## International agencies put supply chains on notice against collusion

Press release

A new working group of international competition authorities has put companies involved in global supply chains on notice not to collude.



The working group is made up of competition authorities from the "Five Eyes" nations: the UK Competition and Markets Authority (CMA), the United States Department of Justice, the Australian Competition and Consumer Commission, the Canadian Competition Bureau and the New Zealand Commerce Commission. It will meet regularly to develop and share intelligence to detect and investigate suspected anti-competitive behaviour and collusion, using existing international cooperation tools.

The 5 competition authorities are today making co-ordinated statements putting firms on notice that those attempting to use supply chain disruptions as a cover for illegal anticompetitive conduct, including collusion, will face the full force of the law. In the UK that could lead to fines of up to 10% of global turnover, disqualification of directors and in some cases criminal prosecution.

The launch of the working group follows concerns about higher prices resulting from supply chain disruption across the economy. Many businesses and individuals have worked hard to minimise the impact of these disruptions. The agencies are concerned, however, that some unscrupulous businesses could take advantage of the disruptions to engage in anti-competitive collusion and practices that cheat other businesses and ultimately consumers.

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

People and businesses across the world have been facing higher prices for goods and for transporting them. While price rises can be legitimate, the CMA would be concerned if collusive anticompetitive practices are contributing to these rises or preventing prices from coming down.

The CMA is ready to use its legal powers where it finds evidence that the issues in the supply chain might be caused by potential breaches of competition law.

These are global issues that are best addressed together. With support and intelligence from partner agencies across the world, we can step in and take enforcement action if we find evidence of anti-competitive behaviour taking place.

Businesses and individuals who wish to share information directly with the CMA can do so through several channels:

- Anyone who has information about a cartel is encouraged to call the CMA cartels hotline on 020 3738 6888 or send an email to cartelshotline@cma.gov.uk or use the online reporting form.
- Significant benefits may also be available under the <u>CMA's leniency</u> <u>policy</u> for cartel participants that come forward with information, including, for a business which is the first to report a cartel to the CMA, immunity from fines, as well as immunity from criminal prosecution and director disqualification for its cooperating directors and employees. The CMA's leniency line is 0203 738 6833.

## Notes to editors:

- This new working group builds on the long-standing cooperation and intelligence alliance between the CMA and its global partners, who are signatories to the <u>Multilateral Mutual Assistance and Cooperation</u> <u>Framework for Competition Authorities announced on 2 September 2020</u>.
- The Five Eyes is an intelligence alliance comprising Australia, Canada, New Zealand, the United Kingdom, and the United States. These nations have separate intelligence sharing arrangements between security agencies.
- 3. In order for the CMA to open an investigation against any business, it requires evidence that businesses may be breaching competition law. While the CMA has received multiple complaints from businesses about supply chains, it has yet to obtain or find evidence of potential breaches of the law.
- 4. You can learn more about cartel behaviour <u>on our page 'Competing or</u> <u>cheating?</u>'
- 5. Businesses and individuals who wish to share information directly with the CMA can do so on <u>Report a competition or market problem</u>.
- 6. The CMA has been working with the UK government and business groups to understand the steps that the UK can take to address disruption in supply chains.
- 7. For media enquiries, contact the CMA press office on 020 3738 6460 or press@cma.gov.uk.

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