



Co-operation on Competition Issues: A Concordat between the Office of Fair Trading (OFT), and the Financial Services Authority (FSA)

1. The OFT and FSA have different but complementary powers applicable to financial markets. By working together on issues related to competition in these markets we intend to optimise the benefits that competition can deliver to consumers.
2. The purpose of this statement is to record our agreement to co-operate on competition issues by sharing information and intelligence, and in other appropriate ways, both as set out in this Concordat and as we may agree from time to time.
3. We acknowledge, on a reciprocal basis:
 - The OFT's statutory duties, including the duty under section 160 of the Financial Services and Markets Act 2000 (FSMA) to keep the FSA's regulating provisions and practices under review on competition grounds;
 - The FSA's general duties under section 2 of FSMA, including its regulatory objectives and the factors to which the FSA must have regard under section 2(3);
 - Any regulatory objective relating to financial stability that may be given to the FSA.
4. The working arrangements summarised in the Annex are designed to achieve more efficient and effective joint working between us but are without prejudice to our respective powers, duties and obligations. They may be developed further by agreement between us and within the terms of this Concordat.
5. We will review these arrangements in 2011 and, if appropriate, agree changes to ensure their effectiveness.

This Concordat has effect from 8 December 2009.

Sheila A. Nicoll
Signed by.....Date *4-12-09*,
Sheila Nicoll, Director of Conduct Policy, Financial Services Authority

Clive Maxwell
Signed by.....Date *7.12.09*,
Clive Maxwell, Senior Director, Markets and Projects, Services

Annex

Working arrangements

Regular (quarterly) consultation

1. Frequency: We will have quarterly meetings (but may agree to revise this frequency).
2. Agenda: The standing agenda items (subject to revision by agreement) will include:
 - a. Exchange of firms and markets information and intelligence;
 - b. FSA policy and rule-development having an impact on competition
 - c. Review of specific enforcement cases of mutual interest; and
 - d. Exchange of information on developments and projects, including potential OFT market studies.
3. Reporting to CEOs: The quarterly competition meetings will report to the regular meetings of our respective Chief Executive Officers, as provided for by our Memorandum of Understanding (MoU).

Annual business planning round consultation

4. We will consult each other, through the regular quarterly meetings or by ad hoc meetings, as necessary, on specific proposals as part of the annual business planning round, in order to feed into consideration of options for work we might prioritise in the coming year.

Ad hoc consultation

5. We may also consult each other on other proposals, on an ad hoc basis.

Joint working on competition in financial markets

6. The OFT and FSA may also carry out wider joint working on matters related to competition in financial markets, under the 'joint action' provisions of our MoU.

Accountability – reporting

7. We will include a specific report on the outcomes of our co-operation on competition issues in our respective Annual Reports.
8. In the case of the FSA's Annual Report, this will be within a dedicated section on competition and on the FSA's discharge of its responsibilities in this regard.