

## CMA chief says UK regulatory approach to digital ‘an early test of Brexit’ – ICN Spotlight

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- UK government mulling new rules at same time as EU
- Parliamentary debate will give signs on desire for divergence

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The extent to which the UK diverges from the EU when framing new digital regulation will be an early test for UK policy in the aftermath of the country’s exit from the bloc, the Competition and Markets Authority’s (CMA) chief executive said today (2 February).

Andrea Coscelli was speaking during an ICN Spotlight with Bundeskartellamt (BKartA) President and ICN chair Andreas Mundt.

Mundt asked Coscelli for an update on the UK’s digital proposals and how they might come to compare with similar provisions under consideration in the EU, and recently introduced in Germany.

The British government **announced** last year that it intends to pursue a regulatory regime for platforms with market power that will create a Digital Markets Unit (DMU) within the CMA to oversee enforcement. In December, the European Commission (EC) put forward its **proposal** for a Digital Markets Act (DMA) that would prescribe an ex ante regulatory regime for ‘gatekeeper’ companies. Meanwhile the tenth amendment of Germany’s competition law ‘Competition Act 4.0’, which will address issues raised by data and large digital companies, **entered** into force last month (19 January).

Coscelli said that the UK’s current proposals are “similar in spirit” to those of Germany and the EC’s DMA, though with some specific provisions closer to the former than the latter.

“The UK government has said ‘we like the idea, we want to legislate, and in the meantime we want to give you some extra funding to set up this regulatory unit within the CMA in shadow form’, which is what is happening now,” the CMA chief executive said.

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Coscelli confirmed that the DMU would start work from 1 April and liaise with government on proposals for legislation, but in the meantime it would use the CMA's existing competition powers to the fullest extent possible.

Coscelli said that the CMA would keep working closely with the EC, the US, "and with everyone who is making progress in this area". He added: "I am pretty sure it will influence the final form of the rules and the regulation in the UK."

However he said that during the forthcoming UK parliamentary discussion of the new measures later in the year, the extent to which the UK government will feel it is appropriate to potentially diverge from the rules coming in from the EU 27 would in many ways be "an early test of Brexit".

"At some level we all agree that trying to have convergence and similar rules works well, at the same time obviously the UK parliament might decide that in some areas different rules are better or more appropriate, so in many ways will have to wait and see," he said.

Coscelli said that he expected the CMA to be "an important player in that discussion in terms of our advice to our government and parliament".

by Jeremy Fleming-Jones in Brussels

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