

Minutes of the CLSC Competition Committee Meeting

**Held at Travers Smith, 10 Snow Hill, London EC1A 2AL
on 17 September 2009 at 12.00 noon**

In Attendance:

Robert Bell, Margaret Moore, Michael Grenfell, Dorothy Livingston, Nicole Kar, Philip Wareham and William Sibree

1. Apologies:

Antonio Bavasso, Rachel Brandenburger, Howard Cartlidge, Greg Olsen

2. Minutes of the last meeting

The minutes of the meeting of 3 June were agreed with no comments.

3. Consultations

Robert Bell referred to the list of current consultations by the OFT and EU and the group discussed to which it should respond.

EU consultation on the vertical agreements block exemption

Responses to the consultation are required by 29 September - the group agreed that it would not make a joint response.

OFT consultation on the Vertical Agreements, Land Agreements and Exclusion Order 2004

The response date is 4 November. The group discussed the merits of the exemption and decided it could only make technical points and should not to make a joint response.

Director's Disqualification Order

Response date 20 November. The group decided this consultation would be worth commenting on.

Currently the OFT is conducting various presentations including one at the ICC on 1 October. The group agreed it would be useful to hold an extra meeting in October and ask the OFT to present on this topic. The group could then informally discuss their views with the OFT without going on record.

The group discussed their concerns with the order which, in summary, are:

- The order could potentially discourage new directors from taking a directorship - the imputed knowledge proposals in paragraph 4 are very broad.
- The order could affect type C leniency
- There is no clear guidance on the application to duties of directors and non-executive directors:
 - o directors should be given guidance and potentially be made responsible for compliance through programmes and regular training.
 - o non executive directors need guidance: a 3 day a month non executive director cannot be expected to have all the knowledge of an executive director.

OFT Transparency Guidelines

Response date 21 October. The group discussed the main issues with the guidelines:

- the group disagreed with the OFT publishing parties under investigation
- a statement on the OFT's media policy is missing; the group agreed this would be useful
- the group agreed the OFT should consider sharing of its provisional thinking in investigations

Robert agreed to contact Jackie Holland and Robert McDougall of the OFT and invite them to a meeting to discuss the guidelines.

HM Treasury consultation on Reform of Financial Markets

Robert and Dorothy had attended a meeting at the Treasury on 10 September discussing competition in financial markets held by Juliette Pulfrey. This meeting had focussed on greater competition in current accounts when the group thought the consultation's focus should be on encouraging more mortgage lending.

4. Any Other Business

The group discussed upcoming consultations to watch out for and potentially comment on:

- EU Commission on horizontal guidelines
- Merger Consultations

5. Next Meeting

The next meeting is scheduled for 3rd December.

Robert is to find out availability of OFT speakers with a view to holding an additional meeting in October to discuss issues on consultations, in particular on the Directors Disqualification Order.

The meeting closed at 1.15pm