
EXPLANATORY NOTE

(This note is not part of the Order)

Chapter I of the Competition Act 1998 prohibits agreements between undertakings, decisions by associations or concerted practices which may affect trade within the United Kingdom, and have as their object or effect the prevention, restriction or distortion of competition within the United Kingdom.

Where there are exceptional and compelling reasons of public policy to do so, the Secretary of State may exclude agreements or descriptions of agreements from the prohibition contained in Chapter I.

This Order applies to nuclear submarines developed or manufactured for the Secretary of State. It disapplies the prohibition contained in Chapter I of the Competition Act 1998 in the case of agreements concerning any part of a Core Competence between the Secretary of State and a Submarine Enterprise Collaboration Participant, or between two or more Submarine Enterprise Collaboration Participants, or between one or more Submarine Enterprise Collaboration Participants and any other person in order to give effect to a joint buying agreement. A joint buying agreement is an agreement between two or more Submarine Enterprise Collaboration Participants for the joint purchase of goods or services. The agreement must have the purpose of protecting the essential security interests of the United Kingdom. In addition, an agreement must not have as its object or effect the prevention, restriction or distortion of competition within the United Kingdom except to the extent that it concerns the exercise of any part of a Core Competence by a Submarine Enterprise Collaboration Participant.

An impact assessment for this Order has been prepared by the Ministry of Defence and is available from Defence Equipment and Support, Ministry of Defence, Abbey Wood, Bristol, BS34 8JH and on the Ministry of Defence website at <http://www.mod.uk/DefenceInternet/AboutDefence/CorporatePublications/ConsultationsandCommunications/PublicConsultations/>.