BCLP. Client Intelligent

Insights

NAVIGATING UK/EU COMPETITION LAW IN 2026: WHAT'S AHEAD?

Jan 27, 2026

2025 saw the introduction of a number of significant changes to various aspects of UK and EU competition and consumer law including the deployment of the new digital regulation regimes and the introduction of a new consumer protection regime in the UK. There were also developments across a number of other areas such as changes in approach towards merger remedies and continued interest in labour markets.

UK and EU authorities are recalibrating their enforcement approach in response to mounting pressure to foster domestic growth and innovation whilst managing heightened geopolitical risks. This strategic shift is reshaping both merger control and Foreign Direct Investment ("**FDI**") screening reviews: merger reviews are seeking to become more proportionate, with interventions reserved for transactions raising substantive national (as opposed to global) concerns, whilst FDI regimes are deploying more targeted scrutiny of deals involving sensitive sectors such as critical infrastructure, advanced technologies, and strategic industries. In this article, our Antitrust and Competition team sets out some of the key developments from 2025 and highlights what we expect to see from the Competition and Markets Authority (the "**CMA**") and the European Commission (the "**Commission**") across M&A, antitrust, digital, markets, consumer, and international trade in 2026 and what this might mean for businesses.

M&A

Merger control: a changing tide

In 2025, following the UK Government's published Strategic Steer focused on growth and investment, the CMA responded with a new Mergers Charter and a four pillar (the "**4Ps**") framework (pace, predictability, proportionality and process) which has materially reshaped the UK's merger control regime. Key reforms include a new 40 working-day KPI to accelerate the pre-notification process, updated guidance clarifying the jurisdictional tests of "material influence" and "share of supply", as well as the active encouragement of closer engagement with case teams throughout reviews (including through technical teach-ins that allow parties to explain complex

commercial aspects of their deals). Most significantly, the CMA has adopted a more strategic approach to case selection, prioritising transactions with substantive UK competitive impact whilst taking a "wait and see" stance on global deals with minimal UK effects - marking a decisive shift towards a more targeted merger control regime that the CMA considers focuses enforcement resources where they matter most for UK competition.

In addition, in December 2025, the CMA published its revised merger remedies guidance. Its amendments to the previous iteration are aimed at clarifying and updating the CMA's approach to remedies, preserving efficiencies and merger benefits and ensuring that the remedies process runs smoothly. Perhaps most notable amongst the revisions, the CMA has confirmed that behavioural remedies could be acceptable in more circumstances than was previously the case. This includes the possibility of behavioural remedies being accepted at Phase I of the merger review process – although any such remedy at Phase I must still satisfy the "clear cut" standard for addressing competition concerns, which could be difficult to achieve in many cases.

These reforms signal the CMA's commitment to a more business-friendly approach to merger reviews - a trend expected to accelerate in 2026. Looking ahead, more changes are on the horizon as the UK Government proposes further refinements to the UK competition regime in line with its pro-growth agenda, notably: (i) the replacement of the CMA's independent inquiry panel model for Phase II decision-making with a CMA Board sub-committee; (ii) introducing an exhaustive list of criteria for the share of supply and material influence jurisdictional tests; and (iii) giving the Secretary of State a veto power over a wide range of CMA guidance documents. In parallel, to support growth and investment in the UK, the CMA has launched reviews into its approach to assessing rivalry-enhancing efficiencies.

Beyond the UK, the Commission is working to update its 2004 merger guidelines, which we expect to be finalised towards the end of 2026. Both the CMA's revision of its merger remedies guidance and the Commission's ongoing review of its merger guidelines should be viewed in the context of significant political pressure in both the UK and EU that regulatory processes be seen to support rather than stifle investment. Whether proposed reforms aimed at driving deal and process efficiencies come at the cost of greater political influence over transaction reviews will be closely watched.

FDI: harmonisation and expansion of scope

On 11 December 2025, the Commission, the European Parliament, and the Council of the European Union finalised their provisional agreement on proposed revisions to the EU FDI Screening Regulation. The proposed revisions are intended to further harmonise Member States' screening regimes, including by specifying certain sectors that must be subject to screening, requiring all Member States to operate a mandatory screening regime (although almost all (apart from Croatia) have such regimes already) and strengthening the EU cooperation mechanism through which the Commission and Member States exchange information on notified transactions. The revised FDI

Screening Regulation will enter into force in 2026 and is expected to be applicable after an 18-month implementation period in the second half of 2027.

