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QUICK LINKS

CMA details new approach to implementing "4Ps" in markets work

The UK's Competition and Markets Authority (CMA) has announced its intention to embed its "4Ps" framework – which stands for pace, predictability, proportionality and process – into the full life cycle of its market intervention work. This is the latest step in the CMA's strategic shift to align competition enforcement with the UK government's pro-growth agenda and deliver regulatory interventions that are faster, clearer and more business-friendly – it has already implemented similar changes across its mergers, consumer protection and competition enforcement work.

Background

The CMA's updated approach comes at a time of increased pressure on UK regulators, including the CMA, from the UK government to place economic growth and business confidence at the centre of their regulatory missions (for background see previous editions of this newsletter here, here and here).

Against this backdrop, the CMA has recognised that whilst its discretionary markets regime has delivered significant benefits over the past decade, it can nevertheless create uncertainty and burdens for businesses. Lengthy investigations, burdensome compliance obligations and regulatory uncertainty have all been identified as key drawbacks.

Implementing the "4Ps" in the CMA's markets work

The CMA has therefore set out how it will implement the "4Ps" in its markets work, describing the development as a "*step change to how the markets regime operates*".

- *Pace* – The CMA intends to shorten the end-to-end timeline of its markets work, which can currently stretch to three years. It will achieve this by, amongst other things, selecting the least intrusive market tool capable of addressing the issues at hand (i.e. market review, market study or market investigation), ensuring it has the right expert advisors in place early in cases and scoping investigations tightly to focus on core concerns (a strategy to be supported by one or more internal "state of play" meetings at key junctures). It will also set bespoke timing KPIs for each project at the outset of that project and publish "project roadmaps" outlining its approach and key milestones. Finally, it will review remedies more quickly and remove outdated measures where they no longer serve a purpose.

- *Predictability* – The CMA plans to keep businesses informed about markets work at each key staging point, including providing greater clarity on its strategic pipeline priorities and explaining how these guide case selection and decision-making. It will also keep businesses informed throughout investigations via the roadmaps referred to above, as well as periodic progress reports and external "state of play" meetings. By offering greater insight into its thinking and timelines, the CMA seeks to limit the chilling effect that regulatory uncertainty can have on investment decisions.

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- *Proportionality* – The CMA will act proportionately in selecting, scoping and carrying out projects and ensure that its markets work secures benefits that clearly outweigh the short-term and long-term costs to businesses. To this end, it has committed to assessing the costs and benefits of potential actions before launching projects, as well as giving priority to cases with the greatest potential consumer or economic impact. During investigations, it will re-evaluate priorities at key stages in "state of play" meetings, scaling back inquiries that are no longer necessary and accepting undertakings where these are proportionate in light of the costs involved in the investigation. Remedy costs will also be scrutinised more carefully and through engagement with businesses, and the CMA will aim to minimise the burden on businesses subject to remedies – including by reducing the frequency with which businesses are required to report non-compliance, including sunset clauses as default and removing outdated or ineffective remedies.

- *Process* – The CMA intends to adopt a more agile and iterative approach to business engagement, with a preference for offering face-to-face contact. This will include webinars, "teach-ins", and offering meetings with CMA decision-makers at key stages of an investigation. The goal is to create a more participatory process, where businesses can better understand and influence the decisions that directly affect them.

The CMA has said that this approach will apply to all new projects launched going forwards, with elements of the approach being applied in ongoing cases where appropriate and to the extent possible.

To support the rollout of this new approach, the CMA will launch a consultation in late summer 2025 on revised draft markets guidance, which will formally embed the "4Ps" into its regulatory framework. This consultation will provide stakeholders with an opportunity to engage on how these changes will be implemented in practice.

Conclusion

Embedding the "4Ps" within its markets work marks a clear attempt to modernise the UK's markets regime, balancing regulatory effectiveness with the need to support economic growth. For businesses, the reforms promise greater clarity, reduced burdens, and more efficient investigations; for investors, they offer a more stable and predictable competition environment; and for consumers, they hold the potential for faster, more targeted interventions to address market failures. While the success of this new approach will depend on its practical implementation, the CMA's strategy signals a decisive move toward a regulatory model that prioritises both market dynamism and consumer welfare.

