

**Directorate for Financial and Enterprise Affairs
COMPETITION COMMITTEE****Annual Report on Competition Policy Developments in Ireland****-- 2019 --****10-12 June 2019**

This report is submitted by Ireland to the Competition Committee FOR INFORMATION at its forthcoming meeting to be held on 10-12 June 2020.

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Ireland

1. Executive Summary

1. With Ireland's first criminal convictions for gun jumping in a merger, the implementation of new higher merger financial thresholds on 1 January, and the commencement of the design phase of a simplified merger procedure, 2019, was a particularly important year for the merger regime in Ireland.

2. Failure to notify a transaction which falls within the statutory financial thresholds is a criminal offence under Irish competition law. In 2019, the CCPC in conjunction with the Director of Public Prosecutions (DPP) secured Ireland's first criminal conviction for gun jumping for the non-notification of a merger. The CCPC opened an investigation in 2017 and subsequently prepared a file for the DPP. Armalou Holdings, through its subsidiary Spirit Ford Limited, had acquired Lillis O'Donnell Motor Company Limited without notifying the CCPC. In April 2019, the company pleaded guilty as did Airfield Villas Limited (formerly known as Lillis-O'Donnell Motor Company Limited). Both companies were ordered to make a charitable donation of €2,000 and also had to make a contribution towards the DPP's legal costs and the CCPC's witness expenses.

3. On January 1 2019, new merger financial thresholds took effect which resulted in a significant reduction in the number of mergers notified to the CCPC, with 49 determinations made. This reduction was counterbalanced by a number of complex merger investigations, which included the first oral submissions procedure on a merger notification in over 10 years. The CCPC also undertook in-depth investigations into transactions in a number of industries including; laundry services, ticketing and waste.

4. The CCPC recognises that a merger notification has a suspensory effect, meaning that parties are unable to implement a transaction until they have received clearance. And where a merger does not raise any competition concerns, staff in the CCPC's Competition Enforcement and Mergers Division work to complete their investigation as promptly as possible. In 2019, the CCPC began preparing for the introduction of a new simplified merger procedure (SMP) to deliver an improved merger process for Irish consumers and businesses. The SMP will be rolled out in 2020, resulting in a reduced notification burden and faster decision timelines and therefore delivering further efficiency benefits for businesses.

5. 2019 was also an important year in terms of our legislative powers and we saw the advancement of the EU 2019/1 (ECN+). ECN+ will come into effect in 2021 and will introduce a number of changes to the current competition law enforcement regime in Ireland, in particular the requirement to introduce non-criminal financial sanctions for breaches of EU competition law or breaches of both EU and Irish competition law. The purpose of the Directive is to ensure that national competition authorities have the appropriate public enforcement tools in order to bring about a genuine common competition enforcement area. The CCPC believes that it is essential that we have sufficient and coherent powers to effectively deliver on the core objectives of protecting Irish consumers and businesses. In 2019, we continued to work closely with our parent Department, the Department of Business, Enterprise and Innovation (DBEI) in the transposition of the ECN+ Directive to ensure that Ireland's competition law regime can meet the challenges that modern markets and trading practices present. We also actively

engaged and participated in discussions with key stakeholders, including the Commission for Communications Regulation (ComReg), and the legal community regarding the transposition of the ECN+ Directive, as well as presenting on ECN+ at competition law events.

6. Last year we allocated significant resources to the agriculture sector, along with continuing to enforce the existing Grocery Goods Regulations, we reviewed over 200 complaints in relation to issues in the beef sector. Within this context, we engaged with stakeholders throughout the industry to gather further information on the issues and to pursue lines of enquiry regarding any potential breaches of competition law. The CCPC has previously put forward suggestions to address the issues which are being highlighted by farmers and stakeholders in the sector which included establishing a dedicated sectoral regulator, which might be given a wide-ranging role in the context of a requirement to nominate a competent authority under the Unfair Trading Practices Directive.

