

Competition Law Guidelines *

Summary

Competition Law (also known as “Anti-Trust Law” in the US and “Anti-Monopoly Law” in China and Russia) is a law that ensures organizations compete fairly with one another by regulating anti-competitive and unfair behaviour.

ISSA recognizes the importance of Competition Law and aims for its activities to be compliant with all relevant laws. ISSA also recognizes that our Members need to be aware of and acting within Competition Law during the execution of any ISSA related duties. The ISSA CEO Office has therefore drawn up this short document providing guidelines that can be used by our Members.

Overview of Competition Law

Introduction

Generally, any action that is aimed at preventing or blocking competition, will be seen as a breach of Competition Law. Below are listed the key actions which are generally considered anti-competitive and therefore unacceptable.

Cartels

A cartel is a group of market participants who come to an arrangement not to compete with each other. Cartels undertake various non-competitive practices, such as:

- Price fixing
- Bid rigging
- Market sharing

Information Sharing Monopolies

Any organization that has a large market share needs to be aware that it has a dominant position and take steps to ensure that it does not abuse this and monopolize the market. Abuse of a dominant position could take various forms, such as:

- Treating customers differently
- Forcing customers to take products or services they do not want
- Pricing below cost for services

Other Anti-Competitive Activities

There are other arrangements that may also be anti-competitive and should be avoided. Any agreement that limits competition should be considered, such as:

- Joint buying/selling arrangements with competitors
- Restricting the lowest price others can sell your product for
- Agreeing long-term exclusivity contracts

International Securities Services Association

ISSA

Introduction

ISSA, as a Swiss-domiciled Association, is a legal registered entity. ISSA is focused on supporting the securities services industry; it primarily liaises with securities services participants, as well as regulators and other industry stakeholders. ISSA's activities are such that there is a low risk of non-compliance with competition law.

Objectives and Activities

The general objectives of the Association are:

- To actively contribute to developing solutions that improve the efficiency and promote best practices to mitigate risk within the securities services industry
- To strengthen international coordination and cooperation among securities services providers, regulators and other industry stakeholders
- To facilitate and stimulate active communication among securities services providers, regulators and other industry stakeholders

The Association undertakes specific activities, such as:

- The organization of the ISSA Symposium and other meetings and conferences
- The commissioning of Working Groups to deal with selected topics
- The interaction with other industry bodies
- The publication of information material
- The commenting on developments in the finance industry which are of special interest to securities services providers

Risk Assessment

ISSA has reviewed the general objectives and specific activities undertaken to identify any areas where there may be a risk of breaking competition law. Given the nature of the business, the assessment is that there is a low risk of non-compliance.

It should be noted that, should the objectives or activities substantially change, ISSA will undertake a further review to ensure continued compliance.

Member Responsibilities

It is the responsibility of all ISSA Member Firms and their employees to ensure that they comply with relevant competition law requirements and take appropriate steps should they have concerns over compliance.

In the event that an issue, or perceived issue, regarding anti-competitive behaviour occurs when an ISSA Member Firm is involved in ISSA activities, the ISSA Member firm participant should state their concern immediately, bringing it to the attention of the Chair of the meeting. If the Chair does not deal with the issue to the satisfaction of the participant immediately then the participant should withdraw from the meeting and have their withdrawal included in the meeting minutes. They should then take advice from their own firm's legal counsel and inform the ISSA CEO of their concern.

* Please note that this document is for information purposes only and the contents should not be construed as legal advice. In the event of any questions or concerns about Competition Law, Members should contact their firm's legal representative.

International Securities Services Association

Tel: +41 58 399 23 68
Email: issa@issanet.org

c/o SIX Group Services AG, Hardturmstrasse 201
P.O. Box, CH-8021 Zurich, Switzerland

www.issanet.org