

Press release: CMA alleges anti-competitive agreements for hydrocortisone tablets

The Competition and Markets Authority (CMA) alleges that between January 2013 and June 2016, Concordia (formerly Amdipharm), and Actavis UK (formerly Auden Mckenzie), entered into agreements under which Actavis UK incentivised Concordia not to enter the market with its own competing version of hydrocortisone tablets.

In a statement of objections issued to the parties today, the CMA provisionally finds that both companies broke competition law by reaching these anti-competitive agreements, and it also alleges that Actavis UK abused its dominant position by inducing Concordia to delay its independent entry into the market.

Under the agreements, Actavis UK instead supplied Concordia with a fixed supply of its own 10mg tablets for a very low price for Concordia to resell the product to customers in the UK. Actavis UK remained the sole supplier of the tablets in the UK during most of this period, when the cost of the drug to the NHS rose from £49 to £88 per pack.

In December, a separate CMA investigation [accused Actavis UK of charging excessive prices to the NHS for the tablets following a 12,000% price rise over the course of several years](#).

The CMA has provisionally found that the agreements enabled Actavis UK to prolong the high prices in the market, depriving the NHS of the significant price falls that would be expected to result from true competition.

Concordia was the first potential competitor to Actavis UK to obtain a marketing authorisation for 10mg hydrocortisone tablets, a necessary step to enter the market and compete with Actavis UK.

Actavis UK was the sole supplier of hydrocortisone tablets from 2008 until 2015, after it bought the previously branded version of the drug from another company. That purchase meant the drug became de-branded and no longer subject to NHS price regulation, as other companies were then allowed to produce competing 'generic' versions.

Hydrocortisone tablets are used as the primary replacement therapy for people whose adrenal glands do not produce sufficient amounts of natural steroid hormones (adrenal insufficiency), as for example with Addison's disease.

Andrew Groves, CMA Senior Responsible Officer, said:

Anti-competitive agreements can cost the NHS, and ultimately the taxpayer, by stopping competition bringing down the cost of

lifesaving drugs like hydrocortisone tablets.

We allege these agreements were intended to keep Actavis UK as the sole supplier of a drug relied on by thousands of patients – and in a position which could allow it to dictate and prolong high prices.

As always at this stage in an investigation, these findings are provisional and no conclusion should be drawn at this stage that there has in fact been any breach of competition law. We will carefully consider any representations of the companies under investigation before determining whether the law has been infringed.

The CMA opened this investigation in April last year. For more information see the [case page](#).

In December 2016 [the CMA fined the pharmaceutical suppliers Pfizer and Flynn Pharma a total of nearly £90 million for charging excessive prices for the anti-epilepsy drug phenytoin sodium](#), after that drug was also de-branded. In February 2016 the [CMA fined a number of pharmaceutical companies a total of £45 million](#) for anti-competitive ‘pay for delay’ agreements and conduct in relation to the supply of the anti-depressant drug paroxetine. The CMA has 2 other ongoing investigations into the pharmaceutical sector.

Notes for 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 certain consumer law.
2. The Chapter I prohibition in the Competition Act 1998 covers anti-competitive agreements and concerted practices between businesses which have as their object or effect the prevention, restriction or distortion of competition within the UK. The Chapter II prohibition in the Competition Act 1998 prohibits the abuse of a dominant position by one or more companies which may affect trade within the UK or a part of it. Similarly, Articles 101 and 102 of the Treaty on the Functioning of the European Union (TFEU) prohibit respectively anti-competitive agreements and the abuse of a dominant position which may affect trade between EU member states.
3. The CMA may impose a financial penalty on any business found to have infringed each of these prohibitions up to 10% of its annual worldwide group turnover. In calculating financial penalties, the CMA takes into account a number of factors including seriousness of the infringement(s), turnover in the relevant market and any mitigating and/or aggravating factors.
4. A statement of objections gives parties notice of a proposed infringement decision under the competition law prohibitions in the Competition Act 1998 and the TFEU. It is a provisional decision only and does not necessarily lead to an infringement decision. Parties have the opportunity to make written and oral representations on the matters set

out in the statement of objections. Any such representations will be considered by the CMA before any final decision is made. The final decision will be taken by a case decision group, which is separate from the case investigation team and was not involved in the decision to issue the statement of objections.

