

# CHALLENGES OF COMPETITION AUTHORITIES

## What is an Effective Competition Enforcement Regime?

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## The Goal of the Competition Regime

- Effective competition in a market economy drives efficiency, productivity, innovation, market entry/exit and growth.
- To secure vibrant competitive markets for consumers in terms of price, quality, range and choice and to promote economic growth.
- To enforce, deter anti-competitive conduct and promote compliance with the law.
- To advocate the benefits of competition and competitive markets, private and public, across the economy.

## Some Features of an Effective Authority

- Resources
- Portfolio
- Toolkit
- Independence
- Transparency
- Accountability
- Engagement

## The Toolkit

- Enforcement
  - Sanctions: civil/criminal; corporate/individual
  - Leniency /own initiative cases
  - Informal /formal resolution and settlements
  - Commitments
- Non-enforcement
  - Advocacy
  - Advice, Education and Guidance
- Public Restrictions and Public Markets
- Consumer Tools
- Private Actions

## Individual and Criminal Sanctions

- Corporate sanctions alone unlikely to deliver optimal levels of compliance and benefits to society.
- Deterrent effect of individual sanctions.
- Individual sanctions and compliance.
- Forms of criminal and civil individual sanctions.
- Existence of sanctions and their use.

## Financial Sanctions

- Sanctioning infringements, deterrence and compliance.
- Appropriate levels: too high, too low or about right?
- Judicial approaches to financial sanctions.
- Fining Guidance.

## Concluding Remarks

- An effective competition enforcement regime requires a range of tools. Enforcement is one tool.
- Enforcement involves choices, initiatives and trade-offs.
- Non-enforcement tools complement enforcement to help build a more effective regime.
- Sanctions for infringements must deliver strong messages on deterrence and compliance to business and to individuals.
- Consumer powers are a valuable addition to competition powers.
- Individual cases are important; but the collective impact of the regime as a whole is what really matters to society.