OTHER DEVELOPMENTS

MERGER CONTROL

UK government announces plans to simplify national security rules and publishes consultation on plans to update sectors subject to scrutiny

On 22 July 2025, the UK government announced plans to simplify the National Security and Investment Act 2021 (NSIA) which is effective in the UK since 4 January 2022. At the same time, the government published a consultation on its plan to update the sectors of the economy subject to mandatory scrutiny under the Act. These sectors were first defined in 2021 and have not been updated since. The reform initiative is part of the government's broader Plan for Change initiative and aims to fulfil a commitment from its modern industrial strategy policy paper to make the NSIA regime more "*predictable, proportionate and transparent*".

The NSIA established a regime for the UK government to review and potentially intervene in transactions to protect the UK's national security. In overview, the NSIA regime requires a mandatory filing to be submitted to the Investment Security Unit in the Cabinet Office (ISU) for any transaction which results in "control" of a target entity whose activities fall within one or more of the UK economy's 17 "high risk" sectors. In addition, the ISU also has a broad power to "call-in" deals that are not notified for review but that it reasonably suspects may raise national security concerns. Parties can submit voluntary notifications if their deal falls outside the scope of the mandatory regime but involves a risk of being "called in".

Recognising the importance of foreign investment for its broader economic growth agenda, the UK government is now aiming to strike a new balance, easing the burden on businesses while safeguarding national interest. The key changes proposed to the NSIA include the following:

- Abolishing the mandatory notification requirement for certain internal reorganisations and the appointment of liquidators, special administrators and official receivers;
- Carving out semiconductors and critical minerals (which currently fall under the Advanced Materials sector) into two distinct sectors to increase clarity;
- Refining and updating the definitions for several sectors to better target security risks, expanding the scope for some while narrowing it for others. These include the following sectors: Advanced Materials, Artificial Intelligence, Communications, Critical Suppliers to Government, Data Infrastructure, Energy, Suppliers to the Emergency Services, and Synthetic Biology;
- Introducing a new mandatory notification category for the water industry, covering regional water and sewerage companies that have statutory powers and duties.

Chancellor of the Duchy of Lancaster, Pat McFadden, explained the objective of these changes: "*The government has been clear about our ambition to cut red tape for businesses, while taking firm action to protect national security as we deliver the Plan for Change*".

The public consultation is running until 14 October 2025. Slaughter and May is considering submitting a response to the consultation. If you would like to contribute to that or to discuss any of the changes proposed in the consultation please get in touch.

SAMR blocks pharmaceutical deal in its first prohibition of a below-threshold transaction

On 22 July 2025, the Chinese competition authority, the State Administration for Market Regulation (SAMR), issued its first ever order to unwind a completed deal and first prohibition of a below-threshold deal. SAMR ordered Wuhan Yongtong Pharmaceutical (Yongtong), a pharmaceutical sales company, to divest its 2018 investment in Shandong PKU High Tech Huatai Pharmaceutical (Huatai), a pharmaceutical manufacturer and supplier. The decision shows SAMR's particular interest in the pharmaceutical sector as well as a new willingness to use its powers to intervene in deals it considers anti-competitive, even if they have already closed and the deal falls below the statutory notification thresholds.

In November 2018, Yongtong signed an agreement to acquire a 50% stake in, and control over, Huatai. The change in shareholding was formally registered in March 2019. At that time, both Yongtong and Huatai's annual Chinese revenues were below the statutory notification thresholds, so no merger filing was required. However, in January 2025, SAMR requested the parties submit a filing, almost 6 years after the completion of the merger. Interestingly, this came at around the same time as the finalisation of the Anti-Monopoly Guide for the Pharmaceutical Field, which was published by China's Anti-Monopoly and Anti-Unfair Competition Commission on 23 January 2025.

The formal review process lasted five months, with SAMR concluding that the deal excluded or restricted competition in the Chinese market for papaverine hydrochloride injections, which dilate blood vessels and have a range of uses, including having a uniquely high effectiveness in microsurgery for fingers.

