

Submission – IoD

Further to circulating Deputy Morel's letter of 7 July to our Members, please find below some observations which we have received in relation to the announcement that the Channel Islands Competition and Regulatory Authorities ("CICRA") would demerge into its constituent parts of the JCRA and the GCRA with effect from 1 July, 2020 (the "Decision").

These comments are made with limited knowledge or understanding of the rationale for the Decision:

1. We were not consulted in advance in relation to the Decision. Further to the announcement on 23 April in respect of the Decision, we only received an email from the Interim CEO, Tim Ringsdore on 4 June to advise that I maybe aware that CICRA was separating and that he had been appointed Interim CEO whilst they go through a transition period. He welcomed a quick discussion regarding the current economic challenges facing our members and our views as to what actions I believed businesses and government would need to take to improve the long terms economic position as this would help identify any actions the Authority might need to consider in the near future.

Further to subsequent correspondence between myself and Mr Ringsdore, he proposed that the new Chair, Stephanie Liston and I meet and that once she has been in position for a few months, that either Ms Liston or himself could provide at one of our lunchtime meetings, an overview of the JCRA, their strategy, their roles and responsibilities. In addition, how businesses can comply with the competition laws and what value they believe they can add to the Island and to the economy. This would be welcomed to better understand the future operating model of JCRA, whether or not its statutory powers are to be amended in respect of those instances where it can intervene going forward, in light of the previous reporting of the cases and associated costs, in which CICRA has been involved over the last few years.

2. We can see that there are potential advantages to the Decision. For example, we understand that the Decision is intended to enable the JCRA to better focus on consumer matters which impact individuals in Jersey; this is an important feature of the JCRA's role. In addition, greater autonomy will mean that the JCRA can better protect the needs of Jersey consumers by focussing on the issues and circumstances relevant to Jersey without being tied to matters of importance to Guernsey where there are different laws and political systems as well as different markets. We can also see that operating entirely independently (i.e. not under the CICRA umbrella) may give better credibility to each Island's reputation on the international stage. That said, each of the JCRA and GCRA have always, to our knowledge, operated as independent authorities when it comes to decision making.
3. We also consider there to be potential drawbacks associated with the Decision. In our experience, the pooling of resources between both Islands worked well. The larger dedicated resource team across both Jersey and Guernsey allowed for a greater level of expertise together. We are unaware of what the structure of the JCRA is intended to look like going forward, as compared to the system in place currently. However, competition law is a complex area requiring particular expertise. The Decision naturally splits the resource pool and may result in a smaller number of dedicated case officers with appropriate knowledge and experience to consider competition law matters.

There is also a concern from a cost perspective in circumstances where a filing needs to be made in both Jersey and in Guernsey. In such scenarios, the same case officer would deal with the matter from both a Jersey and Guernsey perspective thus streamlining the process and knowledge of the case in both Islands. There are a number of occasions in

which both Guernsey and Jersey competition matters are required to be considered. Handling such matters going forward will involve two separate discussions which, in itself, will lead to more time and potentially more cost to those required to engage with the regulator(s).

In this regard, one member has referred to an agreement being required between both authorities where a company trades in both jurisdictions and to consider a fees table that was more than a single application but less than a joint application to support both organisations involved and the two authorities. Another Member queried whether or not the Jersey operation could be run more efficiently? If not, they considered that any additional costs would be worth it.

I hope the above comments are of assistance. If it would be useful to discuss our views in further detail, please do not hesitate to let me know.

I would be grateful if you could acknowledge safe receipt.

Many thanks and kind regards

Lisa

Lisa Springate
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