5. The statement(s) of objections will not be published. However, any person who wishes to comment on the CMA's provisional findings, and who is in a position materially to assist the CMA in testing its factual, legal or economic arguments, may request a non-confidential version of the statement of objections by contacting the CMA.
6. The CMA proposes to find that the undertaking referred to in this press notice as 'Concordia' consists of the following legal entities:
 - From 1 January 2013 until 20 October 2015:
 - Amdipharm Limited
 - Concordia International Rx (UK) Limited (Concordia Rx) (formerly known as Amdipharm Mercury Company Limited)
 - Concordia International (Jersey) Limited (formerly known as Amdipharm Mercury Limited)
 - private equity company Cinven, consisting for the purpose of this case, of Cinven (Luxco 1) S.A., Cinven Capital Management (V) General Partner Limited and Cinven Partners LLP
 - From 21 October 2015 until 24 June 2016:
 - Amdipharm Limited
 - Concordia Rx
 - Concordia International (Jersey) Limited (formerly known as Amdipharm Mercury Limited)
 - Concordia International Corporation
7. Out of these entities, the statement of objections is addressed for the full period under investigation to Amdipharm Limited and Concordia Rx because they were directly involved in the alleged infringements and to Concordia International (Jersey) Limited because it was the direct parent company of the group of subsidiaries to which Amdipharm Limited and Concordia Rx belong. The statement of objections is additionally addressed to Cinven as the ultimate parent company of Concordia International (Jersey) Limited from 1 January 2013 until 20 October 2015, and Concordia International Corporation from 21 October 2015 until 24 June 2016.
8. The CMA proposes to find that the undertaking referred to in this press notice as 'Actavis UK' consists of the following legal entities:
 - From 1 January 2013 until 28 May 2015:
 - Auden Mckenzie (Pharma Division) Limited; and
 - Auden Mckenzie Holdings Limited;
 - From 29 May 2015 until 24 June 2016:
 - Auden Mckenzie (Pharma Division) Limited;
 - Auden Mckenzie Holdings Limited;
 - Actavis UK Limited; and
 - Allergan plc.
9. Out of those entities, the statement of objections is addressed to Actavis UK Limited, because the CMA provisionally considers it was the economic successor of Auden Mckenzie and should therefore be held liable for Auden Mckenzie's direct involvement in the alleged infringements

since 2013. Actavis UK Limited was also directly involved in the alleged infringements since 2015. The statement of objections is additionally addressed to Allergan plc which the CMA provisionally considers is jointly and severally liable as the ultimate parent company of Actavis UK Limited for its suspected conduct in the market from 29 May 2015 to 24 June 2016, and formed part of the Actavis UK undertaking during that period.

10. For more information on the CMA see our [homepage](#) or follow us on [Facebook](#), Twitter [@CMAgovuk](#), [Flickr](#) and [LinkedIn](#). Sign up to our [email alerts](#) to receive updates on Competition Act 1998 and civil cartels cases.
11. Enquiries should be directed to Rory Taylor (rory.taylor@cma.gsi.gov.uk, 020 3738 6798).

[Press release: £2 billion boost set to transform charity and voluntary sector funding](#)

The huge sum has the potential to further transform the charity sector, helping to improve communities and change lives. It was identified by the independent Dormant Assets Commission, which found untapped assets in products such as unclaimed insurance policies and pensions. They include:

- £715 million from investments and wealth management;
- £550 million from the pensions and insurance sectors;
- £150 million from securities;
- £140 million from banks and building societies.

It's expected these estimates could increase once the scheme is operational.

The Independent Dormant Assets Commission was set up in December 2015 to look at whether the current dormant asset scheme, which includes funds in banks and building societies, could be extended to other financial services. These include insurance products, stocks and shares, and pensions that have been classed as dormant.

The current scheme has already distributed £360 million from accounts to go towards supporting good causes. Extending it could deliver lasting change to the way voluntary and charity sectors are funded.

Ministers will now consider the report's findings in detail.

Minister for Civil Society, Rob Wilson, said:

This money could help change millions of lives across the country by helping good causes rather than gathering dust in dormant accounts.

The reason I set up the commission was to unearth new resources that would allow our charities and voluntary groups to become more sustainable and independent. But crucially also to deliver really important local services over the long term.

This is an example of an active government stepping in where it can make things better to the benefit of local communities and all concerned.

I'd like to thank the Commission, which has worked tirelessly with the financial services sector on this report, and will study its findings closely.

Chair of the Commission Nick O'Donohoe, said:

Our report has found hundreds of millions of pounds lying dormant across a number of financial sectors which could be put to far better use. I am delighted we now have the potential to help good causes even more. I hope the financial sector now supports our ambition by contributing dormant assets benefit to an expanded scheme.

