



JCRA Media Release

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JCRA launches public consultation in relation to merger review

The Jersey Competition Regulatory Authority (JCRA) has announced a public consultation regarding proposed changes to the current merger and acquisition (M&A) thresholds designed to ensure that the JCRA can focus its resources on those M&A's that have the potential to most significantly impact on Jersey consumers.

Under the Competition (Jersey) Law 2005 certain mergers or acquisitions require the prior approval of the JCRA. This requirement is designed 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.

On the 10 February 2011, the JCRA announced that it was reviewing the M&A notification regime in Jersey and the public consultation is part of that review.

Following a review of international best practice and merger notification regimes in other jurisdictions, including small island economies, the JCRA proposes abolishing the current "share of supply test" (which involves assessing merging parties' respective share of the supply or purchase of each product and service they supply or provide in Jersey) and instead introducing a combined local turnover and asset test.

JCRA Executive Director, John Curran, said: “We believe that the introduction of a combined local turnover and asset test will enable us to focus our resources on the mergers and acquisitions with the greatest likelihood of substantially lessening competition in Jersey.

“This proposed change will, we believe, reduce the number of large multi-national mergers being reviewed by the JCRA. In terms of resolving any competition issues that may arise, international mergers are generally assessed by the competition authorities in larger jurisdictions which may be a more appropriate forum than the JCRA.

“There is an argument that the added value to the Jersey economy for the JCRA to always review such mergers is less obvious. We want to ensure that we use our resources to best protect Jersey consumers and focus on mergers and acquisitions that have a more obvious direct impact on the Jersey economy”.

“This consultation is the way that the business community and other interested parties including local consumers can help inform the JCRA on the proposed changes. We hope for the widest possible response to this consultation.”

The responses received will help to inform the JCRA’s advice to the Minister for Economic Development on proposed amendments to the current thresholds.

The Consultation Paper is available on the JCRA’s website www.jcra.je. Copies may also be obtained by contacting the JCRA directly on +44 (0)1534 514990. The closing date for submissions is 4pm on Wednesday 22 June 2011.

All enquiries concerning this media release should be directed to the Executive Director, John Curran, on +44 (0)1534 514990.

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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