

# Digital Markets, Competition and Consumers Act 2024

**2024 CHAPTER 13** 

PART 1

DIGITAL MARKETS

## **CHAPTER 8**

ADMINISTRATION ETC

Administration

## 104 Extension etc of periods

- (1) The CMA may publish a notice extending a relevant investigation period or a final offer period by a period of up to 3 months where it considers that there are special reasons for doing so.
- (2) A notice under subsection (1) must specify how long the extension is for.
- (3) The CMA may also publish a notice extending a relevant investigation period or a final offer period where it considers that—
  - (a) in relation to a relevant investigation period—
    - (i) a person has failed to comply with any requirement of a notice under section 69 (power to require information) or under section 72 (power to interview) which was given in relation to an SMS investigation, a conduct investigation or a PCI investigation, and
    - (ii) the failure is preventing the CMA from properly discharging the digital markets functions to which the investigation relates, or
  - (b) in relation to a final offer period—

- (i) a person has failed to comply with any requirement of a notice under section 69, and
- (ii) the failure is preventing the CMA from properly discharging any of its functions under sections 38 to 45 (final offer mechanism).
- (4) An extension under subsection (3) is for the period—
  - (a) beginning with the day on which it comes into force, and
  - (b) ending with the day on which the CMA publishes a notice of its decision to end the extension.
- (5) The CMA must publish a notice under subsection (4)(b) where the person who had failed to comply as mentioned in subsection (3) gives the information in question to the CMA or, as the case may be, answers questions and provides explanations to the satisfaction of the CMA.
- (6) An extension under subsection (1) or (3) begins with the day on which the notice under subsection (1) or (3), as the case may be, is published.
- (7) Where—
  - (a) the CMA extends an SMS investigation period relating to a further SMS investigation under subsection (1) or (3),
  - (b) the extension means that the SMS investigation period would (apart from this subsection) continue after the end of the designation period for the existing designation which is the subject of the further SMS investigation, and
  - (c) in the case of an extension under subsection (3), the person who had failed to comply is, or is connected to, the designated undertaking,

the designation period for the existing designation is extended until the end of the SMS investigation period.

- (8) In this section and in section 105 references to a "relevant investigation period" are to—
  - (a) an SMS investigation period;
  - (b) a conduct investigation period;
  - (c) a PCI investigation period.

## **105** Extensions: supplementary

- (1) A period may be extended under both section 104(1) and (3).
- (2) No more than one extension is possible under section 104(1).
- (3) Where a relevant investigation period or a final offer period is extended or further extended under section 104(1) or (3), the period as extended or, as the case may be, further extended is, subject to subsection (4), to be calculated by taking the period being extended and adding to it the period of the extension (whether or not those periods overlap in time).
- (4) Where—
  - (a) a relevant investigation period or a final offer period is further extended under section 104(3), and
  - (b) the further extension overlaps with a previous extension under section 104(3),

the period of overlap is to be disregarded in calculating the period of the further extension.

