

CMA updates competition law risk guide for managers

The latest guide from the Competition and Markets Authority (CMA), together with the Institute of Risk Management, features up-to-date case studies that draw out lessons learned, and provides examples of best practice.

It also shines a light on accountability, highlighting that it is the responsibility of directors to ensure their companies comply with competition law – and that risk professionals advising them must make sure they are aware of this.

It comes as the CMA secures its 20th disqualification of a company director in the past 4 years. One of the most recent examples [involved the director of an estate agent who has been prevented by court order from being a director of any UK company for 7 years](#). This was due to his contribution to an illegal arrangement in which 6 estate agents in Somerset agreed to fix a minimum commission rate of 1.5% for residential estate agency services.

As well as imposing fines on companies for breaking competition law, the CMA is increasingly using its power to seek the disqualification of directors. This reflects a toughening of the CMA's approach to competition law enforcement over the past year.

Alongside the [new risk guide](#), the CMA has a ['Cheating or Competing?' campaign page](#) which includes advice for businesses and their advisors to help them recognise, mitigate and report anti-competitive business practices.

Andrea Coscelli, CMA Chief Executive, says:

“Business leaders must be alive to competition law risk. They should take an active role in ensuring compliance. And the public rightly expects there to be personal responsibility for very serious wrongdoing in firms.

“It's in the interests of business leaders – as well as their customers – that competition law compliance is clearly on the radar, and that's what this Guide is about.

“For its part, the CMA is improving its investigation methods, and encouraging witnesses to report illegal activity through an awareness campaign and an improved online reporting form.”

Iain Wright, Chair of the Institute of Risk Management, says:

“This guide recommends that organisations should have a zero-risk appetite for breaking the law. Yet to achieve this requires not just that the right policies, processes and procedures are in place. It is also vital that an organisation's culture, from boardroom to shop floor, positively supports ethical and legal behaviour. The IRM's suite of training and qualifications

helps to arm risk managers with the knowledge and skills to protect organisations.

“The challenge is to recognise and address this risk beyond the boundaries of the immediate organisation out into the extended enterprise including the network of customers, suppliers and partners. Having a clear understanding of these risks is a necessary first step, and one which this guide aims to support.”

Notes to editors

1. The total number of directors disqualified following a CMA investigation includes 1 director who was disqualified on his conviction for the criminal cartel offence in relation to [the supply of precast concrete drainage products](#).