The UK Government is also proposing amendments to the scope of its National Security and Investment ("**NSI**") screening regime. In the second half of 2025 (July-October 2025), the UK Government consulted on amendments to the 17 sensitive sectors of the economy that require mandatory notification. The amendments consulted on included the proposed introduction of new standalone sectors for Water, Semiconductors and Critical Minerals, and amendments to other sectors. It is possible that the revised sectors will be confirmed during 2026. In addition, the UK Government is also due to announce further details on notification exemptions for certain internal reorganisations and appointments of liquidators, special administrators and official receivers – which is likely to be welcome news for businesses with UK activities in one or more of the sensitive sectors.

BCLP's Antitrust and Competition team has recently examined in more detail the forthcoming changes to the EU's FDI Screening Regulation and the UK's NSI regime.

Foreign Subsidies Regulation: more clarity for investors

The EU's Foreign Subsidies Regulation ("**FSR**") entered into force in July 2023, introducing mandatory notification regimes for certain M&A transactions and public procurements that receive financial contributions from non-EU governments. These notification regimes took effect from October 2023.

Following a 2025 consultation, on 9 January 2026, the Commission published much-needed guidelines on the regime, in particular on three critical areas: how foreign subsidies can distort the EU's internal market, the Commission's assessment framework for potentially distortive subsidies, and the exercise of its *ex ante* investigative powers—including limited safe harbours that define when such powers will not be deployed.

In 2026, we expect the Commission to publish its first evaluation on the functioning of the FSR, with a report due in July 2026. This may trigger further refinements to the regime based on nearly three years of practical experience, potentially addressing areas where businesses have encountered uncertainty or procedural challenges.

To read more about these developments, and other key issues to watch in EU M&A in 2026, keep an eye out for our Brussels team's annual review which will be published in the coming weeks.

ANTITRUST

Anticompetitive agreements: vertical and horizontal agreements remain a key focus

Vertical restraints returned to the spotlight in 2025. In October 2025, the Commission fined Gucci, Chloé and Loewe €157 million for resale price maintenance ("**RPM**"), after restricting retailers' ability to set independent online/offline prices and controlling discounts. These decisions confirm that even after several years without RPM sanctions, the Commission still keeps a close eye on vertical practices — and businesses should not lower their guard.

The Commission also remained active in cartel enforcement and adopted several cartel decisions including against trade associations. In April 2025, 15 car manufacturers and a trade association were fined €458 million over an end of life vehicles recycling cartel; in December 2025, automotive starter battery manufacturers and a trade association were fined €72 million for entering into anticompetitive agreements related to the sale of automotive starter batteries.

Enforcement was not limited to fines: for the first time, the Commission adopted, under its Notice on Informal Guidance of 2022, comfort letters in certain targeted, pro-competitive collaborations (for example, port electrification and the licensing negotiation group in the automotive sector) provided strict safeguards were met. Next year could bring additional cartel decisions stemming from past dawn raids in the EU. The Commission's recent comfort letters may encourage businesses — particularly in sustainability related areas — to proactively seek guidance.

In the UK, the CMA has continued to focus its cartel enforcement on markets strategically important for UK growth. Its investigations into suspected anti-competitive conduct in the supply of fragrances and fragrance ingredients, supply of waste management services, and supply of roofing and other construction services remain open, with updates expected throughout 2026. We expect these updates to be a good indication of how the CMA's 4Ps framework is changing the CMA's approach to cartel enforcement and what this may mean for businesses in practice.

On the legislation side, another upcoming EU development will be the revision of the Technology Transfer Block Exemption Regulation (the "**TTBER**"), ahead of its expiry in April 2026, which should notably address data licensing, licensing negotiation groups, and clarify the application of market share safe harbours. We would expect the UK to put in place a new Technology Transfer Block Exemption Order before the retained TTBER expires.

Labour markets: developing area of competition law

The UK and EU competition authorities' focus on business' labour market practices reached new heights in 2025 and we expect this to continue into 2026.