7. Last year, following an in-depth investigation, involving a wide number of parties and multiple lines of enquiry, the CCPC referred a file to the DPP in relation to potential bid-rigging in the procurement of publicly-funded transport services, in certain parts of Ireland. Significant progress was also made in our investigations in the motor insurance and ticketing sectors, both of which are complex investigations involving a broad number of parties. The CCPC's investigation into alleged exclusive purchasing arrangements between CRH's subsidiary, Irish Cement Limited, and retail distributors of bagged cement was closed. The CCPC conducted an extensive investigation and gathered a large number of documents, but did not find sufficient evidence of a breach of competition law to warrant further action.

8. In August, the Minister for Business, Enterprise and Innovation, Heather Humphreys, TD requested that the CCPC conduct a study of the public liability insurance market. Following this request the CCPC completed a preliminary market assessment which informed the most appropriate approach to compile a detailed assessment of the functioning of the market and consider how competition currently works in the market.

9. In 2019, the CCPC continued to adjust and expand to meet increased responsibilities and challenges particularly in preparation for the impact of Brexit. Brexit is expected to bring significant changes for Irish businesses, and we have been working alongside our parent Department, DBEI, and the wider Government to help businesses prepare for the changes in the trading environment. One such anticipated change is an increase in the number of merger notifications due to the fact that some mergers (affecting Ireland and UK) which were previously notified to the European Commission may now be separately notified to Ireland and the UK. The CCPC has recruited staff to ensure that the organisation is prepared to deal with the expected increase in the number of merger notifications.

1.1. Changes to Competition Laws and Policies, Proposed or Adopted

1.1.1. Summary of new legal provisions of competition law and related legislation

10. In 2018, the Minister for Business, Enterprise and Innovation signed an order which revised the financial thresholds at which a merger or acquisition must be notified to the CCPC. On 1 January, 2019, the CCPC implemented these new higher merger financial thresholds. Under the new thresholds, a merger or acquisition must be notified to the CCPC if, in the most recent financial year:

- The aggregate turnover in the State of the undertakings involved is not less than €60,000,000 (increased from €50,000,000) and;
- The turnover in the State of each of two or more of the undertakings involved is not less than €10,000,000 (increased from €3,000,000).

11. This resulted in a significant reduction in the number of mergers notified to the CCPC in 2019. See section 2 of this report for more information on mergers.

1.1.2. Other relevant measures, including new guidelines

12. In 2019, the CCPC continued to work on implementing a new simplified merger procedure (SMP) to deliver an improved merger process for Irish consumers and businesses. We plan to roll out the SMP in 2020, which we believe will deliver further efficiency benefits for businesses through a reduced notification burden and faster decision timelines.

1.1.3. Government proposals for new legislation

13. At present Ireland is one of a very small number of European countries that will only allow for a company to be fined if a Court finds that there has been a criminal breach of competition law. The CCPC uses all of its powers and resources to investigate anti-competitive practices, however, in contrast to European counterparts the CCPC is currently prevented from securing significant enforcement outcomes for non-criminal breaches. Administrative fining powers would support the introduction of a leniency programme in Ireland which would enable the CCPC to deter, detect and investigate more competition law breaches. New legislation (ECN+ Directive) will come into effect in 2021 and introduce a number of changes to the current competition law regime in Ireland, in particular the requirement to introduce non-criminal financial sanctions for breaches of EU competition law or breaches of both EU and Irish competition law. The CCPC believes that it is essential that we have sufficient and coherent powers to effectively deliver on the core objectives of protecting Irish consumers and businesses. In 2019, the CCPC actively engaged and participated in discussions with key stakeholders regarding the transposition of the ECN+ Directive.

2. Enforcement of competition Laws and Policies

2.1. Action against anti-competitive practices, including agreements and abuses of dominant positions

2.1.1. Summary of Activities

14. One of the core functions of the CCPC is to enforce competition law and to take legal action when the CCPC believes that the law has been broken. Enforcement work can be divided into two categories:

15. The first category relates to hard-core cartels. In Ireland these are treated as criminal breaches of competition law. As cartels are criminal breaches of competition law they need to be proven beyond a reasonable doubt. Where the CCPC believes that it has enough evidence of a criminal cartel agreement, a file on that case is normally referred to the DPP for a prosecution on indictment in the Central Criminal Court or in some instances the CCPC may initiate a summary prosecution in the District Court. On conviction before

the courts, individuals can face prison sentences and both individuals and companies can be fined. The CCPC, in conjunction with the DPP, operates a Cartel Immunity Programme, which is aimed at helping to uncover cartels and providing witnesses for the criminal prosecution of cartel members. The programme means that a member of a cartel may avoid prosecution, including fines and jail time, if they are the first member to come forward and reveal their involvement in illegal cartel activity before the CCPC has completed any investigation and referred the matter to the DPP.