In its decision, SAMR noted that in 2016, Yongtong secured a 15-year exclusive distribution agreement with a pharmaceutical company manufacturing the active pharmaceutical ingredient (API) of papaverine hydrochloride. In 2018, Yongtong was the only supplier of papaverine hydrochloride API in the market (apart from another manufacturer that did not sell it externally) and between 2019 and 2022 Yongtong supplied between 80 and 95%

of the API used by Chinese domestic manufacturers. SAMR said this meant it controlled the market, and papaverine hydrochloride injection manufacturers were dependent on Yongtong.

Huatai produced and sold papaverine hydrochloride injections, so there was a vertical link with Yongtong, which, as above, sold the raw materials for these injections. SAMR found that Yongtong had the incentive and ability to restrict competition in the papaverine hydrochloride injection market and noted that Huatai's list price for papaverine hydrochloride injections had remained high, "*severely harming the interests of patients*". It pointed to the fact that, after the transaction, Huatai's share in the injection market jumped from 25-30% to between 40 and 55% over the following four years. Further, it found that in 2018 the price of the injections rose by more than 400%, followed by an additional 60-65% increase after the merger.

SAMR ordered Yongtong and its ultimate controller to implement the following measures:

- Yongtong must not participate in the management or operations of Huatai and must transfer its shares in Huatai to an unaffiliated third party by 22 January 2026. Otherwise, a divestiture trustee will be appointed to complete the transfer;
- Cease enforcing any of the terms in its papaverine hydrochloride API distribution agreements, and terminate them by 30 September 2025; and
- Promptly report to SAMR on the progress of the above.

In addition, Yongtong's ultimate controller voluntarily committed not to participate in any future mergers involving papaverine hydrochloride API or injections.

Since implementing its Antimonopoly Law in 2008, SAMR has only blocked mergers in three other cases and this is the first time SAMR has: (i) prohibited a transaction that fell below mandatory notification thresholds; (ii) required a full return to the pre-merger position; or (iii) prohibited a transaction mainly due to vertical concerns. Dealmakers should take note of this new, potentially expansive approach to enforcement by SAMR, and its particular focus on the pharmaceutical sector.

ANTITRUST

General Court cuts forex spot trading cartel fine against Credit Suisse

On 23 July 2025, the General Court (GC) delivered a judgment confirming that Credit Suisse breached Article 101 TFEU through its participation in a cartel in the foreign exchange spot trading market for G10 currencies. While upholding the finding of an infringement, the GC significantly reduced the fine imposed by the European Commission from €83.2 million to €28.9 million due to errors in the Commission's calculation method.

On 2 December 2021, the Commission found that traders from five banks, including Credit Suisse, had formed a cartel by exchanging commercially sensitive information and coordinating their trading strategies between 2011 and 2012 in a professional online chatroom called "Sterling Lads". Whilst four banks acknowledged their involvement in the cartel and were subsequently fined by the Commission under the cartel settlement procedure, Credit Suisse chose not to settle and the Commission therefore adopted a separate decision against it.

On appeal, the GC upheld the Commission's finding that Credit Suisse had participated in an infringement.

Despite confirming the infringement, the GC substantially lowered the fine from €83.2 million to €28.9 million. The GC found that the Commission had made a legal error in calculating the fine in relation to the "*proxy for the value of sales*", which the Commission used to determine the basic amount of the fine given sales figures in the usual sense were not available. Specifically, the Commission failed to use the "*best available figures*" when determining an adjustment factor for Credit Suisse's market-making activities. The Commission had relied on a small and unrepresentative sample of 16 chatroom discussions, some of which pre-dated Credit Suisse's involvement. The GC, however, found that data proposed by Credit Suisse during the administrative procedure (the Bloomberg BFIX data) was more "*consistent, complete and reliable*". Consequently, in not using the "best available figures” to calculate the adjustment factor to be applied to Credit Suisse for the purpose of calculating the proxy, the Commission failed to comply with the fining guidelines and thereby miscalculated the basic amount of the fine which it imposed on Credit Suisse. Exercising its unlimited jurisdiction, the GC recalculated the fine, which resulted in the reduction of the fine to €28.9 million.

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