Good causes that have benefitted from the current dormant accounts scheme include Age UK's Reconnections programme in Worcestershire, which works to reduce loneliness and isolation in the area, and London's "Think Forward," which provides disadvantaged young people with opportunities in education, training and employment.

Other good causes include Harrogate Skills 4 Living Centre in Yorkshire, a residential care home for 90 adults with learning disabilities that offers adult education courses, 3SC Capitalise programme in Wales, a social impact bond that supports young people with dyslexia, and Harry Specters in Cambridgeshire, a chocolate maker social enterprise that creates employment for young people with autism.

Some of the other main recommendations of the report are:

- that customers should continue to be able to reclaim lost assets at any time;
- participation by firms in an expanded scheme should continue to be voluntary. However, If participation levels are low, the government should consider the reasons behind this and whether moving to mandatory

- participation in the scheme in the future would be appropriate; and
- the expanded scheme should retain the core principles of the current scheme but the way the scheme is managed should be revised to allow it to cope with the wider range of assets envisaged.

Notes to Editors

1. The definition of a dormant bank or building society account is in the Dormant Bank and Building Society Accounts Act. An account is 'dormant' if it has been open throughout a 15 year period but during that period no transactions have been carried out in relation to the account by or on the instructions of the holder.
2. Customers in the current scheme are able to reclaim any lost assets at any time. The Commission recommend this is retained in any expanded scheme.
3. Following the introduction of the Dormant Bank and Building Society Accounts Act in 2008, Reclaim Fund Ltd (RFL) was established by the Co-operative Banking Group Limited to administer the process of the dormant assets scheme.
4. Since the Dormant Accounts Scheme started in 2008, almost £1 billion of dormant accounts money has been identified. Of this, more than £360 million has been directed towards good causes across the UK.
5. Membership of the Commission on Dormant Assets: Nick O'Donohoe, Chair
Richard Collier-Keywood Kirsty Cooper Gurpreet Dehal Sean Donovan-Smith
Rachel Hanger Jackie Hunt Mark Makepeace Susan Sternglass Noble Martin
Turner

For further information contact the DCMS News and Communications team on 020 7211 2210

[News story: Defence dialogue on our EU exit](#)

Minister for Exiting the European Union David Jones and Minister for Defence Procurement Harriett Baldwin took part in a roundtable with the UK's defence business leaders today (Thursday, 2 March) ahead of the UK's withdrawal from the EU.

Attendees discussed topics including: tariffs and customs arrangements; skills and movement of employees; research and development funding; and common standards – with an aim of exploiting the opportunities provided by our EU exit.

Participants were also keen to explore how we could further shape our own economy – such as delivering a bold, long term industrial strategy that

builds on the UK's strengths – and fully develop our immense trade and investment potential.

Minister for Exiting the European Union, David Jones, said:

The UK is a leader in defence technology and one of the world's largest defence exporters. We are determined that this industry, which is worth more than nine billion pounds to the UK each year, will continue to thrive after our departure from the EU.

Today's meeting has been an excellent opportunity to engage with some of the leading defence industry figures and to discuss opportunities, and priorities, ahead of the EU withdrawal negotiations. I look forward to continuing this dialogue throughout our negotiations.

Minister for Defence Procurement, Harriett Baldwin, said:

Supported by our rising defence budget and £178 billion Equipment Plan, defence businesses deliver highly skilled, high wage jobs and drive innovation across the UK. We are determined that the UK defence industry will continue to thrive after we leave the EU.

The event, which was organised by the ADS Group and hosted by Rolls-Royce, provided participants with the opportunity to discuss priorities for the defence sector which employs 142,000 people, is worth around £9.4 billion to the UK economy annually and exports around £7.7 billion pounds of goods and services per year.

The Ministers were joined by senior board-level executives from the following businesses and trade associations:

- ADS
- Airbus
- Babcock
- BAE Systems
- Boeing
- Leonardo MW
- Lockheed Martin UK
- Marshalls
- MBDA UK
- QinetiQ
- Raytheon
- Rolls-Royce
- Serco
- TechUK
- Thales UK

It was the latest in a series of roundtables and other engagement activities

the government is having with business leaders and key stakeholders up and down the country.

By listening to industry experts' views and discussing opportunities, we are seeking to create certainty in the transition and ensure a new relationship with the EU that works for businesses and Britain.