In the UK, following the CMA's infringement decision in March 2025 relating to freelance/self-employed labour in the production and broadcasting of sports content, in September 2025, the CMA published guidance titled: Competing for talent: What businesses need to know when recruiting workers and setting pay and other working conditions (the "**Guidance**"). Employers should familiarise themselves with the three main types of anti-competitive behaviour in labour markets identified by the CMA (all of which will be treated as business cartels): (i) no-poaching; (ii)

wage-fixing; and (iii) exchange of competitively sensitive information. The CMA makes it clear that businesses that compete to hire or retain workers are competitors in the labour market even if they don't compete for customers.

Publication of the Guidance is a strong signal that the CMA will continue to focus on labour market conduct. For example, the CMA's investigation into arrangements relating to the hiring or recruitment of certain staff involved in the supply of fragrance ingredients (as part of broader alleged cartel conduct) remains ongoing, with the CMA due to provide an update in March 2026.

In the EU, the Commission issued its first fine against a labour market cartel in the Delivery Hero/Glovo infringement decision. Among other infringements, Delivery Hero and Glovo formed a labour market cartel through reciprocal no-poach agreements for all employees except riders. There are also a number of cases before the Court of Justice of the EU which concern alleged labour market cartels. We expect these cases will likely lead to further developments in this area of competition law and enforcement in 2026. National competition authorities across the EU are also increasingly looking at labour market conduct with the Romanian authority having imposed fines in January 2026 on a number of companies in the automotive sector in relation to agreements not to compete with one another in recruiting and hiring qualified /specialised staff associated with motor vehicle manufacturing and related services in Romania.

Abuse of dominance: sustained enforcement

This year saw sustained enforcement of Article 102, with a particular focus on digital markets, though other sectors were also scrutinised.

While the Commission has imposed a substantial fine on Google for alleged abusive self-preferencing practices, and accepted commitments from Microsoft on tying practices, it is increasingly reviewing AI-related practices. In December 2025, it opened two significant investigations: one into Meta's policy concerning AI providers' access to WhatsApp, and another examining Google's use of publishers' and YouTube content for AI training. An update is also expected in the CMA's investigation into Google's conduct in the ad tech space. Otherwise, the CMA has not been active in investigating and enforcing abuse cases under Chapter II of the Competition Act 1998.

Among the other sectors under scrutiny, it is worth noting that the Commission launched its first formal investigation into Red Bull for alleged abuse of dominance through category-management practices aimed at disadvantaging competitors.

Last but not least, the Commission's long-awaited guidelines on exclusionary abuses including exclusive dealing, tying and bundling, refusal to supply, predatory pricing, and margin squeeze are expected to be published early in 2026, since the final text was initially scheduled for 2025. Once adopted, these guidelines, which will reflect new Article 102 jurisprudence from the Court of Justice of the EU on exclusionary conduct, could assert enforcement presumptions which increase

the burden upon companies seeking to rebut them, and which could eventually result in stricter enforcement.

Competition law enforcement: adapting to new realities

Competition authorities across the EU have remained active in conducting dawn raids, with over 40 dawn raids by national authorities and the Commission in 2025. The sectors in focus have been transportation, consumer goods, and construction, which made up around half of the total number of dawn raids in 2025. We expect to see continued dawn raids throughout 2026; in the UK, the CMA may start using some of its newly acquired powers.

The digitisation of businesses alongside increases in the volume of data held by these businesses and the shift towards hybrid / home working have changed the nature of dawn raids and the powers that competition authorities require to effectively enforce competition law.

In the UK, 2025 saw the Digital Markets, Competition and Consumer Act 2024 (the "**DMCCA**") come into force which modernised the CMA's enforcement toolkit and significantly enhanced its inspection powers in antitrust cases. This included the new power to "seize and sift" material during dawn raids conducted at domestic premises, clarifying powers to require the production of electronic information and documents stored remotely, and a new duty to preserve documents where a person knows or suspects that an investigation is, or is likely to be, carried out by the CMA. The CMA is now also able to impose increased penalties for failure to comply with its investigative measures.

