



JCRA Media Release

JCRA fines Jersey Gas owners for Competition Law Breach

The Jersey Competition Regulatory Authority (JCRA) has fined Brookfield Asset Management Inc. approximately £89,000 for failing to notify the JCRA concerning its purchase, in December 2010, of the parent company of Jersey Gas Company Limited and Kosangas (Jersey) Limited.

Certain mergers or acquisitions (M&As) require the prior approval of the JCRA which helps to ensure the JCRA can detect and prevent M&As that would substantially lessen competition in Jersey and could otherwise have a detrimental effect on consumers and the Jersey economy. The deal in question was not notified and Brookfield has accepted that it breached the law and has paid the fine.

It is the highest financial penalty issued by the JCRA to date and, now that the law is nearly six years old, the JCRA wanted to remind the local business community in particular that compliance with the law was vital and that they need consider it as part of their business practice, especially when purchasing other businesses.

JCRA's Executive Director John Curran said: "Any failure to notify the JCRA of M&As that meet the mandatory filing requirements undermines the effectiveness of the JCRA to protect local consumers. While I acknowledged the co-operation Brookfield has provided during our investigation, we believe a fine is warranted given the importance of Jersey Gas locally."

The JCRA is also warning local businesses that they must comply with Jersey's Competition Law or risk sizeable penalties.

“The competition law has been in place now since 2005. Therefore there is no reason for any local company not to be aware of it and comply with it. All businesses and their advisors, if they are contemplating a merger or acquisition, should satisfy themselves as to whether the JCRA needs to be informed. We are very happy to meet with businesses at any stage of the deal process to assist them understand whether a notification is required or not. However, businesses should be aware that where we find a breach we will impose a sanction,” Mr Curran said.

The JCRA is intending to run advocacy sessions to different sectors of the business community later in the year to help them ensure that they are aware of their obligations under the law once the current review of the merger regime is complete.

As required by the law, the financial penalty received by the JCRA will be transferred in full to the States of Jersey.

A copy of the JCRA's decision is available at www.jcra.je. All enquiries should be directed to the Executive Director, John Curran, on +44 (0)1534 514990 who is available for interview.

NOTES TO EDITORS

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.

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