#### **106** Exercise and delegation of functions

- (1) The CMA may make a reference to the CMA chair for the constitution of a group under Schedule 4 to ERRA 2013 in respect of any non-reserved digital markets function.
- (2) A reference under this section must specify the non-reserved digital markets function in respect of which the reference is made ("the referred function").
- (3) A CMA group constituted under ERRA 2013 for the purposes of a reference under this section must carry out the referred function.
- (4) For the purposes of this section, a "non-reserved digital markets function" is any digital markets function other than a digital markets function that the CMA Board may not delegate—
  - (a) under paragraph 29(1) of Schedule 4 to ERRA 2013, as a result of paragraph 29(2) of that Schedule as it has effect from time to time, or
  - (b) under paragraph 29(1)(a) of that Schedule, as a result of paragraph 29(2A) of that Schedule as it has effect from time to time.
- (5) In subsection (1), "CMA chair" means the person appointed under paragraph 1(1)(a) of Schedule 4 to ERRA 2013.
- (6) In Schedule 4 to ERRA 2013 (the Competition and Markets Authority), paragraph 29 (delegation) is amended as follows.
- (7) In sub-paragraph (2) (functions which cannot be delegated), at the end insert—
  - "(g) whether to begin an initial SMS investigation under section 9 of the Digital Markets, Competition and Consumers Act 2024 ("the 2024 Act");
  - (h) whether to begin a further SMS investigation under section 10 of the 2024 Act;
  - (i) whether to begin a PCI investigation under section 47 of the 2024 Act."
- (8) After sub-paragraph (2) insert—
  - "(2A) Sub-paragraph (1)(a) does not apply to the functions of deciding—
    - (a) whether to make a designation under section 2 of the 2024 Act;
    - (b) what, if any, provision to make in reliance on section 17 of the 2024 Act;
    - (c) whether to impose a conduct requirement under section 19 of the 2024 Act;
    - (d) whether to revoke a conduct requirement under section 22 of the 2024 Act;
    - (e) whether to make, and the form of, an enforcement order, other than an interim enforcement order, under section 31 of the 2024 Act;
    - (f) whether to accept a commitment under section 36 or section 56 of the 2024 Act;
    - (g) whether to exercise the power conferred by section 38(1) of the 2024 Act (power to adopt final offer mechanism);
    - (h) whether to make, and the form of, a pro-competition intervention under section 46 of the 2024 Act;

- (i) the contents of a notice under section 50 of the 2024 Act (notice of decision on pro-competition intervention);
- (j) whether to replace a pro-competition order under section 52 of the 2024 Act;
- (k) whether to revoke a pro-competition order under section 53 of the 2024 Act.
- (l) whether to impose a penalty on a person under section 85 or section 87 of the 2024 Act;
- (m) the amount of any such penalty.
- (2B) A committee or sub-committee of the CMA Board may not be authorised to carry out any of the functions listed in sub-paragraph (2A) unless—
  - (a) the committee or sub-committee includes—
    - (i) at least two members of the Board who are not members of the CMA's staff, or
    - (ii) the chair and at least one member of the Board who is not a member of the CMA's staff, and
  - (b) at least half of the members of the committee or sub-committee are—
    - (i) members of the Board who are not members of the CMA's staff, or
    - (ii) members of the CMA panel."
- (9) After sub-paragraph (3) insert—
  - "(4) The Secretary of State may by regulations made by statutory instrument amend sub-paragraphs (2) or (2A) so as to add or remove functions of the CMA under Part 1 of the 2024 Act.
  - (5) The regulations may make incidental, transitional or saving provision.
  - (6) A statutory instrument containing regulations under sub-paragraph (4) may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament."

Regulatory coordination and information sharing

## **107** Coordination with relevant regulators

- (1) The CMA must consult the FCA on a proposal to exercise a regulatory digital markets function in respect of a matter where the CMA considers the matter is a matter in relation to which the CMA and the FCA may have concurrent functions (see sections 234I (functions under Part 4 of EA 2002) and 234J (functions under CA 1998) of the Financial Services and Markets Act 2000 (as amended by this Act) ("FSMA")).
- (2) The CMA must consult OFCOM on a proposal to exercise a regulatory digital markets function in respect of a matter where the CMA considers the matter is a matter in relation to which the CMA and OFCOM may have concurrent functions (see sections 370 (functions under Part 4 of EA 2002) and 371 (functions under CA 1998) of the Communications Act 2003 (as amended by this Act)).
- (3) The CMA must consult the Information Commissioner on a proposal to exercise a regulatory digital markets function in a manner that the CMA considers is likely to

have a material adverse effect on the ability of the Information Commissioner to exercise functions under—

- (a) the data protection legislation,
- (b) the Privacy and Electronic Communications (EC Directive) Regulations 2003 (S.I. 2003/2426), or
- (c) the Network and Information Systems Regulations 2018 (S.I. 2018/506).
- (4) The CMA must consult the Bank of England on a proposal to exercise a regulatory digital markets function in a manner that the CMA considers is likely to have a material adverse effect on the ability of the Bank of England to advance the Financial Stability Objective as defined in section 2A of the Bank of England Act 1998.
- (5) The CMA must consult the PRA on a proposal to exercise a regulatory digital markets function in a manner that the CMA considers is likely to have a material adverse effect on the ability of the PRA to advance—
  - (a) its general objective under section 2B of FSMA, or
  - (b) its insurance objective under section 2C of FSMA.
- (6) The duties in subsections (1) to (5) apply only to the extent that the CMA considers that compliance does not impose a burden on it that outweighs the benefits of compliance.