16. The second category relates to abuse of dominance and anti-competitive agreements which do not amount to a cartel, for example vertical agreements. These are treated as civil breaches of competition law. The CCPC can seek a declaration in Court that the behaviour is unlawful, and secure an injunction directing the undertaking to cease the behaviour. However, under Irish law, in civil cases the CCPC does not have decision making powers or fining powers.

17. In summary, in 2019, the CCPC:

- Secured Ireland's first criminal investigation and guilty pleas for 'gun jumping' in a merger in conjunction with the DPP.
- A file was referred to the DPP in relation to alleged cartel activity in the public-school transport sector. The file was referred for consideration for prosecuting on indictment for bid rigging through market sharing.
- Issued 6 formal requirements for information in the course of investigating potential breaches of competition law.
- Opened 17 new files and closed 14 relating to potential criminal breaches of competition law.
- Screened 23 complaints relating to potential civil breaches of competition law, one of which comprised of over 200 individual complaints.
- Carried out 5 formal civil competition related investigations in the following sectors: (some of which were carried over from previous years)
 - Retail Price Maintenance in the furniture sector
 - Motor Insurance
 - Ticketing
 - Restaurant sector - Restaurants Association of Ireland
 - Bagged cement. This was closed in 2019 following an investigation into alleged exclusive purchasing arrangements in the bagged cement sector.
- Engaged with the below parties to address competition issues:
 - Engaged with An Coimisiún Le Rincí Gaelacha (CLRG). This engagement, which commenced in 2017, resulted in the CLRG revising its styling rules. The CCPC engaged with the organisation regarding certain CLRG rules which allegedly required students who moved from one registered teacher to another to undergo a six-month restyling period during which time they were excluded from participating in competitions (the 'Restyling Rule'). The CLRG engaged constructively with the CCPC throughout the process and in 2019, agreed to

amend the Restyling Rule to ensure that their rules were compliant with competition law.

- In 2019, the CCPC became aware of commitments given to the German competition authority, the Bundeskartellamt, by the International Olympic Committee (IOC) and the German Olympic Sports Confederation (DOSB) to amend Rule 40 No. 3 of the Olympic Charter. The amendments gave German athletes more freedom regarding advertising and sponsorship during the Olympic Games. Following the German case, a number of national Olympic committees revised their guidelines to reflect the amendment. In this regard, the CCPC contacted the Olympic Federation of Ireland (OFI) to enquire about their position and proposed actions concerning the application of IOC Rule 40 No. 3 in Ireland. The OFI informed the CCPC that it was taking steps to introduce guidelines on the application of IOC Rule 40 No. 3. At the end of 2019 the OFI was in the process of preparing the guidelines regarding application of this rule to athletes, their agents and sponsors.
- Conducted a full compliance review of the commitments received from a number of Irish universities in 2017 to change their procurement practices in relation to graduation gowns to ensure that tender processes would take place regularly to encourage greater competition among suppliers and potentially lower costs for students.

2.1.2. Description of significant cases, including those with international implications.

Ireland's first criminal prosecution involving 'gun jumping' in a merger

18. In 2017, the CCPC opened an investigation and prepared a file for the DPP into a potential gun-jumping case. Armalou Holdings, through its subsidiary Spirit Ford Limited, had acquired Lillis O'Donnell Motor Company Limited without notifying us¹. In April 2019, Armalou Holdings pleaded guilty to six charges arising out of its failure to notify us of the transaction before putting it into effect and in May 2019, Airfield Villas Limited (formerly known as Lillis-O'Donnell Motor Company Limited), also pleaded guilty to illegally putting into effect a business merger without first notifying the CCPC. This was Ireland's first criminal investigation and prosecutions for 'gun jumping' in a merger.

