

The Market Investigations Review Team  
7<sup>th</sup> Floor  
Competition and Markets Authority  
Victoria House  
37 Southampton Row  
LONDON  
WC1B 4AD

*By email*

Your ref: CMA61con  
Our ref: A17642155  
2 May 2017

Dear Sir or Madame,

Please find herewith the Scottish Government's response to the Competition and Markets Authority's consultation on *Updated guidance the CMA's approach to market investigations*, dated 6 March 2017.

The Scottish Government recognises the important role that market investigations can play in bringing about significant improvements to the way markets work for both consumers and businesses. As such, the Scottish Ministers also welcome the new power they have under the Scotland Act 2016 to act with the Secretary of State to request the CMA to carry out a second stage market investigation. The Scottish Ministers will use their new powers where appropriate and in particular where they can possibly effect change where an adverse effect on competition is identified in Scotland.

*The Strategic Assessment of Markets in Scotland* (June 2016) was the Scottish Government's first formal look at competition in markets in Scotland. It set out the areas where we think Scottish markets could be improved or could produce better outcomes for Scottish consumers. One of the key issues identified was how to ensure that on-going competition and regulatory investigations take sufficient account of Scottish issues. The Scottish Government sees this assessment as an important first step in gaining an understanding of potential competition issues in Scotland and we will fully engage with the CMA as part of the process to address the areas of concern identified through a two year programme of activity.

On the *Updated guidance the CMA's approach to market investigations* specifically, the Scottish Government agrees with the CMA's proposed changes to Market Investigations (MIs) both in respect of streamlining them and in respect of strengthening those synergies between market studies and MIs. We believe these changes should help achieve the intended benefits, as outlined.

Lastly, the Scottish Government would like to see its new power to act with the Secretary of State to request the CMA to carry out a second stage market investigation, as outlined above, reflected in the updated guidance.

I hope this response is helpful and should, of course, be happy to provide any additional information or clarification.

Yours faithfully,

**PETER B. IRVING**