

COMPETITION & REGULATORY NEWSLETTER

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European Commission's Defence Readiness Omnibus provides insight into its approach to competition rules in the defence sector

On 17 June 2025, the European Commission adopted the [Defence Readiness Omnibus](#) (the Omnibus), a package of measures aimed at establishing a defence-readiness mindset across the EU. The Omnibus includes a series of legislative and non-legislative proposals, as well as a [Commission Communication](#) (the Communication) to the European Parliament and the Council, which includes the Commission's proposed approach to competition rules as they relate to the defence sector (as explained in more detail below). The proposed measures aim to speed up defence investments to make the EU more responsive to modern day security challenges, and boost Europe's defence preparedness. The legislative proposals are subject to approval by the European Parliament and the Council.

Background

In the Communication, the Commission posits that Europe has experienced substantial under-investment in defence over the past decades, and faces an *"acute and growing threat"*. The Communication explains that this threat necessitates a shift towards a defence-readiness mindset, which it defines as *"the ability of Member States and Union defence industry to anticipate, prevent and respond to defence-related crises"* and which it sees as vital to the pursuit of European independence. The Communication puts forward the Commission's view that the EU's current regulatory environment is not fully aligned with the defence readiness mindset, with EU defence chief Andrius Kubilius explaining in his [remarks on launching the Omnibus](#) that *"defence readiness time also demands different regulations from peace time"*.

The Omnibus builds on the priorities set out in the Commission's [White Paper for European Defence-Readiness 2030](#). Released in March this year, the White Paper presented potential solutions to boost Europe's security and defence capabilities in the long-term, emphasising EU-wide cooperation and regulatory simplification as key areas of action. The Commission's proposals in the Omnibus are intended to reduce red tape, provide greater predictability to industry, and make it easier for defence companies to access EU funding. The Commission has stated that these measures complement the [targeted amendments](#) presented in April 2025 to existing EU funding programmes, which support more flexible and coordinated investments in Europe's defence technological and industrial base. This is also in addition to the [ReArm Europe Plan/Readiness 2030](#) which enables Member States to raise up to EUR 800 billion in defence spending and includes a EUR 150 billion loan to support investments in missile defence, drones, and cybersecurity.

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The Commission's pledges on competition policy

The Communication includes a section on the EU's competition rules in which it explains that these rules *"should not be an impediment to urgent ramping up of the sector, its contribution to the "defence readiness 2030" objective and Member States' ability to effectively respond to the challenges of the deteriorating geopolitical environment"*. As such, it explains that when enforcing EU competition rules across the whole spectrum of merger control, antitrust, and State aid, the Commission will take into consideration the specific characteristics of the defence industry and its own role in achieving defence readiness - so reflecting Commissioner Kubilius' [remarks](#) that *"we want our competition rules to not prevent our defence readiness"*.

In relation to merger control, against the backdrop of Commissioner Kubilius' [comments](#) that *"consolidation of our defence industry is really positive"*, the Communication pledges that as part of its ongoing review of the merger guidelines (as discussed in our [previous newsletter](#)) it will give *"adequate weight to the changed security and defence environment"*, in particular focusing on the potential efficiencies arising from enhanced defence and security within the EU.

As regards antitrust, the Communication notes that the Commission is ready to provide guidance to companies in the defence sector on how to collaborate with one another without falling foul of antitrust rules, acknowledging that in certain circumstances collaboration may be necessary to scale up production, develop certain products or procure raw materials. The Communication explains that when assessing such collaboration agreements, the Commission will consider the efficiencies generated by the collaboration, including potential benefits for defence readiness, the resilience of defence supply chains, and the integrity of the internal market.

The Communication also emphasises the importance of substantial public investment in the defence sector, stating that *"boosting public investment in defence is indispensable and urgent"*. Whilst much national investment aimed at supporting production capacity for defence products and services may not require notification to the Commission (due to the exemption for the protection of essential security interests under Article 346 TFEU), to the extent that measures do require notification, the Commission pledges to *"take due account of the measure's contribution to the defence readiness 2030 objective, as well as the specificities of the defence market"* in carrying out the balancing test. In addition, the Commission explains that it *"will prioritise the treatment of cases with the objective of defence readiness, whether notified as individual aid or as aid schemes"*.

Looking ahead

Whilst the Omnibus will be examined under the ordinary legislative procedure, the Commission has encouraged the European Parliament and the Council to move quickly to adopt the proposals, with Commissioner Kubilius [urging](#) the institutions to *"discuss and approve this Omnibus with the same urgency as we prepared it"*. A more in-depth revision of the EU Directive on Defence and Sensitive Security Procurement is scheduled for 2026.

OTHER DEVELOPMENTS

MERGER CONTROL

China's SAMR conditionally approves Bunge's acquisition of Viterra with behavioural remedies

The State Administration for Market Regulation (SAMR) published its [conditional approval](#) for Bunge Global SA's \$8.2 billion acquisition of Glencore-backed agribusiness rival Viterra (the Proposed Transaction) on 16 June 2025, concluding a review which lasted over 20 months.

SAMR identified the Chinese import markets for soybeans, barley and rapeseed as the key areas of concern, where the merged entity would become China's largest supplier post-Transaction, with a combined share of 20-25%, 35-40% and 30-35% for soybeans, barley and rapeseed respectively (according to 2022 data). The Proposed

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Transaction would increase the level of market concentration and Bunge's capacity to store, process, and transport these products, thus enhancing its ability to control the relevant import markets. Specifically, in the case of soybeans, this may weaken customers' bargaining power and further raise barriers to entry. SAMR noted that China relies heavily on these imports and, in particular, is the world's largest importer of soybeans and barley (with imports making up over 80% and 74% of its domestic consumption, respectively). In light of these factors, SAMR concluded that the Proposed Transaction could give rise to anti-competitive effects.