19. In 2016, following a complaint, the CCPC opened an investigation into potential bid-rigging in the procurement of publicly-funded transport services in certain parts of Ireland. As part of this investigation, the CCPC applied to the relevant local District Courts for search warrants to gather evidence relating to the investigation at identified locations. In executing these warrants, the CCPC undertook 22 searches in Tipperary, Waterford, Limerick and Kilkenny. Authorised officers from the CCPC and several members of An Garda Síochána, including a Detective Sergeant from the Garda National Economic Crime Bureau, carried out the searches. In 2019, the culmination of an in-depth investigation, involving a wide number of parties and multiple lines of enquiry, resulted in a file being referred to the DPP.

¹ CCPC Submission to OECD roundtable on 'Suspensory Effects of Merger Notifications and Gun Jumping' [https://one.oecd.org/document/DAF/COMP/WD\(2018\)83/en/pdf](https://one.oecd.org/document/DAF/COMP/WD(2018)83/en/pdf)

Non-cartel investigations

- An investigation into alleged exclusive purchasing arrangements between CRH's subsidiary, Irish Cement Limited, and retail distributors of bagged cement was closed. The CCPC conducted an extensive investigation and gathered a large number of documents, but did not find sufficient evidence of a breach of competition law to warrant further action.
- A formal investigation was opened into the alleged conduct of a UK furniture wholesaler which required its retailers in Ireland not to charge prices below the wholesaler's Suggested Retail Prices. The wholesaler also allegedly restricted retailers' ability to use the wholesaler's brand name, brand images and item codes when selling products online. The investigation was ongoing at the end of 2019.

Activities of a trade association

- Restaurants Association of Ireland

20. A formal investigation continued into the alleged conduct of the Restaurants Association of Ireland (RAI). This investigation was opened in 2018 after several months of unsuccessful engagement with the RAI to ensure voluntary compliance with competition law

2.2. Mergers and acquisitions

2.2.1. Statistics on number, size and type of mergers notified and/or controlled under competition laws;

- 47 mergers were notified which represents a 52% decrease of the number notified in 2018.
- Healthcare, real estate and information & communications were the most prominent sectors. The motor sector and manufacturing were also prominent.
- Of the 47 mergers notified, nine required an extended Phase 1 investigation. The nine extended Phase 1 investigations were;
 - M/18/053 – Pandagreen/Knockharley Landfill and Natureford
 - M/18/063 – Berendsen (Elis)/Kings Laundry (Phase 2 determination)
 - M/18/067 – LN Gaiety/MCD Productions (Phase 2 determination)
 - M/18/075 – Irving/Tedcastles
 - M/18/082 – Goldreed Holdings/Greene Farm
 - M/18/089 – Lakeland/LacPatrick
 - M/19/010 – Formpress Publishing (Iconic)/assets of Midland Tribune *
 - *M/19/032 – BoyleSports/GT Retail (Bruce Betting)
 - *M/19/034 – CVC Funds/Celtic Rugby DAC

* Ongoing investigations carried over to 2020·

- Four media mergers were reviewed by the CCPC in 2019. Three were received in 2019 and one was carried over from 2018. M/18/092 - FormPress Publishing

(Iconic)/assets of River Media, M/19/009 - Mediahuis/IN&M, M/19/010 - FormPress Publishing (Iconic)/assets of Midland Tribune and M/19/040 - DMG/JPIMedia.

- 49 Determinations were issued. 36 of the determinations were issued in respect of proposed transactions notified during 2019 and the remaining 13 were in respect of proposed transactions notified towards the end of 2018 which were carried over to 2019.
- While the CCPC did not prohibit any mergers during 2019, formal commitments to alleviate competition concerns were required and obtained from notifying parties in respect of four cases presented. The types of commitments obtained from the parties range from requirements to divest significant business facilities/contracts to restrictions on access to confidential information amongst parties. Formal commitments were obtained from parties in respect of the following cases;
 - M/18/053 - Pandagreen/Knockharley Landfill and Natureford
 - M/18/063 – Berendsen (Elis)/Kings Laundry (Phase 2 determination)
 - M/18/067 – LN Gaiety/MCD Productions (Phase 2 determination)
 - M/19/010 – Formpress Publishing (Iconic)/assets of Midland Tribune
- The CCPC is required to monitor EU merger activity and, when it considers there is a significant interest to Ireland the CCPC can attend and participate in EU merger advisory committees. In 2019, the CCPC closely followed the European Commission’s investigations into a number of proposed mergers including the following:
 - M.8179 Canon / Toshiba Medical Systems Corporation
 - M.8677 Siemens / Alstom
 - M.8713 Tata Steel / Thyssenkrupp/JV
 - M.8864 Vodafone / Certain Liberty Global Assets
 - M.8870 E.ON / Innogy
 - M.8900 Wieland / Aurubis Rolled Products / Schwermetall
 - M.9547 Johnson & Johnson / Tachosil
 - M.9097 Boeing / Embraer

