CHAPTER 11

COMPETITION POLICY

ARTICLE 11.1

Principles

The Parties recognise the importance of fair and free competition in their trade and investment relations. The Parties acknowledge that anticompetitive practices have the potential to distort the proper functioning of markets and undermine the benefits of liberalisation of trade and investment.

ARTICLE 11.2

Anticompetitive practices

Each Party shall, in accordance with its laws and regulations, take measures which it considers appropriate against anticompetitive practices, in order to achieve the objectives of this Agreement.

ARTICLE 11.3

Legislative and regulatory framework

1. Each Party shall maintain its competition law that applies to all enterprises in all sectors of the economy and which addresses, in an effective manner, the following anticompetitive practices:

(a) for the United Kingdom:

(i) agreements between enterprises, decisions by associations of enterprises and concerted practices which have as their object or effect the prevention, restriction or distortion of competition;

(ii) abuse by one or more enterprises of a dominant position; and

(iii) mergers between enterprises which may substantially lessen competition; and

(b) for Japan:

(i) private monopolisation;

(ii) unreasonable restraint of trade;

(iii) unfair trade practices; and

(iv) mergers or acquisitions which would substantially restrain competition in a particular field of trade.

2. Each Party shall apply its competition law to all enterprises, private or public, engaged in economic activities. However, each Party may provide for certain exemptions from the application of its competition law provided that those exemptions are transparent and are based on public policy grounds or public interest grounds.

3. For the purposes of this Chapter, "economic activities" means those activities pertaining to the offering of goods and services in a market.

ARTICLE 11.4

Operational independence

Each Party shall maintain an operationally independent authority which is responsible and competent for the effective enforcement of its competition law.