
EXPLANATORY NOTE

(This note is not part of the Order)

Section 25 of and Schedule 4 to the Enterprise and Regulatory Reform Act 2013 (“the Act”) provide for the creation of the Competition and Markets Authority (“CMA”). Section 26 of and Schedules 5 and 6 to the Act provide for the abolition of the Office of Fair Trading (“OFT”) and the Competition Commission (“the Commission”) and for the transfer of functions from the OFT and the Commission to the CMA.

Part 4 of the Act makes various changes to the competition functions which the CMA will assume. In particular, the Act amends Part 3 (mergers) and Part 4 (markets studies and market investigations) of the Enterprise Act 2002.

This Order makes consequential amendments to a number of enactments in connection with the commencement of Parts 3 and 4 of the Act on 1st April 2014.

Article 1 provides for citation, commencement, interpretation and extent. Article 1(3) provides that the amendments and repeals in the Order have the same extent as the enactment amended or repealed.

Article 2 gives effect to Schedule 1. Schedule 1 makes consequential amendments in connection with the transfer of functions to the CMA and the abolition of the OFT and Commission by substituting the CMA for the OFT and the Commission in a number of enactments. It also makes amendments consequential on the amendments to competition law made under Part 4 of the Act. In particular, Schedule 1 specifies amendments to the sector specific legislation (e.g. gas, water, rail) under which regulators such as the Office of Rail Regulation, the Gas and Electricity Markets Authority, are given competition functions concurrently with the OFT under Part 4 of the Enterprise Act 2002. Schedule 1 also makes consequential amendments to the sectoral legislation in connection with the transfer to the CMA of the Commission’s role in receiving references of regulatory matters.

These amendments supplement the amendments already made to the sector specific legislation by Schedule 6 (regulatory appeals etc: minor and consequential amendments) and Schedule 14 (Regulators: use of powers under the 1998 Act) to the Act.

Article 3 and Schedule 2 make transitional and saving provision in connection with the transfer of functions from the OFT and the Commission to the CMA.

The impact assessment completed for Parts 3 and 4 of the Enterprise and Regulatory Reform Bill, introduced to Parliament on 23rd May 2012, contains an assessment of the effect that the reforms to the competition regime will have on the costs of business and the public and voluntary sector and can be found at the website: <https://www.gov.uk/government/publications/strengthening-competition-and-creating-a-single-market-authority>.