## 108 Recommendations to the CMA

- (1) The FCA or OFCOM may make a recommendation to the CMA where they consider that the CMA should exercise a regulatory digital markets function in relation to an undertaking and a digital activity.
- (2) A recommendation under subsection (1) must—
  - (a) describe the undertaking, the digital activity, and the regulatory digital markets function to which it relates, and
  - (b) be given to the CMA in writing.
- (3) A recommendation under this section must be accompanied by a statement of reasons for the recommendation.
- (4) Within the period of 90 days beginning with the day on which it receives a recommendation, the CMA must—
  - (a) give notice to the regulator that made the recommendation—
    - (i) setting out the action that the CMA has taken or intends to take in response to the recommendation, and
    - (ii) including the reasons for its decision, and
  - (b) publish a summary of the notice.

#### **109** Information sharing

(1) In Schedule 14 to EA 2002 (provisions about disclosure of information) at the appropriate place insert—

"Part 1 of the Digital Markets, Competition and Consumers Act 2024."

(2) In Schedule 15 to EA 2002 (provisions about disclosure of information) at the appropriate places insert—

"Privacy and Electronic Communications (EC Directive) Regulations 2003 (S.I. 2003/2426).";

""Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC.";

""Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (United Kingdom General Data Protection Regulation).";

""Part 4 of the Network and Information Systems Regulations 2018 (S.I. 2018/506).";

"Data Protection Act 2018.";

"Part 1 of the Digital Markets, Competition and Consumers Act 2024."

## Miscellaneous

## **110 Power to charge levy**

- (1) The CMA may require an undertaking to pay it a levy in respect of a chargeable year during the whole or part of which the undertaking is a designated undertaking.
- (2) The amount of the levy is to be calculated in accordance with rules made for the purposes of this section by the CMA ("the levy rules").
- (3) The CMA may amend or replace the levy rules.
- (4) The levy rules must—
  - (a) secure that the aggregate amount payable in respect of a chargeable year is not to exceed the costs which the CMA incurs in exercising its digital markets functions during that year;
  - (b) make provision about how the aggregate amount payable in respect of a chargeable year is to be divided between the undertakings which are designated undertakings for the whole or part of that year;
  - (c) secure that where an undertaking is a designated undertaking for only part of a chargeable year, the amount of the levy payable by that undertaking in respect of that chargeable year is proportionately reduced;
  - (d) set out how the CMA is to estimate the costs which it expects to incur in exercising its digital markets functions during a chargeable year;
  - (e) set out how the CMA is to calculate the costs which it actually incurs in exercising its digital markets functions during a chargeable year;
  - (f) make provision about the repayment or crediting of any amounts of levy paid in respect of a chargeable year on the basis of the CMA's estimate of the costs it would incur in exercising its digital markets functions during that year where the CMA's estimated costs exceed the CMA's actual costs of exercising those functions during that year;
  - (g) secure that any repayment or crediting in respect of a chargeable year in accordance with provision made under paragraph (f), so far as relating to an undertaking, is in proportion to the amount paid by that undertaking in respect of that year;
  - (h) make provision about the charging of amounts of levy in respect of a chargeable year where the CMA's actual costs of exercising its digital markets functions during that year exceed the costs which the CMA estimated it would incur;

