



Competition Act 1998

1998 CHAPTER 41

PART I

COMPETITION

CHAPTER I

AGREEMENTS

The prohibition

2 Agreements etc. preventing, restricting or distorting competition.

- (1) Subject to section 3, agreements between undertakings, decisions by associations of undertakings or concerted practices which—
- (a) may affect trade within the United Kingdom, and
 - (b) have as their object or effect the prevention, restriction or distortion of competition within the United Kingdom,
- are prohibited unless they are exempt in accordance with the provisions of this Part.
- (2) Subsection (1) applies, in particular, to agreements, decisions or practices which—
- (a) directly or indirectly fix purchase or selling prices or any other trading conditions;
 - (b) limit or control production, markets, technical development or investment;
 - (c) share markets or sources of supply;
 - (d) apply dissimilar conditions to equivalent transactions with other trading parties, thereby placing them at a competitive disadvantage;
 - (e) make the conclusion of contracts subject to acceptance by the other parties of supplementary obligations which, by their nature or according to commercial usage, have no connection with the subject of such contracts.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Competition Act 1998. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

- (3) Subsection (1) applies only if the agreement, decision or practice is, or is intended to be, implemented in the United Kingdom.
- (4) Any agreement or decision which is prohibited by subsection (1) is void.
- (5) A provision of this Part which is expressed to apply to, or in relation to, an agreement is to be read as applying equally to, or in relation to, a decision by an association of undertakings or a concerted practice (but with any necessary modifications).
- (6) Subsection (5) does not apply where the context otherwise requires.
- (7) In this section “the United Kingdom” means, in relation to an agreement which operates or is intended to operate only in a part of the United Kingdom, that part.
- (8) The prohibition imposed by subsection (1) is referred to in this Act as “the Chapter I prohibition”.

Annotations:

Modifications etc. (not altering text)

- C1** S. 2(1) excluded (18.6.2001) by 2000 c. 8, **ss. 164(1)(2)(4)**; S.I. 2001/1820, art. 2, **Sch.**
S. 2(1) excluded (3.9.2001) by 2000 c. 8, **s. 311(9)**; S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**

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Changes and effects yet to be applied to :

- s. 2(5) applied by S.I. 2004/1261 reg. 7(3)

Changes and effects yet to be applied to the whole Act, associated Parts and Chapters:

- Blanket amendment text amended by S.I. 2011/1043 art. 3 4
- Blanket amendment text amended by S.I. 2011/1043 art. 3 6
- Blanket Amendment words substituted by 2005 c. 4 Sch. 11 para. 5

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Pt. 2A inserted by S.I. 2004/1261 Sch. 1 para. 44
- s. 28A inserted by S.I. 2004/1261 Sch. 1 para. 14
- s. 30A by 2002 c. 40 s. 198
- s. 30A text amended by S.I. 2004/1261 Sch. 1 para. 16
- s. 31A-31E inserted by S.I. 2004/1261 Sch. 1 para. 18
- s. 47A by 2002 c. 40 s. 18(1)(2)
- s. 47A(7)(a) text amended by S.I. 2007/1846 reg. 3(2)
- s. 47A(7)(b) text amended by S.I. 2007/1846 Sch.
- s. 47A(7)(c) text amended by S.I. 2007/1846 Sch.
- s. 47A(7)(d) words substituted by 2005 c. 4 Sch. 9 para. 65(3)
- s. 47B by 2002 c. 40 s. 19
- s. 58A and cross-heading by 2002 c. 40 s. 20(1)(2)
- s. 58A(4)(a) text amended by S.I. 2007/1846 Sch.
- s. 58A(4)(b) text amended by S.I. 2007/1846 Sch.
- s. 58A(4)(c) words substituted by 2005 c. 4 Sch. 9 para. 65(4)
- s. 62A inserted by S.I. 2004/1261 Sch. 1 para. 38
- s. 62B inserted by S.I. 2004/1261 Sch. 1 para. 39
- s. 65A 65B inserted by S.I. 2004/1261 Sch. 1 para. 43
- s. 75A inserted by S.I. 2004/1261 Sch. 1 para. 47
- s. 121 modified by S.I. 2003/1397 art. 3(5)
- Sch. 6A inserted by S.I. 2004/1261 Sch. 1 para. 52
- Sch. 7A by 2002 c. 40 s. 187 Sch. 12
- Sch. 7A by 2002 c. 40 s. 187(4)
- Sch. 7A para. 1 amended by S.I. 2003/1592 Sch. 4 para. 15(3)
- Sch. 7A para. 1 text amended by 2003 c. 21 Sch. 17 para. 154
- Sch. 7A para. 1 text amended by 2003 c. 21 Sch. 19(1)
- Sch. 7A para. 1 text amended by S.I. 2005/3172 Sch. para. 3(b)
- Sch. 24 para. 13 excluded by S.I. 2003/1397 art. 3(6)
- Long Title text amended by S.I. 2004/1261 Sch. 1 para. 1

Commencement Orders yet to be applied to the Competition Act 1998:

Commencement Orders bringing legislation that affects this Act into force:

- S.I. 2003/708 art. 2 commences (2001 c. 16)
- S.I. 2003/766 art. 2 commences (2002 c. 40)
- S.I. 2003/1397 art. 2 commences (2002 c. 40)
- S.I. 2003/1900 art. 2 commences (2003 c. 21)
- S.I. 2003/2681 art. 2 commences (2003 c. 20)
- S.I. 2003/3142 art. 2-4 commences (2002 c. 11 and 2003 c. 21)

- S.I. 2004/641 art. 2-5 commences (2003 c. 37)
- S.I. 2004/827 art. 2-4 commences (2003 c. 20)
- S.I. 2004/1376 art. 2 3 commences (2001 c. 16)
- S.I. 2004/1866 art. 2 commences (2002 c. 40)
- S.I. 2004/2528 art. 2-3 commences (2003 c. 37)
- S.I. 2004/2575 art. 2 Sch. 1 2 commences (2004 c. 20)
- S.I. 2004/3233 art. 2 commences (2002 c. 40)
- S.I. 2004/3322 art. 2 Sch. 1-3 commences (1989 c. 40 and 2004 c. 27)
- S.I. 2005/968 art. 2 3 commences (2003 c. 37)
- S.I. 2005/2714 art. 2-4 commences (2003 c. 37)
- S.I. 2009/107 art. 2-5 Sch. 1-5 Commencement Order
- S.I. 2009/579 art. 2 commences (2008 c. 26)
- S.I. 2009/1604 art. 2 commences (2005 c. 4)
- S.I. 2011/2329 art. 2 3 commences (2011 c. 5)
- S.R. 2003/203 art. 2 commences (S.I. 2003/419 (N.I.))
- S.R. 2005/514 art. 2 commences (S.I. 2005/1454 (N.I.))
- S.R. 2007/194 art. 2 commences (S.I. 2006/3336 (N.I.))