

UK CMA Launches Article 101 Investigation into Fashion Markets

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The UK Competition and Markets Authority (CMA) has opened an investigation into suspected anti-competitive arrangements in UK fashion markets. Little information has been released, but the case was opened on March 24, 2015 into anticompetitive agreements and concerted practices under Chapter I of the UK Competition Act 1998 and/or Article 101 of the Treaty on the Function of the European Union.

The relevant legislation prohibits companies from entering into agreements with other companies or concerting to engage in practices which may affect trade within the UK or between Member States and which have as their object or effect the prevention, restriction or distortion of competition within the UK or the internal market. If a company is found to have breached competition law, it can be fined up to 10% of its worldwide turnover, and involved individuals can face criminal prosecution and disqualification from acting as directors.

The case timetable released by CMA indicates that the initial stages of the investigation – including information gathering and issuance of information requests to involved parties – will take place between now and September, with a decision on whether to proceed with the investigation coming in October 2015.

The case is at an early stage, no information about alleged participants has been released, and it is not clear whether there has even been an infringement of competition law.

The timing of the CMA investigation is interesting. On March 10, 2015, the European Commission (EC) – the EU’s antitrust watchdog – dawn raided the premises of several unnamed online electronics retailers. These are part of the on-going investigation of pricing and cross-border trade restrictions in the online supply of consumer electronics that was initiated by dawn raids in summer 2013.

Beyond this, Competition Commissioner Vestager announced this morning that the [EC is launching a sector enquiry](#) that will focus on cross-border restrictions on online retailing. She also noted that the debate about regulation of online platforms should be “kept alive”, emphasising the need to identify what an ‘online platform’ is (including identifying the “common denominator” between different sites, including Facebook, eBay, SAP and Spotify) before doing anything.

The EC and UK are not alone in focusing on e-commerce. The German Monopoly Commission, for example, is currently working on a Special Report on the Internet Economy, which will be published before the summer and will make recommendations.

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