- (i) secure that, where an undertaking is required to pay an amount of levy in respect of a chargeable year in accordance with provision made under paragraph (h), the amount which the undertaking is required to pay is in proportion to the amount already paid by the undertaking in respect of that year;
- (j) make provision about the administration and payment of the levy.
- (5) The levy rules may make provision for interest to be charged, at the rate specified for the time being in section 17 of the Judgments Act 1838, on any amount of levy not paid by the date on which it is due.
- (6) References in subsection (4) to an amount payable by an undertaking do not include interest charged in accordance with provision made under subsection (5).
- (7) The CMA must pay any amount that it receives in accordance with provision made under subsection (5) into the Consolidated Fund.
- (8) The CMA must consult such persons as it considers appropriate before making the levy rules, including any amended or replacement levy rules (see section 113).
- (9) The consultation must include a draft of the proposed levy rules.
- (10) The CMA must, at the same time as beginning consultation under subsection (8), arrange for the draft of the proposed levy rules to be laid before Parliament.
- (11) The CMA must publish the levy rules, including amended or replacement rules.
- (12) An amount payable by an undertaking in accordance with this section and the levy rules is recoverable as a civil debt due to the CMA.
- (13) For the purposes of this section—
  - (a) a chargeable year is a period of 12 months ending with 31 March;
  - (b) the CMA's costs of exercising its digital markets functions do not include costs incurred by the CMA for the purposes of litigation.

# 111 Extra-territorial application

- (1) Unless otherwise stated, this Part applies in relation to persons outside the United Kingdom.
- (2) A power to give a notice to a person outside the United Kingdom by virtue of this Part is exercisable only if the person is within subsection (3), (4) or (5).
- (3) A person is within this subsection if the person is, or is part of—
  - (a) a designated undertaking or an undertaking to which an obligation applies by virtue of provision made in reliance on section 17(1) (existing obligations);
  - (b) an undertaking that is the subject of a digital markets investigation.
- (4) A person is within this subsection if the person is an individual—
  - (a) who is named as a senior manager under section 70 or appointed as a nominated officer under section 83, and
  - (b) on whom the CMA has imposed or is considering imposing a penalty under section 87(2) or 87(3), as the case may be.
- (5) A person is within this subsection if the person—

- (a) is a United Kingdom national,
- (b) is an individual who is habitually resident in the United Kingdom,
- (c) is a body incorporated under the law of any part of the United Kingdom, or
- (d) carries on business in the United Kingdom.
- (6) Nothing in this section is to be taken to limit any other power of the CMA to give a notice to a person outside the United Kingdom.

## 112 Defamation

For the purposes of the law relating to defamation, absolute privilege attaches to anything done by the CMA in the exercise of any of its functions under this Part.

## 113 Consultation and publication of documents

- (1) The CMA must comply with any duty to consult under this Part in such manner as it considers practicable, having regard in particular to—
  - (a) any need to keep information confidential, and
  - (b) the timetable for making a final decision or taking any action following the consultation.
- (2) Any consultation which the CMA carries out under this Part must include—
  - (a) reasons for the finding, decision or proposal to which the consultation relates, and
  - (b) such other information as the CMA considers necessary to allow a proper understanding of those reasons (subject to subsection (1)(b)).
- (3) The CMA must comply with any duty to publish a notice or any other document under this Part by publishing the notice or document online, having regard to any need to keep information confidential.
- (4) In order to give effect to any need to keep information confidential, the CMA may publish the notice or other document in a redacted form.

## 114 Guidance

- (1) The CMA must publish guidance on how it will exercise its functions under this Part.
- (2) The CMA may revise or replace guidance published under this section.
- (3) The CMA must publish any revised or replacement guidance.
- (4) Before publishing guidance (including any revised or replacement guidance) under this section, the CMA must—
  - (a) consult such persons as it considers appropriate, and
  - (b) obtain the approval of the Secretary of State.
- (5) When the CMA seeks the approval of the Secretary of State for guidance, the Secretary of State must—
  - (a) approve the guidance, or
  - (b) give reasons to the CMA for not approving it.

(6) The Secretary of State must comply with subsection (5) before the end of the 30th working day after the day on which the CMA seeks the Secretary of State's approval.

#### 115 Protected disclosures

In the Public Interest Disclosure (Prescribed Persons) Order 2014 (S.I. 2014/2418), in the table in the Schedule, in the entry for the Competition and Markets Authority, in the right hand column, after "Kingdom" insert ", including matters relating to Part 1 of the Digital Markets, Competition and Consumers Act 2024 (digital markets)".

