

## COMPETITION COMMISSION DECISION ON AN OFT RECOMMENDATION

### Introduction

In 1994, the Monopolies and Mergers Commission (“MMC”) found that the practice of distributors insisting on lengthy minimum exhibition periods for their films operated against the public interest, and recommended to the Secretary of State that the minimum exhibition period that distributors could require should be restricted to a maximum of two weeks on first release and one week subsequently.

The MMC’s recommendation was adopted by the Secretary of State and implemented in The Films (Exhibition Periods) Order 1996<sup>1</sup> (“the Order”).

Following a review of the operation of the Order carried out in accordance with section 88(5) of the Fair Trading Act 1973, the Office of Fair Trading (“OFT”) made a recommendation to the Secretary of State on 26 July 2004 (“the Recommendation”) that the Order be retained without any variation.

On 4 October 2004, before the Secretary of State had reached a decision on the Recommendation, responsibility for varying and revoking the Order was transferred to the Competition Commission (“the Commission”) by the Enterprise Act 2002 (Enforcement Undertakings and Orders) Order 2004 (SI 2004/2181).

On 17 January 2005, the Commission’s Remedies Standing Group considered the Recommendation.

### Decision

For the reasons set out by the OFT in the Recommendation and the OFT’s accompanying report<sup>2</sup>, the Commission has decided to accept the Recommendation, and not to take any action to vary or revoke the Order.

Signed by authority of the Competition Commission

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**Paul Geroski**  
**Chairman**  
**17 January 2005**

<sup>1</sup> SI 1996/3140.

<sup>2</sup> The Recommendation and accompanying report are available on the OFT website at: <http://www.of.gov.uk/NR/rdonlyres/8A1D23FA-ED88-4776-9E29-3768D1142614/0/Filmsfinaldoc.pdf>