Speech: 'A new chapter in UK-Denmark relations'

In less than thirty days, the UK intends to have begun its exit negotiations with the EU – marking the start of a new chapter in its relationships with both the union itself and each of the 27 member states.

But as I visit Copenhagen today, on my first visit to Denmark as the UK Secretary of State for Exiting the EU, I come with a clear message.

While Britain is leaving the European Union, it is not turning its back on Europe or on Denmark.

Together, we enjoy a strong and unwavering alliance, independent of our membership of the EU.

Our forces have operated side by side in Afghanistan, Iraq and Syria, while as members of NATO we are now working closely to provide support to our allies in Eastern Europe.

Trade between our two nations is also hugely important, at over £10 billion a year.

And Danish culture can be seen in all parts of British life. Television dramas like Borgen and The Bridge are screened on the BBC, our children play endlessly with Lego and 'hygge' is the new buzzword for coffee shops and eateries across the UK.

So as Britain leaves the EU, the relationship between our two nations will continue to thrive, not least because of the shared interests we have in this globalised world.

As threats to European security become more acute, it is critical that we continue to foster the powerful alliances that we hold across Europe. The UK will not renege on its responsibilities in keeping our continent safe.

We will also, of course, continue to trade with EU nations. The UK Prime Minister has made clear her determination to build a truly Global Britain and in doing so, we will pursue a bold and ambitious Free Trade Agreement with the European Union.

It should be one that works for both the EU and Britain. One of my key messages here will be that it is in the UK's interest that the EU prospers politically and economically, so we want to reach an agreement about our future relationship that is in the mutual interests of both sides.

Our aim is for arrangements that allow for the freest possible trade in goods and services between Britain and the EU's member states.

That gives British companies the maximum freedom to trade with the Danish markets, and lets Danish businesses do the same in Britain.

Because we want to preserve and build on the strong trading relationship between our two nations – and protect the £70 billion worth of investment that Danish companies have made on British shores.

That investment can be seen directly in our homes with DONG Energy producing enough renewable energy to power 4.4 million British houses.

The UK is also Denmark's second largest partner in research within the EU. Over the next ten years, Denmark's Novo Nordisk is set to invest £115 million in a new science research centre in Oxford, underlining the esteem that our two science communities hold each other in.

And Britain has backed Denmark – with Shell, Debenhams, and GlaxoSmithKline being just three of the hundreds of businesses that have chosen to locate in your country, employing 25,500 people.

This trade and investment between our nations will continue when the UK is outside of the EU. As will the affection our citizens hold for each other – one which brings Danish tourists to Britain and attracts British tourists to Denmark.

It has also encouraged many to stay for much longer than a holiday.

So one of the top priorities we have going into Brexit negotiations is to get an agreement to secure the status of EU nationals living in the UK, and Brits living in the EU as soon as possible.

There are 30,000 Danes who have made the UK their home, and 18,000 Brits have done the same in Denmark.

We would have liked to have reached an agreement with the EU about their status already.

It's only fair that those who have built lives for themselves abroad, and who are contributing to foreign economies and societies, see their status secured as soon as possible.

The approach that we take on this issue – one of reasoned goodwill to secure mutual benefit – is the one that we will adopt throughout the EU exit negotiation process.

Because we enter these negotiations as friends, and we want to conclude them

as friends – friends who are working together to deliver security and prosperity across our continent.

[News story: Public sector gets help to save on water bill](#)

From 01 April, most business and public sector organisations will be able to choose which company supplies their water and associated services like automated meter reading, leak detection and customer service.

Partnership approach

Crown Commercial Service is joining forces with YPO, The Energy Consortium, ESPO, NEPO, West Mercia Energy and the MoD to bring the largest public sector water framework agreement to the UK market.

The agreement will help the public sector to save more than £20 million over four years, with central government as well as schools, colleges, universities, museums, housing associations, councils, the blue light services and NHS Trusts all among those eligible to access it.

Sam Ulyatt, Strategic Category Commercial Director for Crown Commercial Service says: 'The opening up of the water market will create a unique opportunity for efficiency and collaboration and this is the first agreement of its kind in the UK.'

The multi-supplier framework will be live and available for the opening of the market in April, running for 3 years with the option to extend by a further 12 months.

Find out more

CCS will be carrying out an e-auction on behalf of interested customers in May 2017.

To find out more about the new public sector water framework, email water@crownccommercial.gov.uk.

For further information about the water market and the CCS offering please visit [the CCS 'Buy Water' web pages](#)

Full information regarding the water market opening can be found at OpenWater.org