

## **JCRA Media Release**

12 September 2006

### **JCRA Consults on Exemptions from Competition Law**

The Jersey Competition Regulatory Authority (JCRA) is seeking views on whether small businesses should be exempted from the provisions of the Competition (Jersey) Law prohibiting anti-competitive arrangements which harm consumers. It is also seeking views on whether certain types of commercial agreements (such as distribution agreements) should also be exempted (so-called 'block' exemptions). Any Exemption Order would be issued by the Minister for Economic Development on the advice of the JCRA, and the JCRA wishes to consult publicly before delivering its advice.

The Economic Development Committee had previously sought the JCRA's advice on these matters last year, before the Competition Law took effect. The JCRA advised that the EDC may wish to wait until the Competition Law had been in force before considering whether small businesses should

be exempted. It also advised that block exemptions should not be granted at that time. The EDC accepted the JCRA's advice.

The Minister for Economic Development is now reviewing these matters, and has asked the JCRA for its advice in the light of current circumstances.

On small businesses, the JCRA wishes to minimise the compliance burden which the Competition Law imposes, and has asked for feedback from small businesses on their experience with the Competition Law in terms of compliance. This will help inform the advice which the JCRA gives to the Minister.

On block exemptions, the JCRA is proposing to advise (as previously) that block exemptions should be considered when sufficient experience of individual exemption applications has been built up, so that block exemptions can be tailored to fit local market conditions: they should not be drafted purely by reference to the European models which exist. Otherwise there is a risk that too many, or too few, agreements will be covered by the

block exemption. So far the JCRA has received only one individual exemption application (which it granted).<sup>1</sup>

Bill Brown, Executive Director of the JCRA, said:

*“Whether Exemption Orders under the Competition Law should be made is a very important issue, since they directly affect the compliance burden on businesses. We believe that any such exemptions should fully take into account local circumstances in Jersey, otherwise there is a risk that they will undermine the objectives of the Competition Law, or fail to achieve their purpose. We are therefore keen to receive as much feedback on this issue as possible, before advising the Minister”.*

The consultation period ends at 5pm on 20 October.

ENDS

All enquiries concerning this matter should be addressed to Chuck Webb on +44 (0)1534 514990.

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<sup>1</sup> JCRA Decision C015/06, *General Practitioners Out-of-Hours Cooperative* (8 August 2006).