

# UK COMPETITION LAW ENFORCEMENT: FOCUS ON DISTRIBUTION STRATEGIES

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**Richard Burton**

**William Haig**

**Alex Stratakis**

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**VAN BAELE & BELLIS**

# BREXIT: How does it look before and after the transition period?

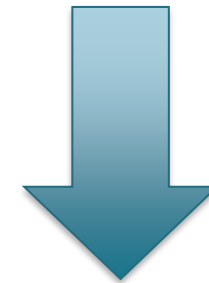
## Until 31 December 2020

- No change to UK competition law enforcement
- CMA will not investigate conduct where the Commission has already initiated formal proceedings



## From 1 January 2021

- CMA will no longer apply EU competition law, may depart from EU pre-Brexit case law
- Commission will carry on with ongoing investigations
- Risk of parallel proceedings



# CMA's enforcement framework

## COMPETITION ACT 1998: CHAPTER I PROHIBITION



### Competition Act 1998

1998 CHAPTER 41

An Act to make provision about competition and the abuse of a dominant position in the market; to confer powers in relation to investigations conducted in connection with [1<sup>st</sup> Article 81 or 82] of the treaty establishing the European Community; to amend the Fair Trading Act 1973 in relation to information which may be required in connection with investigations under that Act; to make provision with respect to the meaning of "supply of services" in the Fair Trading Act 1973; and for connected purposes. [9th November 1998]

Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

23.4.2010

EN

Official Journal of the European Union

L 102/1

II

(Non-legislative acts)

### REGULATIONS

COMMISSION REGULATION (EU) No 330/2010  
of 20 April 2010

on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices

(Text with EEA relevance)

## EU VERTICAL AGREEMENTS BLOCK EXEMPTION REGULATION:

adopted into UK law, However, question mark  
over EU's new VABE

**LENIENCY AND RPM:**  
Maximum discount reduced to 50%



# ENFORCEMENT FOCUS: Retail Price Maintenance

**Roland** and **Korg** (2020) –  
fined a combined total of  
**£5.5 million**

Case study

**Reseller GAK fined for illegally  
agreeing not to discount online**

Lessons from the CMA's investigation into GAK and Yamaha's  
use of illegal resale price maintenance (RPM).

Published 8 September 2020  
From: [Competition and Markets Authority](#)



**Fender** (2020) –  
fined **£4.5 million**



Musical instrument firms Roland and  
Korg fined £5.5m over UK price fixing

Competition and Markets Authority says pricing practice  
restricted online discounting by retailers



▲ The Competition and Markets Authority estimates that about 40% of musical instruments are sold online in the UK. Photograph: Kenny Katonba/Reuters  
The keyboard and electric drum kit makers Roland and Korg have been fined a combined total of £5.5m, as part of the UK competition watchdog's crackdown on price fixing across the musical instrument industry.

**GAK (retailer)** (2020) –  
fined **£280,000**



CMA has introduced an online  
price monitoring tool to monitor  
pricing and detect suspicious  
activity

## ENFORCEMENT FOCUS: Online markets



*“Companies that try to stop their customers from shopping online for their products could be breaking the law.” - CMA*

***Ping Europe*** (2017) –  
fined **£1.45 million** (lost  
appeal at Court of  
Appeal in 2020)



***Mobility Scooters***  
(2013) – issued  
**infringement decision**



# PARALLEL TRADE



# Thank you

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## Any questions?