To address these concerns, SAMR imposed the following remedies for a duration of five years: (1) continuing supply to Chinese customers under existing contracts (unless the customer terminates or breaches the contract); (2) ensuring timely, stable, reliable, and sufficient supply of soybeans, barley and rapeseed to Chinese customers based on fair, reasonable, and non-discriminatory (FRAND) terms, and submitting quarterly sales reports to SAMR; and (3) promptly reporting to SAMR any global crop shortages, and using best endeavours to comply with the obligations set out in (2) in such circumstances. The remedies package also includes two additional remedies, whose details are not publicly disclosed.

This case is notable because of SAMR's lengthy review process, including an unprecedented 11-month "stop-the-clock"- one of the longest since the mechanism's introduction in 2022, with SAMR eventually approving the deal more than 10 months after the Commission's conditional clearance. While the combined market shares were not especially high, SAMR intervened with tailored behavioural remedies to address potential supply risks given the critical importance of the agricultural sector to the Chinese economy. This is similar to the *Marubeni/Gavilon* merger more than a decade ago, where the Ministry of Commerce (SAMR's predecessor) imposed behavioural remedies despite Marubeni holding a share of around 18% in imported soybeans in 2012.

Overall, this clearance decision sends a positive signal in the midst of the uncertainty of the US-China geopolitical situation, as it demonstrates SAMR's openness to clearing mergers involving US companies, even in sensitive industries. However, companies should be prepared for a potentially protracted review process and the possibility of remedies being required.

ANTITRUST

CMA launches consultation on releasing Google from Privacy Sandbox commitments

On 13 June 2025, the UK Competition and Markets Authority (CMA) published a [notice of intention](#) to release Google from commitments initially put in place to ensure that its Privacy Sandbox was developed in a way that benefits consumers.

The CMA opened its investigation into Google's Privacy Sandbox on 8 January 2021, in response to complaints of alleged anti-competitive behaviour and user data privacy concerns. In its Privacy Sandbox initiative, Google proposed to remove third-party cookies (TPCs) and alternative functionalities from Google's Chrome browser engine and to replace them with a new set of tools for targeted advertisement. TPCs play an important role in online and digital advertising but raise data protection concerns given that they enable other websites to track the user (so-called cross-site tracking).

Google offered commitments to address the CMA's concern that the proposed changes could further entrench Google's alleged dominance in the UK digital advertising market. Following consultations on proposed commitments in June and November 2021, on 11 February 2022 the CMA published its decision to accept binding modified commitments. In particular, the final commitments - which were put in place for six years - included: the implementation of a transparent process, including consultation with third parties regarding the development of the Privacy Sandbox; CMA and Information Commissioner's Office involvement in the design, development and implementation of the Privacy Sandbox proposals; non-discrimination against rivals of Google's own advertising businesses in the design, development and implementation of the Privacy Sandbox; limiting Google's use of data in its advertising businesses; and reporting and compliance regarding the commitments.

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In July 2024, Google announced a new approach to the Sandbox in that it would introduce a new prompt giving Chrome users a choice of whether to maintain or restrict TPCs. In addition, some further changes were made to cross-site tracking where identifiers other than TPCs are used. On 22 April 2025 Google [announced](#) its intention to abandon the standalone prompt giving users a choice whether to restrict or maintain TPCs altogether, and restated its intention not to take any other action which would materially reduce the availability of TPCs. Following these events, Google put a request to the CMA for the commitments to be released. In response, the CMA has taken the provisional view that the commitments are no longer necessary and it would be appropriate to release them. However, before taking a final decision, the CMA has given interested third parties until 4 July 2025 to make any comments.

CONSUMER PROTECTION

Amazon commits to CMA to tackle fake reviews

On 6 June 2025, the CMA [announced](#) that Amazon had agreed to undertakings in order to tackle fake and misleading reviews. The details of the undertakings are set out [here](#). These undertakings were accepted in relation to the CMA's investigation initiated on 25 June 2021 under the previous consumer enforcement regime. Under the new Digital Markets, Competition and Consumers Act 2024 enforcement regime which came into effect on 6 April 2025 (see our [previous briefing](#)), the CMA can fine a company that infringes consumer protection law up to 10% of their global turnover.

The commitments set out that Amazon must address fake and misleading reviews on its UK online store, including biased reviews, those submitted in exchange for payment or incentive, reviews from fake or compromised accounts and the practice of “catalogue abuse” - being where sellers “hijack” the reviews of a well-performing product and add them to a different product to boost that product’s rating. Building on Amazon’s existing processes, the commitments tackle these issues by requiring the implementation of several key measures. Amazon has committed to:

- put in place internal systems to detect and respond to fake and misleading reviews and catalogue abuse. Amazon is also to set thresholds at which it will determine that a review is suspicious, to then mitigate its impact (for example, by reducing its visibility or weight). Amazon must also regularly undertake risk assessments;
- set up clear and easy third-party reporting mechanisms; and
- enforce sanctions against sellers, suppliers and reviewers involved in fake and misleading reviews and catalogue abuse. Under the commitments, reviewers can be banned from selling on the platform and those who post fake reviews risk being banned from writing further reviews, and all their previous reviews being removed.

Sarah Cardell, Chief Executive of the CMA, said “*star ratings and reviews have a huge impact on their choices. That’s why these new commitments matter and help set the standard. They mean people can make decisions with greater confidence*”.

The Amazon commitments follow similar commitments from Google earlier this year. The CMA will continue to watch this space, having initiated a sweep of review platforms to assess compliance across the sector.

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