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STATUTORY INSTRUMENTS

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**2000 No. 262**

**COMPETITION**

**The Competition Act 1998 (Small Agreements and  
Conduct of Minor Significance) Regulations 2000**

<i>Made</i>	- - - -	<i>7th February 2000</i>
<i>Laid before Parliament</i>		<i>8th February 2000</i>
<i>Coming into force</i>	- -	<i>1st March 2000</i>

The Secretary of State in exercise of the powers conferred on him by sections 39, 40, 59(1) and 71 of the Competition Act 1998(1) hereby makes the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Competition Act 1998 (Small Agreements and Conduct of Minor Significance) Regulations 2000 and shall come into force on 1st March 2000.

**Commencement Information**

**II** Reg. 1 in force at 1.3.2000, see [reg. 1](#)

**Interpretation**

2. In these Regulations:

“the Act” means the Competition Act 1998;

“applicable turnover” means the turnover of an undertaking for a business year determined in accordance with the Schedule to this Order; and where a business year does not equal twelve months the applicable turnover shall be the amount which bears the same proportion to the applicable turnover during that business years as twelve months does to that period;

“business year” means a period of more than six months in respect of which an undertaking publishes accounts or, if no such accounts have been published for the period, prepares accounts.

**Status:** Point in time view as at 11/01/2005.

**Changes to legislation:** There are currently no known outstanding effects for the The Competition Act 1998 (Small Agreements and Conduct of Minor Significance) Regulations 2000. (See end of Document for details)

**Commencement Information**

**I2** Reg. 2 in force at 1.3.2000, see [reg. 1](#)

**Small agreements**

**3.** The category of agreements prescribed for the purposes of section 39(1) of the Act is all agreements between undertakings the combined applicable turnover of which for the business year ending in the calendar year preceding one during which the infringement occurred does not exceed £20 million.

**Commencement Information**

**I3** Reg. 3 in force at 1.3.2000, see [reg. 1](#)

**Conduct of minor significance**

**4.** The category of conduct prescribed for the purposes of section 40(1) of the Act is conduct by an undertaking the applicable turnover of which for the business year ending in the calendar year preceding one during which the infringement occurred does not exceed £50 million.

**5.** Where in the application of regulation 3 or 4 there is a calendar year in respect of which an undertaking has no business year ending in the preceding calendar year then the applicable turnover shall be the turnover for the preceding calendar year.

**Commencement Information**

**I4** Reg. 4 in force at 1.3.2000, see [reg. 1](#)

**I5** Reg. 5 in force at 1.3.2000, see [reg. 1](#)

## SCHEDULE

Article 2

### APPLICABLE TURNOVER

#### Interpretation

1. In this Schedule:

[<sup>F1</sup>“credit institution” means a credit institution for the purposes of [<sup>F2</sup>Article 1(1)(a)] of Directive 2000/12/EC of the European Parliament and of the Council of 20 March 2000 relating to the taking up and pursuit of the business of credit institutions;]

[<sup>F3</sup>“financial institution” means a financial institution for the purposes of Article 1 of Directive 2000/12/EC of the European Parliament and of the Council of 20 March 2000 relating to the taking up and pursuit of the business of credit institutions;]

“insurance undertaking” means an insurance undertaking carrying on the business of direct insurance of a class set out in the Annex to Council Directive (EEC) 73/239 the First Council Directive on the coordination of laws, regulations and administrative provisions relating to the taking-up and pursuit of the business of direct insurance other than life assurance(2) or in [<sup>F4</sup>Article 2 of Directive 2002/83/EC of the European Parliament and of the Council of 5 November 2002 concerning life assurance]; and

terms used in this Schedule in respect of the determination of the applicable turnover of credit institutions, financial institutions and insurance undertakings shall (except where the contrary intention appears) have the same meaning as in the relevant Directive.

- F1 Words in Sch. para. 1 substituted (22.11.2000) by The Banking Consolidation Directive (Consequential Amendments) Regulations 2000 (S.I. 2000/2952), regs. 1, 15(2)(a)
- F2 Words in Sch. para. 1 substituted (27.4.2002) by The Electronic Money (Miscellaneous Amendments) Regulations 2002 (S.I. 2002/765), regs. 1, 8
- F3 Words in Sch. para. 1 substituted (22.11.2000) by The Banking Consolidation Directive (Consequential Amendments) Regulations 2000 (S.I. 2000/2952), regs. 1, 15(2)(b)
- F4 Words in Sch. para. 1 substituted (11.1.2005) by The Life Assurance Consolidation Directive (Consequential Amendments) Regulations 2004 (S.I. 2004/3379), regs. 1, 13

#### Commencement Information

- I6 Sch. para. 1 in force at 1.3.2000, see reg. 1

2. The provisions of this Schedule shall be interpreted in accordance with generally accepted accounting principles and practices.