## **116** Restriction on disclosure orders

(1) This section applies for the purposes of—

- (a) digital markets proceedings, or
- (b) competition proceedings.
- (2) A court or the Tribunal must not make a disclosure order requiring the CMA to disclose or produce information where the court or the Tribunal is satisfied that another person would be reasonably able to provide the information.
- (3) A court or the Tribunal must not make a disclosure order requiring the disclosure or production of digital markets investigation information before the CMA gives notice of the closure or outcome of each investigation to which the information relates.
- (4) In this section—

"competition proceedings" has the meaning given by paragraph 2(4) of Schedule 8A to the Competition Act 1998 (further provision about claims in respect of loss or damage before a court or the Tribunal);

"digital markets investigation information" means information-

- (a) prepared by a person other than the CMA for the purpose of a digital markets investigation;
- (b) sent by the CMA in connection with such an investigation to a person that is the subject of the investigation;

"digital markets proceedings" means proceedings under section 101 (rights to enforce requirements of Part 1) or proceedings on appeal from such proceedings.

(5) Paragraphs 7 and 27 of Schedule 8A to the Competition Act 1998 (other definitions; disclosure orders) apply for the purposes of this section as they apply for the purposes of Part 6 of that Schedule.

(6) In Schedule 8A to the Competition Act 1998—

- (a) in paragraph 7 (other definitions), after sub-paragraph (2) insert—
  - "(2A) "Digital markets proceedings" means proceedings under section 101 of the Digital Markets, Competition and Consumer Act 2024 (rights to enforce requirements of Part 1).";
- (b) in paragraph 28, after "competition proceedings" insert "or digital markets proceedings";
- (c) in paragraph 29, after "competition proceedings" insert "or digital markets proceedings";

(d) in paragraph 30(1), after "competition proceedings" insert "or digital markets proceedings".

#### Interpretation

## 117 Groups

- (1) This section makes provision about groups for the purposes of this Part.
- (2) An undertaking is part of a group if one or more bodies corporate which are comprised in the undertaking are members of the same group as one or more other bodies corporate.
- (3) For the purposes of this Part, two bodies corporate are members of the same group if—
  - (a) one is the subsidiary of the other, or
  - (b) both are subsidiaries of the same body corporate.

## **118** General interpretation

(1) In this Part—

"breach investigation" means an investigation (including a conduct investigation) into whether an undertaking is breaching or has breached a requirement imposed on the undertaking under this Part by virtue of the undertaking being, or having been, a designated undertaking;

"conduct investigation" has the meaning given by section 26(1);

"conduct investigation notice" has the meaning given by section 26(3);

"conduct investigation period" has the meaning given by section 30(2);

- "conduct requirements" has the meaning given by section 19(3);
- "consumer" has the meaning given by section 129(1) of EA 2002;
- "the court", except where otherwise stated, means-
- (a) in relation to England and Wales or Northern Ireland, the High Court, and
- (b) in relation to Scotland, the Court of Session;

"customer" includes a customer who is not a consumer;

"designated undertaking" means an undertaking which the CMA has designated as having SMS in respect of a digital activity;

"designation" means the designation of an undertaking as having SMS in respect of a relevant digital activity;

"designation period" has the meaning given by section 15(3)(e);

"digital activity" has the meaning given by section 3(1);

"digital content" has the meaning given by section 330;

"digital markets functions" means-

- (a) the functions that the CMA has under this Part, and
- (b) the CMA's power to do anything that is calculated to facilitate, or is conducive or incidental to, the performance of those functions (see paragraph 20 of Schedule 4 to ERRA 2013 (additional powers));

"digital markets investigation" means-

- (a) an SMS investigation;
- (b) a breach investigation (including a conduct investigation);

(c) a PCI investigation;

the "digital markets investigation powers" are the powers that the CMA has under—

- (a) section 69 (power to require information);
- (b) section 71 (power of access);
- (c) section 72 (power to interview);
- (d) section 74 (power to enter business premises without a warrant);
- (e) section 75 (power to enter premises under a warrant);
- (f) section 79 (reports by skilled persons);

