## Press release: Rule change proposal heralds more choice for fairgoers

The proposals include opening up Guild-run fairs for non-member showmen and reducing restrictions on rival fairs opening close to Guild fairs. They also include practical steps to improve transparency, including publishing the Guild rules online, and ensuring objective criteria for membership are explicitly set out.

The Competition and Markets Authority (CMA) <u>investigation</u> has therefore been closed, pending the result of a vote of Guild members to confirm the changes.

The changes aim to:

- Give fairgoers more choice and variety in their local area.
- Improve the quality of rides and fairgoers' all-round experience.
- Give local councils more power to decide who runs fairs in their area. This will allow them to change the make up of and refresh underperforming fairs.
- Help members and non-members of the Guild work together more easily, providing more choice and fresh attractions to fairgoers.

Ann Pope, CMA Senior Director of Antitrust, said:

The rule changes offered by the Showmen's Guild will provide the opportunity for millions of UK fairgoers to have more choice in the range of fairs coming to their local area, as well as give showmen the chance to expand their businesses and improve their fairs.

These rule changes are not about favouring larger fairground businesses over smaller ones or depriving any showmen of their livelihood.

Instead, the aim is to make the all-round experience even better for the benefit of fairgoers and showmen alike.

We are pleased the Guild has responded positively to the competition concerns our investigation raised by offering changes to address them.

The members now have the chance to vote in favour of these rule changes to address our competition concerns and draw a line under the CMA's investigation.

The changes have been suggested in response to the CMA's allegation in December 2016 that the Guild's current rules broke the law by limiting competition at fairs run by the Guild and between existing Guild fairs and rival fairs.

Following a <u>public consultation</u> the CMA considers that the commitments offered by the Guild address its competition concerns and has today formally accepted them.

Guild members will vote in January 2018 on whether to accept the proposed changes. If the rule changes are not accepted, the CMA could re-open the investigation.

## Notes to editors

- 1. The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law. For CMA updates, follow us on Twitter <a href="mailto:occupation">occupation</a> and <a href="mailto:LinkedIn">LinkedIn</a>. Sign up to our <a href="mailto:occupation">occupation</a> alerts to receive updates on Competition Act 1998 cases.
- 2. The Chapter I prohibition in the Competition Act 1998 (the Act) prohibits anti-competitive agreements and concerted practices between undertakings (for example, businesses) and decisions by associations of undertakings which may affect trade within the UK or a part of it and which have as their object or effect the prevention, restriction or distortion of competition within the UK or a part of it, unless they are excluded or exempt in accordance with the Act.
- 3. In December 2015, the CMA launched a formal investigation in respect of certain rules of the Guild, having established that there were reasonable grounds for suspecting that the Chapter I prohibition had been infringed. In December 2016, the CMA issued a Statement of Objections to the Guild, setting out its provisional view that certain of the Guild's rules infringed the Chapter I prohibition.
- 4. Where the CMA has begun an investigation under the Act but has not made an infringement decision, it may accept commitments to take such action (or to refrain from taking such action) as it considers appropriate for the purposes of addressing the competition concerns it has identified. If the CMA proposes to accept the commitments offered, the CMA must consult those who are likely to be affected by them, giving them an opportunity to give the CMA their views. The CMA must then take any such views into account before making a final decision on whether to accept the commitments. Formal acceptance of commitments results in the CMA terminating its investigation and not proceeding to an infringement decision.
- 5. The decision by the CMA to accept commitments does not amount to or imply any finding as to the legality or otherwise of the conduct by the parties under investigation either prior to acceptance of the commitments or once the commitments are in place.

- 6. The Showmen's Guild of Great Britain describes its purpose as being "to protect the interests of its members travelling showmen who gain their livelihoods by attending funfairs".
- 7. The Guild has stated that "Virtually all travelling Funfairs some 200 per week between Easter and Bonfire night are operated by members of the Showmen's Guild". Some fairs in the UK attract over half a million fairgoers. It is estimated that the Guild has around 2,000 members that are active in putting on fairs.
- 8. The Guild's commitments have been offered by those members representing the Guild (having taken soundings of the wider membership of the Guild) on the basis that the Guild's membership will now be asked to implement them by a vote at the annual general meeting of the Guild's Central Council to take place no later than 31 January 2018. In the event that the membership of the Guild fails to vote in favour of the rule changes proposed under the commitments and therefore to implement the Guild's proposed commitments by 31 January 2018, then the CMA reserves the right to re-open its investigation.
- 9. Any businesses or individuals that have concerns about compliance with the commitments can contact the CMA by email (general.enquiries@cma.gsi.gov.uk) or by phone (020 3738 6000).
- 10. Media enquiries to the CMA should be directed to <a href="mailto:press@cma.gsi.gov.uk">press@cma.gsi.gov.uk</a> or 020 3738 6798.