Department for Science, Innovation & Technology

To: SoS
From: [redacted]
SCS Clearance: Cora Govett / Harry Lund, [redacted]

Meeting Brief CMA Sarah Cardell (CEO) and Marcus Bokkerink (Chair): Cover page

Date, time & location of meeting:
Tuesday 16 July, 11:30, 100 Parliament Street

Meeting attendees:

1. Sarah Cardell, Chief Executive, CMA
2. Marcus Bokkerink, Chair, CMA
3. Will Hayter, Executive Director of the Digital Markets Unit, CMA

Official(s) attendee(s):

1. Emran Mian, Director General, Digital Technologies and Telecoms
2. Jenny Hall, Director, Digital Economy and Data Policy
3. Harry Lund, Deputy Director, Digital Regulation and Markets Policy

Agenda:

1. Digital Markets, Competition and Consumers (DMCC) Act
2. CMA work on digital and AI

Purpose: To build a relationship with the Competition and Markets Authority (CMA), a key regulator, and to receive briefing on an upcoming announcement on UK, US and EU cooperation on competition issues in AI markets.

Context: The CMA CEO and Chair wrote to you (SoS) on 8 July 2024 congratulating you on your appointment, outlining their work on economic growth and AI, and requesting a meeting.

Previous Engagement:

1. This is your first meeting with CMA Chief Executive Sarah Cardell and Chair Marcus Bokkerink.
2. **8 July 2024** – Congratulatory letter on your appointment from CMA CEO and Chair, including briefings on the CMA's work on economic growth and AI.

Minister’s note page [Officials please leave this section blank]

Meeting Brief

Objective & Handling:

- Develop a relationship with CMA Chief Executive Sarah Cardell and Chair Marcus Bokkerink.
- Discuss how the CMA's work on digital markets can support the Government's missions – particularly the growth mission.

Key points to raise:

Agenda Item 1 – Digital Markets, Competition and Consumers (DMCC) Act:

- **Highlight** the Government's support for the DMCC Act, which received Royal Assent on 24 May.
- **Thank** the CMA for their support on implementing the digital markets regime. Officials continue to work closely on the development of statutory guidance and secondary legislation.
- **Ask** how stakeholders have received the digital markets draft guidance. The consultation period for the CMA's guidance closed on Friday 12 July.

Agenda Item 2 – CMA work on digital and AI:

- **Ask** the CMA to outline their work on digital markets and AI, and discuss how this can best support the new government's missions.

[redacted]

Background:

Digital Markets, Competition and Consumers Act 2024

- **The CMA is the UK's competition authority, with a statutory duty to promote competition for the benefit of consumers.** The CMA is formally sponsored by the Department for Business and Trade (DBT).
- **The DMCC Act 2024 will give the CMA new powers to promote competition in digital markets.** The Act created a new pro-competition regime for digital markets which seeks to drive innovation and growth. Only a small number of the most powerful tech firms will be in scope.
- **These new powers will come into effect later this year**. Before the new regime commences, the Government needs to lay a number of statutory instruments and to formally sign off the CMA's guidance. You will receive further advice on implementation in the coming days.
- **DSIT and DBT have joint responsibility for the digital markets regime.** Policy responsibility is shared between DSIT (which leads on the digital economy) and DBT (which leads on competition policy).
- **The regime has strong stakeholder support, though Big Tech firms have reservations about some aspects.** Stakeholders including challenger tech firms [redacted] publishers and consumer groups are calling for the regime to be implemented as soon as possible. Big Tech firms were broadly supportive but raised concerns on specific elements of the regime throughout parliamentary passage.

CMA work on AI

- **Competition authorities across the world are actively monitoring AI markets.** There is a risk that key AI markets are dominated by a handful of firms that use their market power to shut out competitors. The CMA – like its counterparts in other jurisdictions – is closely monitoring AI markets as they develop.
- **However, advances at the frontier of AI require vast scale, and competition policy should not artificially constrain this**. The most advanced AI requires significant scale and access to scarce resources – including advanced semiconductors, compute, data and skills. This may require parts of AI markets to be highly concentrated. Any potential intervention by the CMA would be based on a full assessment that considers the benefits of scale and concentration.

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ANNEX A: BIOGRAPHIES

Sarah Cardell, Chief Executive, CMA	
	• Appointed CMA Chief Executive in December 2022. Previously CMA General Counsel from 2013, and Interim Chief Executive July-December 2022. • Previous career in competition law including as Legal Partner of the Markets Division at Ofgem, Partner in the Competition Group at Slaughter and May, advising on EU and UK merger and antitrust cases, and at the Office of Fair Trading (OFT).

Marcus Bokkerink, Chair, CMA	
	• Appointed Chair of CMA Board in September 2022. • Also chairs Development Board of Pembroke College, Cambridge, and on Manchester Grammar School Governors Board. • Previously an investor in startups and advisor to the entrepreneurs who founded them. He was also a Senior Partner and Managing Director at Boston Consulting Group (BCG).

Will Hayter, Executive Director of the Digital Markets Unit, CMA	
	• Executive Director for Digital Markets at the CMA since February 2024 and member of CMA Board. Responsible for implementing the new digital markets regime under the DMCC Act. • Previously Senior Director of the Digital Markets Unit and Director of the Transition Hub (Cabinet Office/10 Downing Street), alongside various CMA and Ofcom roles.