CMA disqualifies pharma director

Pritesh Sonpal - a former director of the pharmaceutical wholesaler Lexon - will be disqualified from taking up any director role or being involved in the management of any company based in England, Scotland or Wales for 4 years.

This move follows the Competition and Markets Authority's (CMA) <u>decision in March 2020</u>, which found that Lexon — along with the pharmaceutical companies King Pharmaceuticals and Alissa Healthcare Research — illegally shared commercially sensitive information about the antidepressant nortriptyline. As a result, Lexon was fined £1.2 million for breaking competition law.

Nortriptyline is an NHS prescribed drug used by thousands of patients to relieve the symptoms of depression. Between 2015 and 2017, when the cost of the drug was falling, the three suppliers exchanged information about prices, the volumes they were supplying and Alissa's plans to enter the market, in order to reduce competition.

Lexon subsequently appealed against the CMA's decision, but in <u>February 2021</u> the <u>Competition Appeal Tribunal (CAT) upheld it in full</u>.

In connection with Mr Sonpal's involvement in Lexon's illegal information sharing, the CMA applied to the court seeking his disqualification as a company director. Mr Sonpal has now accepted the CAT's findings that his actions caused Lexon to participate in the illegal exchange of sensitive commercial information.

Michael Grenfell, Executive Director of Enforcement at the CMA, said:

This should be a message to all directors — if your company breaches competition law, you risk personal disqualification.

While Mr Sonpal was a director, Lexon illegally shared commercially sensitive information with competitors, which typically reduces competition so that the NHS as customer — and ultimately UK taxpayers — could have been paying over the odds for an important drug.

These actions are unacceptable. We will continue to crack down on law-breaking companies and directors to protect vulnerable patients, the NHS and taxpayers.

The CMA has issued a range of guidance to help businesses and directors understand more about how to comply with competition law, including compliance advice for company directors on how to avoid director disqualification and the competition law risk guide.

Notes to Editors

- 1. Under the Company Directors Disqualification Act and the Company Directors Disqualification (Northern Ireland) Order 2002, the CMA has the power to apply to the court to disqualify a director from holding company directorships or performing certain roles in relation to a company, for a specified period, if a company of which he or she is a director has breached competition law. The Act and the Order also allow the CMA to accept a disqualification undertaking from a director as an alternative to bringing proceedings and obtaining an order in Court; such an undertaking has the same legal effect as a disqualification order. These disqualifications were secured by such undertakings.
- 2. The register of disqualified directors is published on the Companies House website.
- 3. Mr Sonpal's disqualification will begin on 12 January 2022.
- 4. Media queries should be directed to: press@cma.gov.uk or 020 3738 6460.