



## **CICRA media release**

**20 March 2013**

### **CICRA consults on guidelines for competition law penalties and leniency policies**

CICRA (the Channel Islands Competition and Regulatory Authorities) is consulting businesses and consumers on proposed guidelines setting out what penalties businesses can expect if they flout the islands' competition laws and the leniency provisions available for those who are prepared to 'whistle-blow' on anti-competitive activities.

The Competition (Jersey) Law 2005 and The Competition (Guernsey) Ordinance, 2012 prohibit anti-competitive behaviour, including anti-competitive agreements between businesses and the abuse of a dominant position in a market.

The laws also require parties to submit certain mergers and acquisitions to CICRA for prior approval.

CICRA's guidelines are designed to inform businesses and consumers about how CICRA applies competition laws in the Channel Islands. The 12 guidelines issued on 1 August 2012 have now been formally adopted by CICRA, after taking account of submissions made as part of an earlier consultation. The new guidelines cover calculation of financial penalties and a leniency policy for cartels.

"Open and vigorous competition is good for consumers because it can result in lower prices, new products, better quality and more choice," CICRA chief executive, Andrew Riseley, said.

“CICRA has a wide range of powers to investigate businesses suspected of breaching the laws. We can order that offending agreements or conduct be stopped and we can impose financial penalties on businesses and individuals for any breach.”

“Consumers lose out where businesses that should be competing for custom act as a cartel and limit competition; for example, by conspiring to fix prices, share customers or rig bids in contract tenders.

The proposed new guidelines make it clear that any business participating in cartel activity is exposing itself to the risk of very significant financial penalties. However, it can avoid that risk by disclosing the existence of the cartel to CICRA, and benefit from total immunity, or a significant reduction in the level of penalty, if it meets the leniency policy criteria.

Mr Riseley said: “CICRA considers that businesses willing to ‘whistle-blow’, and put an end to their participation in a cartel, should not be dissuaded from doing so by the imposition of high financial penalties.

“The purpose of the leniency policy is to offer a strong incentive to businesses to come forward with information relating to any cartel activities in which they are involved.”

Mr Riseley said the guidelines would ensure businesses and individuals knew exactly what was available in term of leniency and immunity and also what penalties were in place should a business fall foul of the laws.

“Cartels, by their very nature, are secret agreements and difficult to uncover. Leniency or ‘whistle-blowing’ policies are commonly used by competition authorities worldwide to help detect such agreements,” he said

Under the laws, the amount of the penalty cannot exceed 10% of the worldwide turnover of the business (and the corporate group to which it belongs) during the period of the breach, up to a maximum of three years.

The proposed guidelines can be downloaded at [www.cicra.je](http://www.cicra.je) and [www.cicra.gg](http://www.cicra.gg). The consultation ends on Monday, 29 April 2013.

ENDS

#### **NOTES TO EDITORS:**

All enquiries should be directed in writing to CICRA Chief Executive, Andrew Riseley, in Guernsey at the Guernsey Competition and Regulatory Authority, Suites B1 & B2, Hirzel Court, St Peter Port, Guernsey GY1 2NH or in Jersey at the Jersey Competition Regulatory

Authority, 2nd Floor, Salisbury House, 1 - 9 Union Street, St Helier, Jersey JE2 3RF.  
Alternatively email [info@cicra.gg](mailto:info@cicra.gg).

**About CICRA:**

The Channel Islands Competition and Regulatory Authorities or 'CICRA' is the name given to the Jersey Competition Regulatory Authority (JCRA) and the Guernsey Competition and Regulatory Authority (GCRA) (formerly the Office of Utility Regulation). The JCRA was established under the Competition Regulatory Authority (Jersey) Law, 2001, and the GCRA was established under The Guernsey Competition and Regulatory Authority Ordinance, 2012. In Jersey, the telecoms and postal sectors are regulated by the JCRA, which is also responsible for administering and enforcing the Competition (Jersey) Law 2005. In Guernsey the telecoms, postal and electricity sectors are regulated by the GCRA, which is also responsible for the administration and enforcement of the Guernsey competition law since it came into force on 1 August 2012.

By working together and sharing resources and expertise between the islands, CICRA strives to ensure that consumers in all the Channel Islands receive best value, choice and access to high quality services.