
EXPLANATORY NOTE

(This note is not part of the Order)

Article 2 of this Order prohibits suppliers of specified goods (that is to say, camcorders, cold food storage equipment, dishwashers, hi-fi systems, televisions, tumble dryers, video cassette recorders or washing machines) from recommending or notifying a price at which those goods should be resold.

Article 3 prohibits suppliers of specified goods from making or carrying out of any agreement to the extent that it restricts a dealer's determination of the prices at which he sells those goods.

Article 4 prohibits suppliers of specified goods from withholding those goods from dealers save on grounds permitted under article 5 or 6. It also provides that a ground for withholding shall not in any event be regarded as a permitted ground unless the supplier sets it out in writing to the dealer at the time of the withholding. Article 5 provides for certain permitted grounds relating to the nature or circumstances of an order for specified goods. Article 6 provides for permitted grounds relating to criteria generally employed by the supplier to choose his dealers.

Article 7 prohibits discrimination by suppliers against dealers on the ground of the prices at which those dealers supply specified goods. Article 8 prohibits the giving of preference by suppliers to dealers on the ground of the prices at which those dealers supply specified goods.

Article 9 prohibits dealers from procuring any contravention by suppliers of certain provisions of the Order.

Article 10 gives the Secretary of State power to issue directions to suppliers or dealers relating to steps taken by them to ensure their compliance with the Order.

Article 11 excludes from the scope of the Order the making or carrying out of any agreement insofar as it is an agreement to which the Restrictive Trade Practices Act 1976 applies.

Article 12 excludes from the scope of articles 4 to 9 of the Order the making or carrying out of provisions in agreements that are covered by an exemption under Article 85.3 of the EC Treaty (or Article 53.3 of the EEA Agreement). The exclusion applies even where the making or carrying out of such an agreement does not in fact, for the reasons set out in Article 12(3), infringe Article 85.1 of the EC Treaty (or Article 53.1 of the EEA Agreement).

Copies of the reports of the Monopolies and Mergers Commission on which the Order is based (Cm 3675 and Cm 3676) may be obtained from The Stationery Office.

A Regulatory Appraisal has been drawn up by the Department of Trade and Industry and is available from the Consumer Affairs and Competition Policy Directorate, Department of Trade and Industry, Room 6.R.11, 1 Victoria Street, London SW1H 0ET, Telephone 0171 215 5607. Copies have been placed in the libraries of both Houses of Parliament.