2.2.2. Summary of significant cases.

M/18/053 – Pandagreen/Knockharley Landfill and Natureford

21. On 9 July 2018, the CCPC received a notification of a proposed transaction whereby, (i) Sretaw 2 Limited (“Sretaw 2”), through its wholly owned subsidiary Pandagreen, would acquire the entire issued share capital of Knockharley Landfill Limited, and (ii) subject to the completion of that transaction, Sretaw Unlimited Company (“Sretaw”), through its wholly owned subsidiary ST Cloud would acquire the entire issued share capital of Natureford Limited.

22. Following an extended preliminary (Phase 1) investigation, which included Requirements for Information from the parties and engagement with a number of third parties, including waste collectors and processors, downstream disposal and recovery outlets, regulatory bodies, and commercial collection customers, the CCPC on 6 February 2019, cleared the proposed transaction with binding commitments.

23. In the course of the investigation, the CCPC identified competition concerns arising from the proposed transaction, specifically in relation to competitors' access certain landfills. The restriction or elimination of access to these landfills had the potential to reduce Panda's competitors' ability to operate or compete. To address these concerns, the parties submitted proposals to the CCPC. These included commitments that capacity at one landfill would be made available for both disposal and recovery uses by third party operators, and that a cap would apply to Panda's use of the existing capacity at the Ballynagran Landfill site.

24. Following the detailed assessment, the CCPC formed the view that the proposals obtained from the parties, which the CCPC took into account and formed part of the basis of its determination, and which therefore pursuant to section 20(3) of the Act became binding commitments, were appropriate and effective in addressing the competition concerns.

M/18/063 – Berendsen (Elis)/Kings Laundry (Phase 2 determination)

25. On 7 August 2018, the CCPC received a notification of a proposed transaction whereby Berendsen Ireland Limited (“Berendsen”) would acquire sole control of Kings Laundry Limited (“Kings Laundry”). Berendsen is ultimately controlled by Elis S.A.

26. Following an extensive full (Phase 2) investigation, which included Requirements for Information from the parties, written and oral submissions from the parties, engagement with a number of third parties, including customers, competitors and hotels and hospitals which operate their own on premise laundries, the CCPC on 8 July 2019, cleared the proposed transaction with binding commitments.

27. During the course of the investigation, the CCPC identified competition concerns arising from the proposed transaction, specifically in relation to the likely impact on prices and quality of services due to the reduction in the number of suppliers available to current and future customers in the healthcare market. To address these concerns, the CCPC required proposals from Berendsen which included that a set of contracts with healthcare customers that were serviced by Berendsen prior to the proposed transaction would be sold to another supplier, approved by the CCPC, to ensure sufficient competition remains in the healthcare market. Berendsen has committed not to implement the proposed transaction until after they have sold the contracts.

28. Following detailed consideration and analysis, including market testing, the CCPC formed the view that the proposals obtained from Berendsen, which the CCPC took into account and formed part of the basis of its determination, and therefore pursuant to section 20(3) of the Act became binding commitments, were appropriate and effective in addressing the competition concerns.

M/18/067 – LN Gaiety/MCD Productions (Phase 2 determination)

29. On 14 August 2018, the CCPC received a notification of a proposed transaction whereby, LN-Gaiety Holdings Limited via LN-Gaiety Holdings Ireland Limited (collectively “LN-Gaiety”) would acquire sole control of MCD Productions Unlimited

Company (“MCD”). The CCPC, on 5 July 2019, following a full (Phase 2) investigation, which included Requirements for Information from the parties, engagement with a number of third parties, including customers and competitors cleared the proposed transaction subject to binding commitments.

