

Jersey competition law fact check: demerger of Channel Islands competition authorities

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Date / [June 2020](#)

On 23 April 2020 the Government of Jersey announced that CICRA (the Channel Islands Competition and Regulatory Authorities) was demerging.

It is evident from a number of local and overseas enquiries that there is a perception that the demerger has already happened, which is incorrect: the demerger is due to take place on **1 July 2020**.

CICRA is continuing to discharge both its Jersey and Guernsey regulatory functions in the interim.

Background

CICRA was created in 2010 to share costs and expertise in certain regulatory functions across Jersey and Guernsey to promote efficiency.

It is not itself a separate regulatory body: at present it technically discharges the function of two separate regulatory authorities, the Jersey Competition and Regulatory Authority (**JCRA**) and the Guernsey Competition and Regulatory Authority (**GCRA**).

In its press release, the Government of Jersey noted that “the differences in political and legal systems, priorities and political cycles between Jersey and Guernsey mean that both islands have varied scope for competition and economic regulation”.

It was also noted that the demerger was intended to set a “new direction for the JCRA to make competition work as well as it possibly can in the interests of Jersey consumers and businesses”.

What will the demerger mean for users?

Initially, there should be no discernible change.

Whilst CICRA is headquartered in Guernsey, it has offices (and staff) in both islands. At present those staff tend to work on both Jersey and Guernsey matters, but that will need to change following the demerger. Government has confirmed that up to four new members of staff will be appointed to operate the JCRA following the demerger.

We understand from Government that a significant amount of work has been and continues to be done on the transition, and there should be no interruption to competition supervision or other regulation. As noted above, the JCRA is already a separate authority, and so any Jersey competition applications that are in process should not be effected. The JCRA and GCRA will continue to cooperate where appropriate.

It is hoped that the demerger will enable the JCRA to more quickly progress some of the Jersey regulatory changes that are currently in discussion, including:

- changes to the jurisdictional thresholds for mergers and acquisitions; and
- introducing a vertical block exemption for anti-competitive arrangements, following a recent consultation.

OFFSHORE LAW SPECIALISTS



FIND US

Carey Olsen Jersey LLP
47 Esplanade
St Helier
Jersey JE1 0BD
Channel Islands

T +44 (0)1534 888900
E jerseyco@careyolsen.com



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