

# JCRA Media Release

20 December 2007

## **JCRA Issues First Fine under Jersey's Competition Law**

***Italian multinational Autogrill S.p.A. fined £10,000.00 for failing to comply with Jersey's Competition Law concerning mergers & acquisitions***

The Jersey Competition Regulatory Authority ("JCRA") has fined Autogrill S.p.A. ("Autogrill"), a company listed in Milan, £10,000.00 for failing to comply with the Competition (Jersey) Law 2005 (the 'Law') concerning its acquisition of Alpha Airport Groups plc ("Alpha"). This is the first time the JCRA has issued a fine under the Law.

Chuck Webb, the JCRA's Executive Director, states:

*"This decision underlines that Jersey's Competition Law applies to all companies, whether local or international, that operate in Jersey. The JCRA will not hesitate to enforce the Law irrespective of the identity of the company involved."*

The fine concerns a procedural infringement of the Law, arising from an acquisition of Alpha by Autogrill that required formal notification to, and approval by, the JCRA prior to its completion, based on Alpha's pre-existing business activities in Jersey. The facts available to the JCRA indicated that Autogrill acquired control of Alpha by, at least, 17 September 2007 (when Alpha's shares were cancelled on the London Stock Exchange) but the acquisition was not notified to the JCRA until 8 October 2007. Because this notification occurred after the acquisition had been completed, the JCRA had no opportunity to assess the potential competitive effects of this acquisition in Jersey.

Mr. Webb states:

*"The JCRA considers that the underlying principles set out in Jersey's Competition Law concerning mergers and acquisitions are themselves*

*very important and that their violation undermines the effectiveness of the Law as it was established by the States of Jersey.”*

Under Jersey’s Competition Law, infringements are punishable by fines of up to 10% of a company’s turnover during the period of the infringement. In addition, the JCRA may order companies to unwind mergers and acquisitions completed in violation of the Law’s requirements. Because the facts of this case indicated that the violation was solely procedural, the JCRA concluded that the most appropriate and proportional remedy was an administrative fine. The amount of the fine was influenced by this being the JCRA’s first use of the Law’s financial penalty provisions. Mr Webb concludes:

*“The JCRA has concluded that a fine of £10,000.00 is justified and proportionate, given the circumstances of the case. While this should serve as a clear example of the JCRA’s willingness to use the Law’s financial penalty provisions where appropriate, the amount of the fine is specific to this case, and does not control the JCRA’s discretion over future matters.”*

Pursuant to the JCRA’s decision, Autogrill must pay the penalty by 15 March 2008. In compliance with Jersey’s Competition Law, the JCRA will transfer the money it receives from this penalty to the States of Jersey.

A copy of the JCRA’s decision in this matter may be obtained from the JCRA’s website, [www.jcra.je](http://www.jcra.je). All enquiries should be directed to the JCRA’s Executive Director, Chuck Webb, on +44 (0)1534 514990.

### About the JCRA

The JCRA is an independent authority established by the States of Jersey to enforce Jersey’s competition law and regulate its telecommunication and postal sectors. In each of these areas, the JCRA’s primary mission is to promote consumer welfare through

efforts that encourage lower prices and greater choice and innovation in the goods and services available in Jersey. The JCRA is recognized internationally as a leading voice in the application of competition law and policy in small economies.

ENDS.....