30. An in-depth investigation was undertaken to establish whether the proposed transaction would result in a substantial lessening of competition in any market for goods or services in the State. The CCPC identified a number of potential competition concerns arising from the overlapping activities of Live Nation and MCD in the provision of primary ticketing services, the promotion of live events and the operation of live event venues in the State. These concerns included the likely impact on competition of future acquisitions of festivals or festival operators, the potential for anti-competitive information sharing, and the potential for retaliatory action against independent live event venues because they choose an alternative ticketing services provider. To address these concerns, the parties submitted proposals to the CCPC which included the following:

- To inform the CCPC in advance of any proposal to acquire control of a live music festival or a live music festival operator in the State, even if the proposed transaction would not meet the thresholds to be notifiable on a mandatory basis to the CCPC.
- To take steps to ensure that the identity of artists that independent promoters propose to promote in the State, which is disclosed to a venue owned, operated or managed by Live Nation during the booking process for a live event is not directly or indirectly shared between Live Nation and MCD.
- Not to refuse or threaten to refuse to provide live events to an independent live event venue as a result of that venue choosing to contract with a primary ticketing services provider other than Ticketmaster.
- To conduct any contract or other negotiations relating to the supply of primary ticketing services by Ticketmaster to MCD on an “arm’s length” basis. This means MCD and Ticketmaster must each act independently and in its own interest.

31. Following detailed consideration and analysis the CCPC formed the view that the proposals obtained from the parties, which the CCPC took into account and formed part of the basis of its determination, and therefore pursuant to section 20(3) of the Act became binding commitments, were appropriate and effective in addressing the competition concerns.

M/19/010 – Formpress Publishing (Iconic)/assets of Midland Tribune

32. On 9 May 2019, the CCPC received a notification of a proposed transaction whereby, Mediaforce (Holdings) Limited (“Mediaforce”) through Formpress Publishing Limited (“Formpress”) would acquire certain business assets of Midland Tribune Limited (“Midland Tribune”) from Alpha Publications Limited. Given that each of Formpress and Midland Tribune carry on a “media business” within the State (as defined in section 28 A (1) of the Act), this transaction constituted a “media merger” for the purposes of Part 3A of the Act.

33. Following an extended preliminary (Phase 1) investigation, which included Requirements for Information from the parties and engagement with a number of third parties, including customers and competitors, the CCPC on 9 October 2019, cleared the proposed transaction with binding commitments.

34. In the course of the investigation, the CCPC identified competition concerns arising from the proposed transaction, specifically due to the fact that Mediaforce, which owns Formpress, also owns Mediaforce Ireland Limited (Mediaforce Ireland) which acts as a conduit for the channelling of national advertising to local and regional newspapers in the State. In particular, the CCPC identified potential competition concerns that:

- Mediaforce Ireland could potentially discriminate in favour of its own group of newspapers and digital titles by channelling national advertiser's budgets allocated to local and regional newspapers and digital newspaper titles to its own group titles, to the detriment of competing titles; and
- Post transaction, should there be any overlap in management, employees or roles/functions between Mediaforce Ireland and Formpress, there would be the potential for the exchange of commercially sensitive information about competitor newspapers and digital newspaper titles.

35. To address these concerns, the Formpress and Mediaforce submitted proposals to the CCPC. These included non-discrimination commitments and separation of management and non-disclosure of information commitments. Following detailed assessment, the CCPC formed the view that the proposals obtained from the parties, which the CCPC took into account and formed part of the basis of its determination, and therefore pursuant to section 20(3) of the Act became binding commitments, were appropriate and effective in addressing the competition concerns.

3. The Role of Competition Authorities in the formulation and implementation of other policies

36. The CCPC promotes competition in many different ways. The CCPC highlights areas of the economy where competition is restricted, publishes reports on how competition may be improved in certain sectors, advises Government Departments and other State agencies on competition issues relevant to their work, including procurement and tendering for public contracts, comments on proposed legislation and responds to public consultations. Within the CCPC, the Policy function deals with both competition and consumer protection matters.

