

Contents

Preface	ix
1 <i>Introduction to The Cartel Offence</i>	1
introduction	1
general uk competition law and its link with the offence	3
The OFT and the SFO	5
general ec competition law and its link with the offence	6
the background to the offence	11
The economic arguments against cartels	11
Investigating, detecting, and deterring cartel conduct	13
The Penrose Report	15
The experience in the United States	19
The prosecution of cartels—OECD recommendations	23
The White Paper, responses, and debates in Parliament	24
The progress of the Bill	27
afterword	29
2 <i>The Offence</i>	29
introduction—prohibited conduct	29
Section 188(2)(a)—price fixing arrangements	31
Section 188(2)(b) and (2)(c)—limitations of supply or production	32
Section 188(2)(d) and (2)(e)—market sharing arrangements	33
Section 188(2)(f)—bid-rigging	33
jurisdiction and prosecuting authority	34
the meaning of dishonesty	35
attempts at cartelisation	37
appreciability	38
3 <i>Investigation</i>	41
introduction	41
information gathering in the context of civil proceedings	42
Information gathering and investigations under the Competition Act 1998	42
Information gathering and investigations under Regulation 1/2003	45

information gathering and investigations under the enterprise act 2002	49
Compulsory interviews and requests for information	50
Voluntary interviews	51
Search warrants	52
Seize and sift powers	53
Seizure of real evidence	55
Legally privileged material and confidential banking information	55
Access to legal advice	56
Surveillance powers	57
Parallel investigations	60
the rights of the defence	61
The privilege against self-incrimination	62
using compelled statements as evidence	62
prosecution for a failure to comply with a request under s 193 or s 194	64
Disclosure of confidential information	66
The right to privacy	67
4 <i>Leniency</i>	69
introduction	69
no action letters	71
The grant of no-action letters	71
The revocation of no-action letters	73
leniency under ec law and under the competition act 1998	74
no-action letters and competition disqualification orders	78
5 <i>Prosecution, penalties, and the consequences of breach</i>	79
the prosecuting authorities	79
Co-operation between the OFT and the SFO	80
Co-operation between the OFT and the IFCU	81
those who may be prosecuted	82
non bis in idem	82
burden and standard of proof	83
the admissibility of evidence	83
Improperly obtained evidence	84
The use of silence as evidence	90
offences	91
The cartel offence	91
Offences related to the powers of investigation	92
Offences related to the disclosure of specified information	92

company director disqualification	93
civil remedies and damages	94
The rights of injured third parties	94
The rights of companies	94
6 <i>Territoriality</i>	97
introduction—the basis of extra-territorial jurisdiction	
under the cartel offence	97
jurisdiction over subjects and subject matter	98
The basis of extra-territorial jurisdiction under EC competition law	100
extradition	101
Extradition within the EU: The European Arrest Warrant	103
Extradition from the UK to non-EU countries	104
Extradition between the US and the UK	106
Extradition between the US and the EU	107
co-operation with overseas authorities and the exchange of information	108
Mutual Legal Assistance provision within the EU	109
Mutual Legal Assistance provision in the UK	110
overseas disclosure of information	112
7 <i>Compliance</i>	117
introduction	117
the design and implementation of a compliance programme	120
Support of senior management	123
Appropriate policy and procedures	123
Training	124
Evaluation	124
checklist for establishing effective competition compliance programmes (provided by simmons and simmons)	125
<i>Appendices</i>	129
Appendix One—Enterprise Act Part 6	129
Appendix Two—Explanatory Notes—The Enterprise Act 2002	139
Appendix Three—Powers for Investigating Criminal Cartels Guidance	145
Appendix Four—Office of Fair Trading—The Cartel Offence: Guidance on the issue of no-action letters for individuals	159

viii *Contents*

Appendix Five—The overseas disclosure of information: A consultation paper	167
Appendix Six—Memorandum of understanding between the Office of Fair Trading and the Director of the Serious Fraud Office	179