"enforcement order" has the meaning given by section 31(1); "the FCA" means the Financial Conduct Authority;

"final offer initiation notice" has the meaning given by section 40(1);

"final offer order" has the meaning given by section 41(2);

"final offer payment terms" has the meaning given by section 38(1); "final offer period" has the meaning given by section 41(3);

"further SMS investigation" has the meaning given by section 10(3);

"grouped third parties" has the meaning given by section 39(3);

"grouped transactions" has the meaning given by section 39(3);

"information" includes—

(a) information in the form of a document, whether in draft or final form;

- (b) information in any other form;
- (c) data, code, algorithms, estimates, forecasts, returns and explanations; "information notice" has the meaning given by section 69(2);

"initial SMS investigation" has the meaning given by section 9(2);

- "interim enforcement order" has the meaning given by section 32(1);
- "joined third parties" has the meaning given by section 39(1);

"OFCOM" means the Office of Communications;

"officer", in relation to a body corporate, means a director, manager, secretary or other similar officer of the body;

"PCI" stands for "pro-competition intervention";

"PCI decision" has the meaning given by section 49(1);

"PCI investigation" has the meaning given by section 47(1);

"PCI investigation notice" has the meaning given by section 48(1);

"PCI investigation period" has the meaning given by section 50(1);

"person", in addition to the meaning given by the Interpretation Act 1978, includes an undertaking;

"the PRA" means the Prudential Regulation Authority;

"pro-competition order" has the meaning given by section 46(3)(a);

- "product" means-
- (a) goods;
- (b) services;
- (c) digital content;
- the "regulatory digital markets functions" are-
- (a) the power to open an SMS investigation under section 9(1) (initial SMS investigation) or section 10(1) or (2) (further SMS investigation);

- (b) the power to designate an undertaking as having SMS under Chapter 2 (strategic market status);
- (c) the power to revoke a designation under Chapter 2 (strategic market status);
- (d) the power to impose or revoke conduct requirements under Chapter 3 (conduct requirements);
- (e) the power to make, replace or revoke PCIs under Chapter 4 (procompetition interventions);

"relevant digital activity" in relation to a designated undertaking means a digital activity in respect of which the undertaking has been designated as having SMS;

the "relevant service or digital content" in relation to a digital activity means the service or digital content the provision of which constitutes (together with any other activity carried out for the purposes of that provision) the digital activity;

"SMS" stands for "strategic market status";

"SMS conditions" are the conditions set out in section 2(2);

"SMS decision notice" has the meaning given by section 14(2);

"SMS investigation" means an initial SMS investigation and a further SMS investigation;

"SMS investigation notice" has the meaning given by section 11(1);

"SMS investigation period" has the meaning given by section 14(2);

"submission date" has the meaning given by section 40(2)(d);

"subsidiary" has the meaning given by section 1159 of the Companies Act 2006;

"the Tribunal" means the Competition Appeal Tribunal;

"Tribunal rules" means rules under section 15 of EA 2002;

"the turnover condition" has the meaning given by section 7;

"UK user" and "UK customer" mean any user or, as the case may be, customer who it is reasonable to assume—

(a) in the case of an individual, is normally in the United Kingdom, and

(b) in any other case, is established in the United Kingdom;

"undertaking" has the same meaning as it has for the purposes of Part 1 of CA 1998 (competition: agreements, abuse of dominant position etc);

"user" includes any person, legal or natural, and, in relation to a digital activity, means any user of the relevant service or digital content.

#### (2) In this Part—

- (a) references to "giving notice" or "giving a notice" are to giving notice or giving a notice in writing;
- (b) references to "using" include, in relation to a service or digital content, interacting, or carrying out activities that interact, in any way, directly or indirectly, with the service or digital content;
- (c) references to the supply, provision, acquisition or use of goods or services include the supply, provision, acquisition or use of digital content.

(3) In this Part, a person is "connected to" an undertaking if that person-

- (a) is concerned in the management or control of the undertaking,
- (b) is employed by the undertaking, or

(c) works for the undertaking in any other capacity.