At the EU level, the Commission is consulting on proposed updates to its antitrust enforcement framework under Regulation 1/2003. The Commission is aiming to modernise its inspection powers including new powers to inspect and seize documents remotely without entering physical premises, as well as the ability to order the preservation of electronic evidence and conduct compulsory interviews. It is also using this opportunity to amend rules to optimise co-enforcement with national competition authorities and courts. The public consultation on the list of proposals closed in October 2025 and the Commission is expected to adopt a draft legislative proposal to revise Regulation 1/2003 in 2026. While the new antitrust enforcement framework will not be in force in 2026, we don't expect this to deter the Commission and national competition authorities from conducting dawn raids and it remains important for clients to have appropriate training and plans in place in the event of a dawn raid.

Competition litigation: maturing regimes

In the UK, further development of the maturing competition litigation regime is expected in 2026. 2025 saw efforts to impose more discipline on complex, multi-party claims, and to exert tighter control on expert evidence and independence, led by the new president of the Competition Appeal Tribunal (the "**Tribunal**"), Justice Kelyn Bacon KC. We expect to see parties adjust their case strategy and approach to evidence in 2026, to reflect the more stringent requirements imposed by

recent practice directions and the learnings from 2025's high-profile competition damages judgments.

The opt-out collective action regime also faces a critical year. The regime has been under pressure, following a series of cases that delivered underwhelming results for claimants in 2025. Those prompted the Department for Business and Trade to review the regime. The outcome of the review could have important implications for collective actions in the UK. So will the series of cases listed in the Tribunal's crowded trial calendar for 2026, which will see important judgments (and potentially settlements) across a range of issues including abuse of dominance claims involving digital platform ecosystems, excessive pricing claims, the evolving certification standard, how damages should be distributed, and the role of class representatives.

Class representatives will hope to pick up in 2026 where 2025 left off, following the landmark judgment in *Kent v Apple* awarding damages to a class representative at the end of last year. The UK Government has also announced plans to reverse the Supreme Court's ruling in *PACCAR*, which had limited the funding arrangements that class representatives could use in collective proceedings. 2026 will be an important year for the development of the collective actions regime.

In the EU, private damages claims have also surged in recent years, driven by favourable EU-level legislation (including the 2014 Damages Directive and the 2020 Representative Actions Directive) and pro-claimant judgments (including in relation to jurisdiction, limitation, and collective redress). 2026 will see further important judgments at the Court of Justice of the EU level, as well as development of the competition litigation regimes in individual member states.

DIGITAL, MARKETS, AND CONSUMER

Digital: decisive shift in the enforcement landscape

2025 also marked a decisive shift in the enforcement landscape of EU digital competition law. On 23 April 2025, the Commission adopted its first-ever sanctions under the Digital Markets Act (the "**DMA**"), targeting Apple and Meta, two of the six identified "gatekeepers" (Alphabet; Amazon; Apple; ByteDance; Meta; Microsoft). Apple was fined €500 million for restricting developers' ability to inform and direct users to cheaper offers outside the App Store – a violation of the DMA's anti steering rules. Meta received a €200 million fine for its "Consent or Pay" model, which forced users either to accept data combination for personalised advertising or to pay for an ad free service, a practice deemed non-compliant with the DMA. Those decisions should not be the last, as the Commission has already announced the launch of several additional investigations targeting Amazon, Microsoft, and Alphabet.

At the same time, the Commission launched a broad public consultation in July 2025 as part of the DMA's first formal review, due by 3 May 2026. This review assesses whether the DMA effectively guarantees fair and contestable digital markets and specifically invites feedback on its

implications for the AI sector. Taken together, these steps demonstrate that digital regulation and AI remain high on the Commission's agenda heading into 2026, and that major tech companies continue to face close scrutiny.

The CMA has also been active in the deployment of the UK's ex ante digital markets regulation regime. In 2025, it confirmed that Apple and Google have strategic market status ("**SMS**") under the DMCCA in mobile platforms, while Google also has SMS in search services. This paves the way for the CMA to deploy its new DMCCA enforcement powers for firms with SMS designation, such as introducing conduct requirements. It is also likely that 2026 may bring new SMS designations, as the CMA expands on its reach in digital markets.

