



IACPM COMPETITION LAW GUIDELINES (US, Japan, Australia and Europe)

As an international association, our members are subject to the competition laws of a number of jurisdictions. This brief set of guidelines has been prepared to assist members in complying with the competition laws of the United States, Japan, Australia and of the European Union and its member states. Competition laws are designed to ensure that business is conducted in an open competitive manner by prohibiting conduct that may unreasonably restrain competition. While the competition laws of the various jurisdictions share similar objectives, they go about it in somewhat different ways and use general language that does not identify the exact conduct that would constitute a violation. This often creates gray areas of legal uncertainty that require in depth consideration of the specific facts and circumstances to determine whether a violation of law has occurred. The purpose of these guidelines is to help our members keep clear of those gray areas.

What is prohibited by US, Japanese, Australian and European competition laws?

The competition laws of particular relevance to IACPM members prohibit agreements and concerted conduct between or among competitors to:

- Fix prices (for example, agreements between two or more competing financial institutions as to the pricing of loans to borrowers).
- Divide markets or customers.
- Boycott or jointly refuse to deal with customers or other financial institutions.
- Arrive at any understanding, express or implied, respecting any anticompetitive concept of action.

An anticompetitive agreement need not be formal or even expressed and can be -- and often in the past has been -- proved by circumstantial evidence. For example, the fact that competitors met and discussed a competitively sensitive subject (such as concerns with the creditworthiness of a particular debt issuer and contemplated measures for dealing with those concerns) and subsequently adopted similar conduct in the market in relation to the subject that they had discussed. Trade association meetings provide a forum for discussion of many useful and appropriate topics that raise no problems under US, Japanese, Australian or European competition laws. At the same time, however, those meetings may provide opportunities for exchanges of inappropriate information that may raise questions under those competition laws.

The IACPM is desirous that none of its activities, as carried out by its members, suggest inappropriate conduct under the competition laws. Therefore, to avoid accusations of violating those laws, whenever you attend an IACPM event, keep the following guidelines in mind.

What You Should Avoid

In general, at IACPM meetings:

- Avoid conversations about specific *future* transactions that involve disclosure of the customer name or transaction pricing, etc.
- Do not allocate customers or territories.
- Do not disclose confidential, proprietary, or competitive information or your bank's sensitive strategies.