

Leniency: information for businesses and individuals

What is leniency and how does it work?

There can be serious consequences for businesses and individuals who have been involved in a cartel including fines, director disqualification and even jail. But by informing the CMA and cooperating with our investigation, you may be able to avoid these.

Subject to meeting certain conditions, the first business to inform the CMA about a cartel that is not already being investigated will receive:

- guaranteed immunity from any fines
- guaranteed protection from criminal prosecution for all of its cooperating employees (both current and former)*, and
- guaranteed protection for its cooperating directors from director disqualification

Applicants should therefore contact the CMA as early as possible – only the first to come forward will be guaranteed these benefits.

A business can still apply for leniency even if they are not the ‘first in’. Depending on how much value the applicant brings to the investigation, they could benefit from a reduction in fines as well as protection for some or all of their cooperating employees.

*In Scotland, criminal immunity can only be granted by the Lord Advocate as the independent head of the prosecution service but serious weight will be given to the CMA’s recommendation not to prosecute.

What are the conditions for applying for leniency?

In all cases, the applicant must:

- have a solid reason to suspect the existence of the cartel and have a genuine intention to confess, and
- provide the CMA with all the relevant information about the cartel – including its own role - and cooperate fully with the CMA’s investigation.

To benefit from total immunity from fines, the applicant must not have coerced others to join the cartel.

Businesses can approach the CMA on a confidential no-names basis to find out more about leniency before committing further.

Being involved in a cartel can have serious consequences. Leniency can help protect you and your business.



What is a cartel and how does being involved affect you?

In simple terms, a cartel is an agreement between businesses not to compete with each other. The agreement is usually secret and often informal.

Cartels are a serious breach of competition law. Individuals involved in a cartel can go to jail for up to five years. Businesses can be fined up to ten per cent of turnover and their directors may be disqualified from acting as company directors.

To discuss and apply for leniency:
T: 020 3738 6833

For more information on compliance and leniency:
www.gov.uk/cma

These materials do not constitute legal advice and should not be relied upon as such.