

## PRESS RELEASE

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**The Belgian Competition Authority (BCA) has partially accepted the request of Kinopolis to abrogate the remedies imposed in 1997 and modified in 2010, as from the 31<sup>st</sup> of May 2019.**

On the 31<sup>st</sup> of March 2017 Kinopolis has filed a request to lift the remedies imposed by the Competition Council in 1997 in respect of the concentration between the Bert and Claeys groups, creating the Kinopolis Group. Kinopolis filed already in 2006 a request to abrogate the remedies which resulted in minor changes by the judgement of the Court of Appeal of Brussels of 11 March 2010.

Given the present market structure, the Competition College of the BCA has decided on the 31<sup>st</sup> of May 2017 to abrogate the need for a preliminary authorisation by the BCA in respect of expansion by organic growth as from the 31<sup>st</sup> of Mai 2019. The other remedies (concerning the prohibition of exclusive or priority rights in respect of the distribution of films, the programming agreements with independent cinema owners, and the prohibition of the acquisition of cinema complexes without a preliminary authorisation of the BCA) remain valid.

The College has examined whether each of the remedies is still required in order to avoid a significant restriction of competition. It applied a proportionality test by balancing the anti- and pro-competitive consequences of each of the remedies in the light of the present market structure. The College relied on an extensive investigation by the Investigation and Prosecution Service (based *i.a.* on a postcode-research, and an extensive market and consumer survey) analysing the impact on the national and local markets for the showing of films in cinemas, taking into account the position of consumers, suppliers and competitors).

The BCA deemed the requirement of a preliminary authorisation for new initiatives no condition longer necessary, *i.a.* in view of significant changes of the market structure, of the impact of such restriction on organic growth, and of the pro-competitive effects of new initiatives. The BCA considered that the competitors of Kinopolis are no longer the smaller local actors (often family owned businesses) as in 1997, but stronger well established players with a wider geographic presence, that are in some cases part of international groups with similar or more important financial resources than Kinopolis. The digitalisation of films has also lowered the barriers for expansion or market entries because the limitation of copies that are brought into circulation by distributors is no longer an issue.

The BCA decided, however, to lift the condition in respect of organic growth only as from the 31<sup>st</sup> of May 2019. The transitional period of two years aims at avoiding possible market disruptions and allows competitors of Kinopolis to plan investments and to develop viable projects on markets that are not yet saturated.

In order to allow Kinopolis to inform all concerned, the BCA refers for more information to the spokespersons of Kinopolis.

**For further information, please contact:**

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The Belgian Competition Authority (BCA) is an independent administrative authority that contributes to the definition and implementation of competition policy in Belgium. Concretely, the BCA pursues anti-competitive practices, such as cartels and abuses of a dominant position, and reviews the main merger operations. The BCA cooperates with the other competition authorities of the member states of the European Union and the European Commission within the European Competition Network (ECN)