SLAUGHTER AND MAY

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European Commission accepts commitments from SAP to address concerns relating to aftermarket practices

On 9 July 2026, the European Commission announced that it has accepted commitments from SAP addressing the Commission's preliminary competition concerns that SAP's conduct relating to aftermarket support services breached competition rules.

Background

SAP, headquartered in Germany, is one of the world's largest enterprise software companies. Its product, Enterprise Resource Planning (ERP) software, helps businesses manage functions such as corporate finances, HR and project management, and can run either on customers' own servers (on-premises) or via the cloud. SAP also offers ongoing maintenance and support services for its ERP software, as do independent providers who compete with SAP in this space.

The Commission opened a formal antitrust investigation into SAP in September 2025, preliminarily identifying four practices that it believed could restrict competition in the EEA market for maintenance and support services for SAP's on-premises ERP software. The Commission's preliminary view was that SAP may have abused its dominant position by:

- Making it difficult for customers to terminate maintenance and support services for unused software licences, which may have resulted in SAP's customers paying for services they did not need;
- Imposing significant fees on customers who wished to resume SAP's maintenance and support services after a period of absence;
- Systematically extending the minimum contract period during which customers could not terminate their maintenance and support arrangements; and

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- Obliging customers to: (i) take maintenance and support services from SAP for all their SAP on-premises ERP software; and (ii) choose the same type of support under the same pricing conditions for all their SAP on-premises ERP software, preventing customers from "mixing and matching" providers or price and support levels.

SAP's commitments

In response to the Commission's concerns, SAP offered commitments, which it adjusted following market-testing. Under the final commitments, SAP will:

- Clarify how customers can divide their SAP landscape into separate parts and choose different maintenance and support options (including third-party providers or no support) for each part;
- Allow customers to terminate their licences and the related maintenance and support fees in certain specific circumstances;
- Give wider access to "single-metric contracts", which offer customers a simpler way of calculating maintenance and support fees;
- Clarify the rules on minimum contract periods during which customers cannot terminate their maintenance and support contracts, and avoid starting a new minimum contract term for each additional licence purchased;
- Abolish reinstatement fees and lower back-maintenance charges for returning customers; and
- Establish an internal mechanism for customers who believe SAP is not honouring its commitments.

These commitments apply worldwide and will last for ten years, with compliance overseen by an independent monitoring trustee.

Conclusion

The decision is the latest example of the Commission's continued pursuit of abuse of dominance cases in digital markets, and is consistent with Executive Vice-President Teresa Ribera's previous comments that – where appropriate – she is open to "soft enforcement" to provide agile and effective solutions, particularly in digital markets (see our previous briefing here). Other recent examples include the Commission's acceptance of binding commitments to close its investigation into Microsoft Teams in September 2025 (see our previous newsletter here).

In announcing the outcome, Ribera stated that the decision "sends a strong message: dominant firms in digital markets and beyond should not abuse their power to lock in users at the expense of choice and innovation."

Other developments

Merger control

UK government publishes NSIA annual report

On 14 July 2026, the Cabinet Office published its fifth annual report on the application of the UK's national security screening regime under the National Security and Investment Act 2021 (NSIA), this time for the 2025/2026 financial year.

In line with previous estimates, the report noted that the government received 1,324 notifications under the NSIA, representing a 15% increase year-on-year (and 46% more compared to 2023/2024). This resulted in a small increase in the time taken to accept notifications. The government accepted 1,242 notifications (an increase from 1,110 in the previous reporting period). Approximately 87% of these notifications were mandatory, 10% were voluntary and 3% were retrospective validation applications.

Of the 1,220 notified acquisitions reviewed during the reporting period, 4.4% were issued with a call-in notice and 95.6% were notified that no further action would be taken. This is in line with the previous reporting period. Nine final orders were made during the reporting period. Eight transactions were permitted to proceed subject to certain conditions, while one was prohibited. The government was also able to take all decisions on whether to call-in or clear notified acquisitions within the statutory 30 working day review period.

The sectoral profile of called-in transactions remains broadly consistent with previous years. For the 2025/2026 period, of the 60 acquisitions subject to extended review, 47% were linked to defence, 33% were linked to critical suppliers to government and 33% were linked to military and dual-use. Critical suppliers to government is the only new entry to this top three in comparison to reports from the previous two years (see here and here). In relation to acquirer location, of the 60 acquisitions called in, 52% involved UK-associated acquirers, followed by China-associated acquirers with 30% and US-associated acquirers with 23%.

Going forwards, the government is planning to change the NSIA legislation, inter alia, to exempt certain acquisitions from mandatory notification and update the scope of the notifiable sectors (see also our March Corporate Update Bulletin here).

Antitrust

South Korea's KFTC imposes record KRW 747.6 billion fine on four starch manufacturers for seven-year price-fixing cartel

On 7 July 2026, the Korea Fair Trade Commission (KFTC) imposed record fines of KRW 747.6 billion (approximately GBP 376 million) on four starch and starch-syrup manufacturers – Daesang Corp., Sajo CPK Co. Ltd., Samyang Corp. and CJ CheilJedang Corp. – for colluding on the sales prices of starch and starch-syrup products from May 2018 to October 2025. This is the largest cartel fine ever imposed by the

KFTC, surpassing the KRW 671 billion penalty levied on seven flour manufacturers in May 2026 (see KFTC's press release here).

The four companies collectively hold a 95.7% share of the starch market and an 86.4% share of the starch-syrup market. According to the KFTC, the companies agreed on the timing, scale and justification for price increases on 13 occasions. When international corn prices rose, they colluded to pass on higher costs quickly; when prices fell, they agreed to delay or minimise price reductions. The KFTC found this conduct caused a 73% increase in the price of starch-syrup.

On the same day, the KFTC launched proceedings against the same manufacturers for alleged bid-rigging in starch-syrup purchase auctions relating to sales of around KRW 1,000 billion (approximately GBP 503 million) and agreeing on the pricing of byproducts (see the KFTC's statement here). These actions underscore the KFTC's increased scrutiny of anticompetitive conduct it considers to affect people's livelihoods, particularly in the food sector – it has already imposed over KRW 1.7 trillion in cartel fines in 2026 alone across sugar, flour, paper and banking cases.

Subsidy control

European Commission publishes findings from first FSR review

On 14 July 2026, the Commission published a report on its first review of the Foreign Subsidies Regulation (FSR), which introduced a mandatory, suspensory regime for M&A (including joint venture) transactions and public tenders above certain financial thresholds, as well as broad powers for the Commission to investigate other market situations. The FSR aims to address distortions in the EU internal market caused by foreign subsidies. The Commission's review covered the first three years of enforcement under the FSR, which came into force in January 2023.

The review concludes that, overall, the FSR is functioning well with no need for structural changes at this stage. At the same time, the report finds that there is some need for clarification, simplification and streamlining to increase the instrument's efficiency and proportionality. For example, stakeholders consider that greater legal certainty and clarity are needed in relation to substantive FSR concepts such as the scope and application of the concept of foreign financial contributions. Companies also raised concerns about the resource-intensive nature of the data collection process and uncertainty surrounding the Commission's power to call in transactions that fall below the relevant thresholds.

Considering these findings, the Commission has said that it will launch initiatives to make "targeted" adjustments to the FSR procedural framework. These adjustments will be aimed at reducing the administrative burden imposed by the FSR on businesses. The Commission expects to publish the adjustments in draft form in the autumn, giving stakeholders an opportunity to comment, before adopting the changes in 2027.

For more details on the report, see our related briefing here.

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