

ENTERPRISE & REGULATORY REFORM BILL: Competition and Markets Authority

Main purpose and benefits of legislation:

The legislation will improve the effectiveness and efficiency of competition enforcement and the competitiveness of markets for the benefit of consumers by:

- Improving the quality of decisions and strengthening the regime;
- Supporting the competition authorities in taking forward the right cases; and
- Improving the speed and predictability for business.

The main elements under the Bill are:

- Bringing together the Competition Commission (CC) and the competition functions of the Office of Fair Trading (OFT) to a single Competition and Markets Authority (CMA). The CMA will be the UK's principal competition authority, leading on tackling anti-competitive behaviour as part of ensuring markets work well for consumers;
- The introduction/reduction of statutory time limits for all parts of the markets and merger regimes;
- Improving the administrative approach to antitrust enforcement and the speed of the process and robustness of decision making;
- Removing the 'dishonesty' element of the criminal cartel offence to improve enforceability; and
- Improving the way in which the CMA works with sector regulators.

Wider context:

In any market, effective competition is essential. Well functioning competition helps to deliver a more dynamic economy which can generate economic growth, jobs and prosperity. It gives confidence to established businesses in the UK and it forces firms to innovate and become more efficient. This benefits the consumer in the long term.

Replacing the OFT and CC with one new body will increase transparency, and deliver a strengthened and streamlined regime as well as eliminating inefficiency and duplication.

The CMA will be a single authoritative voice for the UK internationally and a consistent avenue for business to help them understand and comply with competition law. It will also have powers, under consumer enforcement legislation, to address features of a market which impact on consumer choice, even where competition is working well.

These are comprehensive reforms, which are designed to create a regime that delivers better outcomes for business, consumers and the UK economy.