Markets: Reform to the CMA's Markets work

The CMA's market review and investigation powers continue to be some of the most powerful sets of tools available to any competition regulator globally. In 2025, the CMA took steps also to embed the 4Ps framework into its markets work.

Further reform is likely in 2026, as the UK Government's recently published proposals to refine the UK competition regime included proposals affecting the markets regime. The Government's proposals look set to place greater power in the hands of the CMA, including through: (i) merging market studies with market investigations to create a single market review tool; and (ii) removing the power of the UK's sectoral regulators to require the CMA to undertake a market investigation.

Consistent with the CMA's live project to review and withdraw longstanding markets remedies that may no longer be fit for purpose as markets have evolved, the Government's reform proposals also put forward: (i) a requirement that the CMA review market remedies at least once every 10 years; and (ii) that "sunset clauses" for market remedies be adopted on a statutory footing where appropriate.

We expect final reports from the CMA in the first half of 2026 on its live markets work, namely: (i) the market investigation into veterinary services for household pets; and (ii) the market study into civil engineering services.

Consumer protection: New enforcement regime takes root

2025 marked a step-change for consumer protection in the UK. In April 2025, the CMA's new enforcement powers granted under the DMCCA came into force, as well as provisions relating to drip pricing and fake reviews.

The CMA can now enforce consumer protection laws directly through administrative proceedings (rather than enforcement via a court process) and can impose fines of up to 10% of global annual turnover, as well as imposing enhanced consumer measures and online interface notices (see our

article: Digital Markets, Competition and Consumer Act – What can we expect from the CMA? | BCLP - Bryan Cave Leighton Paisner).

In 2026, we expect the CMA to continue to take a proactive approach towards the enforcement of consumer protection law. This is consistent with the CMA's approach in the second half of 2025, when it undertook a substantive review of over 100 businesses' websites to assess compliance with its guidance on consumer reviews and conducted a major cross-economy review of more than 400 businesses in 19 sectors to assess compliance with the rules on price transparency.

In November 2025, the CMA announced its first wave of enforcement action under the new regime, an important moment for the CMA in highlighting that it will use its new powers. In 2026, a close eye will be kept on how the CMA progresses these cases and whether it can achieve the aim of making the enforcement of consumer protection law more efficient. We expect the CMA to open additional enforcement cases in 2026, in particular in sectors that represent areas of significant household spend and in relation to practices previously identified as priorities such as aggressive sales practices that prey on vulnerable consumers and providing objectively false information to consumers.

In 2026, we also expect the CMA to continue to use its "soft powers" (such as advisory letters) which can be a cost-effective alternative to formal enforcement action. These powers were used by the CMA in 2025 to write to businesses regarding consumer review policies and concerns about poorly signposted additional fees and other online sales tactics.

The new subscription contracts regime is expected to come into force in late 2026, once secondary legislation and guidance has been finalised. This aims to protect consumers from being trapped in unwanted subscription contracts, by mandating provision of clearer information about term and rights to cancel and providing for periodic reminders to be sent to subscribers.

In the EU, in November 2025, the Commission adopted its 2030 Consumer Agenda, the strategic plan for EU consumer policy for the next five years. The Commission reaffirmed its commitment to introduce a Digital Fairness Act to address practices such as dark patterns, addictive design features or unfair personalisation, focussing on the protection of minors. The 2030 Consumer Agenda also contains a proposal to revise the Consumer Protection Cooperation Regulation to promote coordinated action in consumer enforcement across EU Member States. From September 2026, provisions of the Empowering Consumers for the Green Transition Directive will come into force which prohibit unfair commercial practices that hinder sustainable purchases and the making of unsubstantiated environmental claims about goods/services.

INTERNATIONAL TRADE

Export control: further expansion of dual use items

On 15 November 2025, the 2025 amendments to the EU's Dual-Use Control List (the "**EU Control List**") entered into force, updating Annex I of Regulation (EU) 2021/821. The Commission has traditionally relied on consensus within international agreements, such as the Wassenaar Arrangement, to guide its amendments. Whilst the 2025 EU Control List reflects amendments agreed in 2024 under multiple multilateral export control regimes, it also incorporates commitments accepted by Member States to control certain emerging technologies, even where those controls have not been adopted at the multilateral level (due to Russia vetoing additions of new technologies to the Wassenaar Arrangement control list).