37. In August 2019, the Minister for Business, Enterprise and Innovation, Heather Humphreys, TD in accordance with section 10 (4) of the Competition and Consumer Protection Act 2014 requested that the CCPC conduct a study of the public liability insurance market. Issues in this market have been evident for a number of years and the sector has been studied by the Cost of Insurance Working Group, the Personal Injuries Commission and the National Competitiveness Council. Building upon the work of these groups, by the end of 2019 the CCPC's review was well underway, with extensive research and stakeholder engagement having taken place. These activities will inform the completion of an evidence-based report that will make recommendations as to how any issues found might be addressed.

38. In 2019, the CCPC also issued 10 formal consultation responses and held 10 significant meetings with Government, regulators and law makers. The CCPC also appeared before four Joint Oireachtas (Irish Parliamentary) Committees.

39. Key areas of focus in 2019 included:

- **Legislation:** As mentioned in Section 1 above, Ireland is one of a very small number of European countries that will only allow for a company to be fined if a Court finds that there has been a criminal breach of competition law. The CCPC uses all of its powers and resources to investigate anti-competitive practices, however, in contrast to European counterparts the CCPC is currently prevented from securing significant enforcement outcomes for non-criminal breaches. New legislation, ECN+, will come into effect in 2021 and introduce a number of changes to the current competition law regime in Ireland, in particular the introduction of non-criminal financial sanctions for breaches of EU competition law or breaches of both EU and Irish competition law. External activity last year in this area included:
 - The CCPC continued to work closely with its parent Department, the Department of Business, Enterprise and Innovation in the transposition of ECN+ to ensure that Ireland’s competition law regime can meet the challenges that modern markets and trading practices present.
 - The CCPC actively engaged and participated in discussions with key stakeholders including the European Commission, the Commission for Communications Regulation (ComReg), and the legal community regarding the transposition of the ECN+ Directive, as well as presenting on ECN+ at competition law events.
 - **Agriculture Sector:** In 2019, the CCPC allocated significant resources to the agriculture sector. Along with continuing to enforce the existing Grocery Goods Regulations, we reviewed over 200 complaints in relation to issues in the beef sector. The majority of these complaints related to:
 - The price per kilo offered by beef processors to beef farmers was reportedly similar across all beef processing plants and the concern was that it indicates the existence of a cartel operated by beef processors.
 - That the qualitative criteria for the payment of “in-spec” bonuses applied by beef processors restricts competition.
 - That the operation of feedlots distorts competition.
 - That a monopoly exists in the offal processing sector in the State.
40. As a result the CCPC commenced a detailed and extensive assessment of all the information gathered, we took various steps to obtain information and evidence in order to assess the concerns raised in the complaints and to determine if there is sufficient evidence of a breach of competition law to warrant taking further action. These steps included:
- Conducting extensive research and open-source intelligence gathering.
 - Meeting with individual beef farmers and their representatives.
 - Meeting with a number of public bodies and industry experts, including Teagasc, Bord Bia and the Department of Agriculture, Food and the Marine (“DAFM”).
 - Consulting with the European Commission to discuss market conditions across the EU.
41. The CCPC has previously put forward suggestions to address the issues which are being highlighted by farmers and stakeholders in the sector. This includes establishing a dedicated sectoral regulator, which might be given a wide-ranging role in the context of a requirement to nominate a competent authority under the Unfair Trading Practices

Directive. Along with making a submission to the Department of Agriculture, Food and the Marine's consultation on the transposition of the Unfair Trading Practices Directive. In 2019:

