

**EXPLANATORY MEMORANDUM TO
THE COMPETITION ACT 1998 (COMPETITION AND MARKET AUTHORITY'S
RULES) ORDER 2014**

2014 No. 458

1. This explanatory memorandum has been prepared by the Department for Business, Innovation and Skills and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1 The Order sets out the rules to be followed by the Competition and Markets Authority and sectoral regulators in the exercise of their powers of investigation and enforcement under the Competition Act 1998.

3. Matters of special interest to the Joint Committee on Statutory

3.1 None.

4. Legislative Context

4.1 As a result of the creation of the Competition and Markets Authority, there is a need for that authority and for the sectoral regulators to have rules of procedure when investigating competition matters.

5. Territorial Extent and Application

5.1 This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 The Rules outline the CMA' functions and procedures when investigating suspected infringements of the prohibitions under Chapter I and Chapter II of the CA98 and/or Article 101 and 102 of the Treaty on the Functioning of the European Union.

These procedures apply equally to the sectoral regulators when they apply and enforce the CA98 within their respective sectors.

8. Consultation outcome

8.1 The Rules were subject to consultation by the Office of Fair Trading on behalf of the CMA. The CMA has accepted that consultation. The consultation can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/243700/1-guidance-on-cma-investigation-procedures-in-ca98-cases-consultation.pdf

9. Guidance

9.1 The Competition and Markets Authority will publish its own guidance on how it intends to exercise its powers under the Competition Act 1998 as amended by the Enterprise and Regulatory Reform Act 2013.

10. Impact

10.1 The impact assessment completed for Parts 3 and 4 of the Enterprise and Regulatory Reform Bill, introduced to Parliament on 23rd May 2012, contained an assessment of the effect that the reforms to the competition regime will have on the costs of business and the public and voluntary sector. It can be found at the website: <https://www.gov.uk/government/publications/strengthening-competition-and-creating-a-single-market-authority>

11. Regulating small business

11.1 The legislation applies to small business.

12. Monitoring & review

12.1 Section 46 of the Enterprise and Regulatory Reform Act 2013, requires the Secretary of State to conduct a review within five years of the operation of the competition provisions of the Competition Act 1998, which could encompass these rules.

13. Contact

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