#### Commencement Information

- I6 Sch. para. 1 in force at 1.3.2000, see reg. 1
- I7 Sch. para. 2 in force at 1.3.2000, see reg. 1

- F1 Words in Sch. para. 1 substituted (22.11.2000) by The Banking Consolidation Directive (Consequential Amendments) Regulations 2000 (S.I. 2000/2952), regs. 1, 15(2)(a)
- F2 Words in Sch. para. 1 substituted (27.4.2002) by The Electronic Money (Miscellaneous Amendments) Regulations 2002 (S.I. 2002/765), regs. 1, 8

(2) OJNo. L228, 16.8.73, p. 3.

**Status:** Point in time view as at 11/01/2005.

**Changes to legislation:** There are currently no known outstanding effects for the The Competition Act 1998 (Small Agreements and Conduct of Minor Significance) Regulations 2000. (See end of Document for details)

**F3** Words in Sch. para. 1 substituted (22.11.2000) by The Banking Consolidation Directive (Consequential Amendments) Regulations 2000 (S.I. 2000/2952), regs. 1, **15(2)(b)**

**F4** Words in Sch. para. 1 substituted (11.1.2005) by The Life Assurance Consolidation Directive (Consequential Amendments) Regulations 2004 (S.I. 2004/3379), regs. 1, **13**

#### Commencement Information

**I6** Sch. para. 1 in force at 1.3.2000, see **reg. 1**

**I7** Sch. para. 2 in force at 1.3.2000, see **reg. 1**

### General

**3.** The applicable turnover of an undertaking, other than a credit institution, financial institution, insurance undertaking, or an association of undertakings, shall be limited to the amounts derived by the undertaking from the sale of products and the provision of services falling within the undertaking's ordinary activities after deduction of sales rebates, value added tax and other taxes directly related to turnover.

#### Commencement Information

**I8** Sch. para. 3 in force at 1.3.2000, see **reg. 1**

**4.** Where an undertaking consists of two or more undertakings that each prepare accounts then the applicable turnover shall be calculated by adding together the respective applicable turnover of each, save that no account shall be taken of any turnover resulting from the sale of products or the provision of services between them.

#### Commencement Information

**I9** Sch. para. 4 in force at 1.3.2000, see **reg. 1**

#### Commencement Information

**I8** Sch. para. 3 in force at 1.3.2000, see **reg. 1**

**I9** Sch. para. 4 in force at 1.3.2000, see **reg. 1**

### Credit institutions and financial institutions

**5.** The applicable turnover of a credit institution or financial institution shall be limited to the sum of the following income items listed in Council Directive (**EEC**) **86/635(3)** received by that institution after deductions of value added tax and other taxes directly related to those items:

- (i) interest income and similar income;
- (ii) income from securities:
  - income from shares and other variable yield securities,
  - income from participating interests,
  - income from shares in affiliated undertakings,
- (iii) commissions receivable;

(3) OJ No. L372, 31.12.86, p. 1.

- (iv) net profit on financial operations; and
- (v) other operating income.

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**Commencement Information**

**I10** Sch. para. 5 in force at 1.3.2000, see [reg. 1](#)

**Insurance undertakings**

6. The applicable turnover of an insurance undertaking shall be limited to the value of gross premiums received which shall comprise all amounts received and receivable in respect of insurance contracts issued by or on behalf of the undertaking, including outgoing reinsurance premiums, and after deduction of taxes and parafiscal contributions or levies charged by reference to the amounts of individual premiums or the total volume of premiums.

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**Commencement Information**

**I11** Sch. para. 6 in force at 1.3.2000, see [reg. 1](#)

**Turnover of associations of undertakings**

7. The turnover of an association of undertakings shall be the aggregate applicable turnover of the undertakings that are members of the association.

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**Commencement Information**

**I12** Sch. para. 7 in force at 1.3.2000, see [reg. 1](#)

**Aid granted to undertakings**

8. Any aid granted by a public body to an undertaking which relates to one of the undertaking ordinary activities shall be included in the calculation of turnover if the undertaking is itself the recipient of the aid and if the aid is directly linked to the sale of products or the provision of services by the undertaking and is therefore reflected in the price.

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**Commencement Information**

**I13** Sch. para. 8 in force at 1.3.2000, see [reg. 1](#)

**Status:** Point in time view as at 11/01/2005.

**Changes to legislation:** There are currently no known outstanding effects for the The Competition Act 1998 (Small Agreements and Conduct of Minor Significance) Regulations 2000. (See end of Document for details)

*Kim Howells*  
Parliamentary Under Secretary of State for  
Consumers and Corporate Affairs,  
Department of Trade and Industry

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### **EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations specify for the purposes of sections 39 and 40 of the Competition Act 1998 the category of agreements and conduct which enjoy limited immunity from the imposition of penalties for breach of the Chapter I or the Chapter II prohibitions respectively.

A Regulatory Impact Assessment has been prepared in relation to this Order. A copy may be obtained from Competition Policy and Utilities Review Directorate, Bay 608, 1, Victoria Street SW1H 0ET, telephone 020-7215 2823.

**Status:**

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**Changes to legislation:**

There are currently no known outstanding effects for the The Competition Act 1998 (Small Agreements and Conduct of Minor Significance) Regulations 2000.