- The CCPC appeared in front of the Joint Oireachtas Committee on Agriculture to outline our views on how we believe the Unfair Trading Practices Directive can be most effectively transposed into Irish law, and to address ongoing concerns in the beef and meat processing sectors.
- The CCPC appeared in front of from the Joint Committee on Business, Enterprise and Innovation to discuss competition law and its enforcement in the context of the restrictions on trade associations in negotiating prices and issues in the beef sector.
- **Legal reform:** The legal services market has been a high priority for the CCPC and our predecessor organisation, the Competition Authority, for many years. Following enactment at the end of 2015 of the Legal Services Regulation Act, an independent regulator of the legal profession, the Legal Services Regulatory Authority was set up in 2016. The CCPC considers that the Act provides a basis for significant further reform of the legal profession. In 2019, the below activity supported the CCPC's efforts to advocate for legal reform:
 - The CCPC responded to a consultation on education and training arrangements in the State for Legal Practitioners (Legal Services Regulatory Authority).
 - The CCPC appeared before the Joint Oireachtas Committee on Justice and Equality to discuss access to justice and legal costs. The CCPC outlined our view that despite reforms to date the legal services market could, and should, be more competitive and we argued that if further reforms were introduced, they would drive higher levels of competition, and consumers, businesses and the State would benefit.
- **Pricing Strategies:** Whilst competition has brought about choice and innovation for consumers, the CCPC believes that in order for the full benefits of competition to be realised consumers need to be active participants in markets by researching their options and availing of better deals through switching. However, the CCPC is concerned that an increasing number of consumers may not be benefiting from open and competitive markets. In 2019:
 - The CCPC appeared before the Joint Committee on Finance, Public Expenditure and Reform and Taoiseach to discuss dual pricing in the insurance market. Given, however, that the CCPC's role is economy wide, the CCPC also provided details of its work on pricing strategies in a broader context. We outlined to the committee that we would conduct a consumer research project into pricing strategies in key consumer markets and, based on this research, we will run a public awareness campaign in 2020.

4. Resources of The Competition And Consumer Protection Commission

4.1. Resources Overall (current numbers and change over previous year):

42. At the end of 2019, 105 staff members were employed by the CCPC, which represents a 2.9% increase on 2018. (At the end of 2018, 102 staff members were employed at the CCPC.)

4.1.1. Annual budget (in your currency and USD):

43. The CCPC is funded by way of an annual grant from the Department of Business, Enterprise and Innovation, and also an industry levy in respect of specific consumer information and education functions in the financial services sector. The CCPC's budget allocation in 2019 was €13,100,000. As the CCPC is a dual agency for competition and consumer protection, many functions have a dual mandate including Criminal Enforcement, Policy, Legal Services, Corporate Services, Organisational Development and Communications. Budgets are not apportioned between competition and other functions/activities.

Table 1. Competition and Consumer Protection Commission Budget 2019

Euros		
Budget	2019 (euro)	2019 (US Dollars)
Exchequer	€10,500,000	\$11,425,000 (approx.)
Levy	€2,600,000	\$2,830,000 (approx.)
Total	€13,100,000	\$14,255,000 (approx.)

4.1.2. Number of employees

Table 2.

Lawyers (primarily competition focused)	13
Economists (primarily competition focused)	11
Other professionals (primarily competition focused)	13 ²
Total (primarily competition focused)	37
Other Staff (e.g. staff working in Consumer Protection, Communications, Product Safety, Corporate Services and Organisational Development functions)	68 ³
Total Staff	105

4.2. Human Resources

44. The main Divisions that are specifically responsible for competition enforcement are as follows:

- Competition Enforcement & Mergers – 15 staff.
- Criminal Enforcement – 13 staff.
- Legal Services – six staff.
- Other professionals: The CCPC employs two forensic IT investigators whose roles are primarily concerned with competition enforcement investigations, three staff members work in the CCPC's policy function. Policy staff members have a dual competition and consumer role.

4.3. Period covered by the above information

45. The above information covers the period 1 January 2019 to 31 December 2019.

5. New Reports and Studies on Competition Policy Issues

46. In August, the Minister for Business, Enterprise and Innovation, Heather Humphreys, TD requested that the CCPC conduct a study of the public liability insurance market. Issues in this market have been evident for many years and the sector has been considered in work by the Cost of Insurance Working Group, the Personal Injuries Commission and the National Competitiveness Council. In 2019, the CCPC has completed a preliminary market assessment which informed the most appropriate approach to compile a detailed assessment of the functioning of the market and consider how competition currently works in the market. The CCPC's review is underway and will include desk-based analysis of existing information, market research, stakeholder engagement and public consultation. These activities will inform an evidence-based report which may make recommendations as to how any issues found might be addressed.