

market, the Commission can order that the concentration be dissolved, or that other actions be undertaken to maintain effective competition. Failure to comply with such an order can also result in the imposition of substantial fines.³³

3. The Implications of the Merger Control Regulation for Canada

3.1 The Coverage of Canadian Business Activity Under the Regulation

In the short term, the Merger Control Regulation is unlikely to apply to a large number of mergers, acquisitions and other concentrations involving Canadian firms. Few Canadian businesses are likely to participate in concentrations involving companies collectively having world-wide turnover in excess of \$8 billion Cdn., and at least two companies having Community-wide turnover of more than \$400 million Cdn. The expected lowering of these thresholds by December 1993, however, could expand the number of concentrations involving Canadian businesses that may come under the Regulation. In addition, until the Community dimension thresholds are reviewed, the possibility exists that some smaller concentrations involving Canadian businesses will be dealt with under the Merger Control Regulation at the request of individual Member States. Because a number of the Member States do not yet have well developed competition laws on mergers, it is possible that a substantial number of smaller concentrations will be referred to the Commission.³⁴

Canadian businesses that may be involved in concentrations having a Community dimension, should be aware that the application of the Merger Control Regulation is not limited to concentrations taking place in the EC. Rather, the Regulation may also allow the EC Commission to take action with respect to concentrations between Canadian-based companies, or Canadian and non-EC companies that meet the Community dimension thresholds. Moreover, mergers and acquisitions taking place in Canada and other non-EC countries that may have a Community dimension are not the only arrangements taking place outside of the Community that might come under the Merger Control Regulation. Rather, the broad definition of concentrations under the Regulation suggests that, in certain cases, it may also apply to joint ventures, export consortia or other arrangements