
Brexit and Competition Law: What to Expect

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While we wait for the UK to clarify what sort of relationship it will be seeking with the EU after Brexit, it may be useful to highlight what appear to be the main consequences for the enforcement of competition law. We see those consequences as the following:

1. The European Commission ("EC") will no longer have authority to enforce competition law in the UK (unless the UK chooses to join the European Economic Area ("EEA"), which most think unlikely). Instead the UK's Competition Authority, the Competition and Markets Authority ("CMA") will become the main enforcement body applying UK Competition law (e.g. for cartels and mergers).
2. However, where business practices *have effects in the EU or the EEA*, companies *still will have to comply with the EU Competition rules* in many situations. So, for example, the territorial limits in exclusive distribution contracts and IP licences will have to be drafted with this in mind.
3. In addition, *parallel applications* may have to be made to the CMA and EC, *notably for cartel immunity or leniency and for mergers* affecting both the UK and the remaining EU 27 Member States.
4. In the short term, it is *unlikely that the substantive law will change materially*. However, *over time this may happen* (i.e. the UK may choose different approaches and the UK competition authorities and UK courts should no longer be bound to follow the EU courts' rulings and the decisions of the EC).
5. In addition, Brexit appears likely to reduce the attractiveness of the UK as a forum for litigating pan-EU cartel damages actions.

These consequences are described in more detail in [this PDF](#).

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