efforts to embed its "4Ps" framework (pace, predictability, proportionality and process) into its merger control function. Key changes include:

- Greater detail on the types of evidence the CMA will consider when assessing efficiencies, including operational and financial data, strategy documents, transaction materials, ordinary-course materials (which carry greater weight), and the parties' track record;
- Clarification that the CMA will apply a consistent evidentiary approach in assessing both the potential harms and benefits of a merger. While the legal standard differs between Phase 1 (where efficiencies evidence must satisfy the CMA that the claimed benefits "would prevent a realistic prospect" of a substantial lessening of competition post-merger) and Phase 2 (whether, on the "balance of probabilities", a substantial lessening of competition arises, in consideration of any efficiencies), the CMA will apply the same evidentiary standards to rivalry-enhancing efficiencies as it does to its assessment of potential competitive harms; and
- More guidance on dynamic efficiencies, which are those that increase a firm's ability or incentive to innovate or invest. Such benefits may only be realised over several years. The CMA will have regard to market-specific factors, including innovation and investment cycles in the relevant industry, and will balance the timeliness and likelihood of these benefits against the timeliness and likelihood of competitive harms.

The draft guidance also encourages merging parties to engage with the CMA on efficiency claims early in the review process so that the CMA may assess the evidence and provide feedback, including whether additional evidence would be probative for the CMA's assessment of the transaction. The CMA may impose remedies to secure efficiency commitments and increase confidence that the claimed benefits will materialise, be timely and benefit consumers. The CMA took this approach in 2024 in the [Vodafone/Three transaction](#) where it used remedies to lock in behavioural commitments that would help bring about claimed efficiency commitments.

**India's Supreme Court sets aside Amazon fine and rules competition regulator acted outside its powers**

On 27 May 2026, the Supreme Court of India [set aside](#) an INR 2.02 billion (approximately USD 21.3 million) fine imposed on Amazon by India's competition authority, the Competition Commission of India (CCI), in relation to Amazon's acquisition of a 49 per cent stake in Future Coupons, a gift/loyalty card and payments business, including a 2.5 per cent stake in Future Retail, a major Indian retail network, which the CCI had [cleared unconditionally](#) in November 2019. The Supreme Court also quashed the CCI's subsequent suspension of its approval of the transaction in December 2021.

During the CCI's review of the transaction, Amazon had said the acquisition was to strengthen the Future Coupons business but, after Future Retail pointed the CCI to contradictory statements made in arbitration with Amazon, the CCI reviewed Amazon's internal documents and claimed Amazon had acted in a misleading way and concealed material facts. The CCI said Amazon had misrepresented its

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investment as purely limited to its stake in Future Coupons and had failed to disclose its wider aim of securing a strategic interest in Future Retail's business and assets. The CCI issued a *"show-cause"* notice in June 2021 asking Amazon to explain the alleged discrepancies. In December 2021, the CCI fined Amazon and [suspended](#) its approval, directing Amazon to renotify the deal.

Amazon appealed the CCI's decision, but the National Company Law Appellate Tribunal sided with the CCI in June 2022. Amazon appealed to the Supreme Court, which finally found in favour of Amazon and set aside both the CCI's decision and the Tribunal's ruling on a number of grounds including:

- The CCI was acting outside its powers as it had no statutory power to suspend a merger approval or to require a fresh notification after an unconditional approval had been granted.
- Amazon had disclosed the relevant transaction documents and the links between them (including the strategic interest in Future Retail's business and assets) to the CCI – any subsequent disagreement on the characterisation of the transaction could not be deemed non-disclosure or failure to notify.
- The CCI had not set out the specific false statements made and why they were material to the CCI's assessment – the fact that the CCI favoured another characterisation, and differences in the framing between internal documents and the filing documents, were not sufficient to show wrongdoing.
- The CCI was barred from examining transactions more than one year after completion of the transaction – the show-cause notice and order to re-file were outside this time limit.

The Supreme Court's judgment also emphasised the importance of certainty and stability, adding that a predictable and fair regulatory regime that treats foreign investors equally is particularly important given current global economic uncertainty.

**Regulatory****CMA imposes new conduct requirement on Google search services**

On 3 June 2026, the CMA [imposed](#) its first [conduct requirement](#) on Google in relation to its treatment of publisher content in general search services. The conduct requirement is one the CMA previously [consulted](#) on. Under the UK's digital markets competition regime, the CMA may introduce targeted rules for designated businesses with strategic market status (SMS) where proportionate for the purposes of ensuring fair dealing, open choices or trust and transparency. The CMA designated Google with [strategic market status in general search services](#) in October 2025.

Described by the CMA as a "world first", the conduct requirement gives publishers effective tools to prevent their content from being used in Google's AI-powered search features, such as AI Overviews, and to opt out of their content being used to "fine-tune" Google's AI models. Google must also ensure publisher content is properly attributed with clear links in AI-generated search results. The CMA

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considers these measures will strengthen publishers' negotiating position with Google, including news organisations, and help consumers better understand and trust the information presented to them.

Google has nine months to implement all changes, although key controls are expected to become available to publishers before then. Google must also submit and publish compliance reports every six months for the first year, supported by key data and metrics. The CMA has indicated it is actively monitoring implementation and may introduce further measures if needed.

**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

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