



CICRA media release

6 February 2013

Guernsey fixed conveyancing fees removed as grace period for anti-competitive agreements ends

CICRA (the Channel Islands Competition and Regulatory Authorities) has welcomed the decision of the Guernsey Bar to remove its professional conduct rule that fixed legal fees for property conveyancing transactions.

The removal of the conveyancing 'tariff' now enables providers of these services in Guernsey to compete with each other on price.

CICRA chief executive Andrew Riseley said: "Based on our experiences in Jersey, I'm confident that Guernsey consumers will benefit from lower conveyancing fees with more choice and the ability to shop around in future.

"Since the fixed fees for conveyancing were removed shortly after the competition law came into force in Jersey in 2005, Jersey consumers have benefitted from considerable reductions in conveyancing charges as law firms began to actively compete on price."

Conveyancing fees are just one area where pre-existing price agreements are no longer permitted.

CICRA has reminded businesses that the grace period to comply with the provisions on anti-competitive agreements in the Guernsey competition law ended on 1 February.

“CICRA has been working with businesses since the law came into effect in August last year, to ensure they are aware of the need to change practices which may no longer be acceptable under the new legislation”, Mr Riseley said.

“Any local businesses, which have pre-existing agreements in place, must now be compliant with the competition law. Agreements or arrangements between competitors that fix or recommend prices, lead to the exchange of commercially-sensitive information or allocate customers or which involve the rigging of bids for tenders can cause significant harm to consumers and are potentially serious infringements of the law. They should be reviewed as a matter of urgency”.

“From the outset, CICRA has taken a proportionate and pragmatic approach to the introduction of the competition law in Guernsey and our focus has been on encouraging compliance. Businesses have benefitted from a six month grace period to ensure their agreements comply with the law and we have been consulted by a number of organisations across a variety of sectors in connection with their agreements,” Mr Riseley added.

Organisations that don't comply with the law may face a financial penalty of up to 10% of annual turnover, for a period of up to three years of the infringement, which will be paid to the States of Guernsey.

In coming weeks, CICRA will publish guidelines for the calculation of penalties as well as details of a leniency program for businesses that “blow the whistle” on serious competition law breaches such as price-fixing or bid-rigging.

Any businesses with concerns that their pre-existing agreements do not comply with the competition law can contact CICRA for advice.

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NOTES TO EDITORS:

All enquiries should be directed in writing to CICRA Chief Executive, Andrew Riseley, in Guernsey at the Guernsey Competition and Regulatory Authority, Suites B1 & B2, Hirzel Court, St Peter Port, Guernsey GY1 2NH or in Jersey at the Jersey Competition Regulatory Authority, 2nd Floor, Salisbury House, 1 - 9 Union Street, St Helier, Jersey JE2 3RF. Alternatively email info@bicra.gg.

About CICRA:

The Channel Islands Competition and Regulatory Authorities or 'CICRA' is the name given to the Jersey Competition Regulatory Authority (JCRA) and the Guernsey Competition and Regulatory Authority (GCRA) (formerly the Office of Utility Regulation). The JCRA was established under the Competition Regulatory Authority

(Jersey) Law, 2001, and the GCRA was established under The Regulation of Utilities (Bailiwick of Guernsey) Law, 2001, as amended by The Guernsey Competition and Regulatory Authority Ordinance, 2012. In Jersey, the telecoms and postal sectors are regulated by the JCRA, which is also responsible for administering and enforcing the Competition (Jersey) Law 2005. In Guernsey the telecoms, postal and electricity sectors are regulated by the GCRA, which is also responsible for the administration and enforcement of the Guernsey competition law since it came into force on 1 August 2012.

By working together and sharing resources and expertise between the islands, CICRA strives to ensure that consumers in all the Channel Islands receive best value, choice and access to high quality services.