

JCRA Media Release

12 January 2006

JCRA Reminds Businesses of 1 May Compliance Deadline

The Jersey Competition Regulatory Authority (JCRA) reminds businesses that all commercial arrangements which were entered into before 1 November 2005 (when the Competition (Jersey) Law entered into full effect) must comply with the Law by 1 May 2006.

Part 2 of the Law prohibits commercial arrangements between two or more businesses which hinder competition in the supply of goods or services in Jersey. Commercial arrangements can include contracts between businesses such as distribution or purchasing agreements, as well as trade or professional association rules and recommendations, where they restrict competition. This part of the Law (as well as Part 3 concerning abuse of dominant position) entered into effect on 1 November 2005.

While commercial arrangements entered into after 1 November have to comply with the Law immediately, those which were already in existence before 1 November were granted a transitional (or grace) period of six months (until 1 May 2006) to comply. This was intended to give businesses sufficient time to agree any necessary amendments to their commercial arrangements to bring them into line with the Law.

So what steps should businesses be taking, and what are the consequences of failing to take them?

Bill Brown, Executive Director of the JCRA, said:

“We would strongly recommend that businesses, as a matter of urgency, look at their commercial arrangements with third parties to ensure that they comply with the Competition Law, if they have not already done so. Where they have compliance concerns, we are happy to meet them on a confidential basis (as we have been doing with many businesses over the last few months) to discuss how those concerns are best addressed – for example through amendment to contracts, or an application for exemption to the JCRA. Failure to take appropriate steps may lead to arrangements becoming unenforceable after 1 May 2006, and increase the risk of penalties or damages for breach of the Competition Law”.

Businesses wishing to have an informal but confidential discussion should telephone the JCRA on 01534 514990 or e-mail enquiries@jcra.je

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For all enquiries please contact Mr. C Webb on 01534 514990