Intergovernmental Group of Experts on Competition Law and Policy

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD
1. An integrated model of regulation and supervision of markets

2. CNMC: nature, tasks and structure
• Act 3/2013 of June creating the Spanish National Authority for Competition and Markets introduced institutional and substantive changes.

• To guarantee the existence of **effective competition and better regulation** and to assure **the proper functioning of** markets and economic sectors, to the benefit of consumers and end users.
Key points

- **Transparency**: legal certainty and institutional trust.

- More **efficiency**: optimisation of economies of scale.

- **Flexibility**: an institutional response must be given to technological progress.

- **Supervision and control**, as well as **dispute resolution functions**, which are wider and more flexible than simple arbitration functions.

- **Predictability**.
INDEPENDENCE

- Independence of the Board with non-renewable term and appointment subject to control of the Parliament.

- Regulation of incompatibilities and conflicts of interests. Prohibition to accept and request instructions from Government.

- Appointment of Directors and managerial staff by the Board.

- Independence of Investigation Divisions. Coordination and transversality among Divisions appertains the President.
The CNMC integration model

MONITORING ALL MARKETS AND ECONOMIC SECTORS

- **Global vision**: reinforcement of general interest.
- **Reduces the risk of regulatory capture**:
  - Size of the new Authority.
  - COLLECTIVE DECISION MAKING BODY (10 members of the Board).
  - Internal Working Groups.
  - ....
INTEGRATION OF REGULATION AND ENFORCEMENT OF ANTITRUST

- Ensures consistency between ex ante regulation and ex post control.

- Enhances synergy and complementarity of both tools.

- Increases confidence and legal certainty.
1. An integrated model of regulation and supervision of markets

2. CNMC: nature, tasks and structure
What is the CNMC?

Nature and Legal Organization

• The CNMC is a Public Law entity with its own legal personality and full public and private capacity

Start-up phase

• The CNMC came into operation on October 7, 2013
Which are its tasks?

MAIN TASKS

- Supervision and control of economic sectors
- Dispute resolution among economic operators
- Enforcement of antitrust regulation, Spanish and EU legislation
- Competition Advocacy
Which are its tasks?

**Competition:** enforcement and advocacy

**Regulation:** supervision and control of economic sectors:

- the *electronic communications* market.
- the *electricity* and *natural gas* sectors.
- the *postal* market.
- the *audiovisual communication* market.
- *airport* charges.
- the *railway* sector.
Structure of the CNMC

COUNCIL

10 members

COMPETITION CHAMBER

PRESIDENT

5 members

REGULATORY CHAMBER

VICE PRESIDENT

5 members
Structure of the CNMC

President

• General Secretariat
  • Internal Supervision Department

Advocacy Department

Senior Economic Advisor

Council:  
• Competition Chamber  
• Regulatory Chamber

President
  + Vice President
  + 8 Council members

Cabinet

Vice President

Cabinet

Council Secretariat

Competition Division

Energy Division

Telecom & Audiovisual Division

Transport & Postal Division

Energy and Industry

Information Society

Services

Leniency

Monitoring

Electricity

Gas

Economic and Financial Regulation

Energy Secondary Markets

Electronic Communications Regulation

Electronic Communications Market Analysis

Electronic Communications Technical Office

Audiovisual

Airport Tariffs

Railway Sector

Postal Sector

Market Analysis
Key Challenges

- To tackle **competition** and **sectorial regulation** by an unitary Authority.

- To build a **new Institution** that is more than the sum of its parts.

- To achieve **professional excellence** across all our daily work, whether in legal and economic analysis, case management or any other area.

- To **facilitate business activity** lowering costs and eliminating duplication and unnecessary red tape (art. 3 of Act 3/2013).
Creating a *Route Map* (submitted to the Parliamentary Commission of Economy and Competitiveness on 13th May 2014) with 3 main objectives and 16 transversal lines of Strategic Action.

- **Objective 1**: To apply its instruments for action with the utmost rigour in regulated sectors and markets in order to obtain the most effective results.

- **Objective 2**: To act in a transparent and independent manner and with maximum predictability, with its activities guided exclusively by the general interest of improving the functioning of the markets.

- **Objective 3**: To make best use of the synergies deriving from its integrated structure, providing global solutions to market problems which will ensure greater legal security.
Conclusions

- Spain’s National Authority for Markets and Competition: a new, more powerful unitary Authority.
- Integration of regulatory and competition law enforcement functions, previously held by different institutions.
- All sectors and markets: global vision.
- Reinforced independence.

Promoting effective competition and better regulation in benefit of consumers and users
Thank you

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