Alongside amendments to certain technical definitions and descriptions, the EU Control List now includes the following new dual-use items: controls related to quantum technology, semiconductor manufacturing and testing equipment and materials, advanced computing integrated circuits and electronic assemblies, coatings for high temperature applications, additive manufacturing machines and related materials, and peptide synthesizers.

The UK's Export Control Joint Unit has also introduced amendments to various secondary legislation to ensure alignment with the UK's international commitments. In particular, the UK's dual-use export control list was amended to reflect the amended EU Control List and ensure alignment between Great Britain and Northern Ireland (where the EU Control List is directly applicable). In addition, the UK has added new items to the assimilated Torture Regulation, concerning trade in certain goods which could be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment.

In addition to ensuring compliance with export control rules, the EU Control List (and UK equivalent) should also be borne in mind in the context of (i) the EU's proposed revised FDI Screening Regulation (which would include dual-use items within the minimum scope of national FDI screening mechanisms as outlined under the FDI section above), and (ii) the UK's NSI regime, which includes the military and dual-use sector as one of 17 sensitive sectors of the economy that fall within the scope of the NSI mandatory screening regime.

Sanctions: uptick in volume and frequency

Last year saw a noticeable uptick in the volume and frequency of sanction enforcement activity by the UK's Office of Financial Sanctions Implementation (the "**OFSI**"), with OFSI publishing six enforcement actions in 2025 across a range of sectors (compared with one enforcement action in 2024). Of the six cases, four related to the UK's Russia sanctions regime, and resulted in fines ranging from £5,000 to £465,000. In addition to illustrating that both substantive breaches and procedural failures will be of interest to OFSI, these cases also highlight a number of enforcement and compliance lessons:

- Businesses must understand their levels of exposure to sanctions' risks, in particular in high-risk environments, and take necessary steps to address them.

- The existence of sanctions' policies and controls will not be a mitigating factor if they are not fit for purpose, or if they are adequate but not properly followed by employees.
- Delays or failures in responding to RFIs, failures to comply with the reporting requirements of a general licence, and payments made directly to designated persons, including designated banks, whether or not inadvertent, will all likely be treated as aggravating factors.

We can expect OFSI to continue to step up its enforcement activity in 2026, in particular as it continues to transition towards a more proactive, intelligence-led enforcement model, a move supported by a dedicated Compliance Enforcement team established to review, investigate and enforce breaches of specific and general licences. Indeed, of OFSI's 240 active cases in April 2025, 151 arose from non-self-reported sources (an increase of c.40% from the previous year). Against the backdrop of OFSI's increasingly proactive approach to enforcement, businesses across all sectors should ensure that they review their sanctions' compliance programmes and provide additional training to employees where necessary.

Our leading Antitrust, Competition & Trade practice includes over 75 dedicated lawyers located in 15 offices across the UK, Belgium, France, and the US. Our team provides commercially-focused, full-service competition and regulatory support to clients, ranging from compliance policies and training to cartel investigations, merger control and FDI, and competition litigation. The experience of our team is substantive and diverse – in private practice, in industry, at regulators, in economics and in law. We are well-equipped to offer innovative, efficient and effective solutions.

Please contact your usual contact or any member of the Antitrust, Competition & Trade team if you would like to discuss any aspect of this article.

*****

The authors would like to thank Trainee Solicitor Peter Vojnits for his contribution to this article.

RELATED CAPABILITIES

- Antitrust & Competition
- Litigation
- Enforcement
- Regulation
- M&A & Corporate Finance

MEET THE TEAM

Andrew Hockley

Australian Registered Foreign Lawyer (admitted in England and Wales) and Global Practice Group Leader - White Collar, Antitrust, and International Trade, Sydney

andrew.hockley@bclplaw.com
+44 20 3400 4630

Christine Graham

Partner, London

christine.graham@bclplaw.com
+44 (0) 20 3400 4291

Dave Anderson

Office Managing Partner, Brussels

david.anderson@bclplaw.com
+32 (0) 2 792 2421

Julie Catala Marty

Partner, Paris

julie.catalamarty@bclplaw.com
+33 (0) 1 44 17 77 95
