

News story: New information note issued on cartel leniency applications

The Competition and Markets Authority (CMA) recently consulted on a proposed information note setting out the arrangements for the handling of leniency applications between the CMA and sector regulators with full membership of the [UK Competition Network](#): Ofcom, Ofgem, Ofwat, Financial Conduct Authority, Office of Rail and Road, Civil Aviation Authority, the Northern Ireland Authority for Utility Regulation and the Payment Systems Regulator.

These sector regulators have powers alongside the CMA to enforce competition law in their respective sectors, and to impose financial penalties when the law has been broken. When setting any penalty, the CMA and the sector regulators are required to have regard to the published [CMA guidance](#).

The CMA's guidance includes provision for granting reduced penalties to companies who come forward with information on cartel activity, and who then co-operate fully with any subsequent investigation. The first company to apply for leniency can receive a 100% reduction in the penalty and successive applicants may receive deductions of up to 50%, depending on the added value of the material they provide. As cartels can be difficult to detect, leniency applications play an important role in uncovering this illegal activity.

To date, informal arrangements have been in place and have operated on a case-by-case basis. These have involved the operation of a 'single queue' system, in which applicants need only apply to one authority in order to secure their place in the queue for leniency.

Following [consultation](#), the CMA is now publishing an [information note](#) explaining its arrangements with the sector regulators and stating that the CMA will now be the first point of contact for all leniency applicants for the purpose of the single queue system. This is an approach that was supported by consultation respondents, as it gives certainty to businesses who might otherwise be unsure whether to apply to the relevant sector regulator or the CMA in any particular case.