

Dear Kerstee

Many thanks for your email and for forwarding the consultation document. For your information, I spoke with some of the UK competition lawyers on your email and understand they are going to make a submission. Hopefully you received that already.

We have the following comments on the proposals:

- We welcome the proposal to move away from the current share of supply test, towards a combined turnover and asset, for the reasons given in your consultation document. We agree this should make it easier in practice to identify when transactions fall within the thresholds, which is a fairer result given the mandatory notification regime and the penalties which follow from a failure to file.
- We note that it is not proposed to move away from the current mandatory notification regime, not least because it is enshrined in the law. As you know, we have previously indicated that we would prefer either (i) a more voluntary filing regime in line with UK practice; or (ii) keep the mandatory notification regime, but review the penalties so that it is not possible for an inadvertent failure to file, in circumstances where there is no substantial lessening of competition, to give rise to eg the transaction being void. These consequences are disproportionate in our view. We appreciate you are not looking for comments on this aspect in your consultation document, but nonetheless we consider this is an aspect which is worthy of review at some point.
- In relation to the proposed turnover threshold of £2 million, we query whether a single turnover threshold is appropriately applied to all types of business. For instance, it seems to us that this turnover threshold will inevitably bring many local financial services M&A transactions into the scope of the merger regime, which would not currently be because (in the context of this market in Jersey) they represent a small percentage of share of supply in that market.
- Further, do you intend that the previous exemption for conglomerate sales will continue to apply, assuming the part of the business being sold is not in an area of concentration? We think this is a valuable and sensible exemption which should continue to apply.
- In terms of the proposed second limb of the jurisdiction test, relating to local assets, we can see the merit in this. However, we can also see this needs careful consideration to ensure certain transactions which may be of interest to the competitive landscape in Jersey are not excluded from appropriate consideration.

We would be pleased to discuss any aspect of this further with the JCRA if you wish.

Best regards
Mike

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