



# **ANNUAL REPORT**

## **2010**

## FOREWORD

This is the tenth annual report of the Jersey Competition Regulatory Authority (JCRA).

This report is compiled by the JCRA and presented to the Economic Development Minister pursuant to Articles 17 and 18 of the Competition Regulatory Authority (Jersey) Law 2001. This report also fulfils the requirements of Article 59 of the Telecommunications (Jersey) Law 2002 and Article 13 of the Postal Services (Jersey) Law 2004, each of which require the JCRA to publish an Annual Report in respect of each financial year surveying relevant developments and reviewing competition in, and restrictions on, the supply of telecommunications and postal services in Jersey.

### **What is the JCRA?**

The JCRA was established by the States of Jersey in 2001 as an independent body, accountable to the Economic Development Committee (the functions of which have now been transferred to the Economic Development Minister) with the primary mission being to promote consumer welfare through competition and to consider measures that encourage lower prices and greater choice and innovation in the goods and services available in Jersey. The work of the JCRA is expected to contribute to Jersey's long-term economic growth and competitiveness.

### **Our functions**

#### **Competition**

The JCRA is responsible for administering and enforcing the Competition (Jersey) Law 2005. The aim of this law is to prevent consumers being harmed by anti-competitive or exploitative behaviour in the market (such as price-fixing or abuse of market power).

#### **Advisory**

We can be called on to advise the Economic Development Minister on matters of economic regulation and competition. For example, in 2010 we published a report prepared at the Minister's request on Jersey's motor trade sector.

#### **Economic regulation**

In common with many jurisdictions in the European Union, and further afield, the States of Jersey has decided to structure particular previously States-run businesses as separate companies - albeit wholly-owned by the States. In Jersey's case this decision was taken in respect of the telecommunications and postal businesses now run by Jersey Telecom Limited (Jersey Telecom) and Jersey Post Limited (Jersey Post), respectively. The States also decided to withdraw, upon incorporation, the statutory monopolies, which Jersey Telecom and Jersey Post had previously enjoyed, to allow for competition in these sectors.

The JCRA was given the task of ensuring that in so far as it is reasonably practicable all current and prospective demands for services are met while promoting competition where appropriate. This is achieved through the conditions of the licences granted which the JCRA has a statutory responsibility to enforce.

#### **Who we are**

The JCRA is managed by a board consisting of a chairman, an executive director and three non-executive directors. The staff currently comprises four case officers, a finance and operations manager and a personal assistant.

More information on the JCRA and its activities may be found on the website [www.jcra.je](http://www.jcra.je) or at Jersey Competition Regulatory Authority, 2nd Floor, Salisbury House, 1-9 Union Street, St Helier, Jersey, Channel Islands, JE2 3RF. Tel: +44 (0)1534 514990 Fax: +44 (0)1534 514991. Email: [enquiries@jcra.je](mailto:enquiries@jcra.je)

## CHAIRMAN'S STATEMENT



I was delighted to be appointed Chairman of the JCRA with effect from 21 April 2010. In the nine months since the sad death of my predecessor, Lord Kingsland, the three non-executive directors had kept the JCRA firmly on track which made my task much easier. In the event my appointment was just the first of many significant personnel and organisational changes at the JCRA in 2010. Chris Bright indicated that, because of his other commitments, he would not seek a third term as non executive director when his second term ended in August 2010. Chris had been a valued board member combining his extensive legal experience with a pragmatic approach. An advertisement for a successor produced some excellent candidates. Philip Marsden stood out being a non executive director of the OFT and a distinguished competition lawyer. He has been a very valuable addition to the board.

Sebastian Farr, the JCRA legal advisor, died after a long illness in September 2010. Notwithstanding his deteriorating health he continued to work until a few weeks before his death providing high quality, prompt and understandable legal advice on the whole range of matters for which the JCRA is responsible. He was a popular and valued colleague who is sorely missed at the JCRA and by the many other people with whom he came into contact in Jersey and further afield.

The last thing that a new chairman wants is to lose a chief executive. When I was recruited I was aware that Chuck Webb was nearing the end of his contract and that there was a strong likelihood that he would wish to return to his native America to resume his legal career. This indeed proved to be the case and Chuck left us in September. In his time as Executive Director, and before that as legal adviser, Chuck made a huge contribution to the work of the JCRA; he firmly established it as an effective and economical regulator within Jersey and an exemplar of best practice for competition and regulatory authorities in small jurisdictions. He left the JCRA with our heartfelt thanks and best wishes.

One of Chuck's best moves was to seek to work more effectively with the JCRA's equivalent body in Guernsey, the Office of Utility Regulation. Both organisations regulate the postal and telecommunications industries, the latter having the same participants in both islands. Both the JCRA and the OUR recognised the benefits of working closer together and therefore decided to explore the possibility of appointing the OUR's Director General, John Curran to head both organisations. Within a few weeks the deal was settled. John formally became Executive Director on 22 September 2010. The financial benefits of the new arrangement were one consideration for both Jersey and Guernsey but, more importantly, the appointment has accelerated a pooling of resources and knowledge. After six months the early expectations of the joint appointment have been more than realised and there is further to go in exploiting the combined resources of the two authorities for the benefit of the people of both Jersey and Guernsey. The JCRA/OUR deal was not the first concrete co-operative initiative – indeed the contract by which Guernsey's Director of Civil Aviation provided the same service in Jersey was used as model for the JCRA appointment – but it was by far the most significant to date and has attracted favourable comment in the business and political communities in both islands.

2010 was not only a year of major structural change for the JCRA it was also a year of major decisions. While the laws providing for competition in the postal and telecommunications markets are seven and nine years old respectively, the understanding in Jersey of what competition means has not fully sunk in. It means putting the customer, not established businesses, first. This inevitably encounters some opposition not only from the incumbent businesses, which is thoroughly understandable, but also from some politicians. In 2010 the JCRA granted licences to two postal operators who, in a limited sector of the market only, will introduce some real competition to Jersey Post for the first time. In the telecommunications market good progress has been made in dealing with a number of issues between the incumbent, Jersey Telecom, and the new operators.

As a competition authority the JCRA is charged with vetting mergers and acquisitions that have an impact in Jersey. This includes mergers and acquisitions between international companies for which Jersey plays a very small part of their total business, and the impact of those mergers on the local market is generally small. The fees that the JCRA charge for this process covers the cost of the work involved but the JCRA's review of such mergers has attracted adverse criticism as it has given the impression that much of the JCRA's activities are not relevant to the people of Jersey. The JCRA's approach to competition law matters was reviewed in 2010 and as a result work is being refocused to place more emphasis on issues of direct concern to the people of Jersey.

It is clear that 2010 was a year of major change for the JCRA. In these circumstances I am very grateful to the non-executive directors, Dick Povey, Robert Foster and Philip Marsden, for the help and advice that they have given to a new chairman. They have helped to make my task easier and more enjoyable. John Curran has brought huge experience, a new approach and substantial energy to the position of Executive Director. While much remains to be done he could not have made a better start. I am grateful to all my colleagues at the JCRA and the Economic Development Department and the Commerce and Employment Department in Guernsey for their assistance.



Mark Boleat  
Chairman

### SUMMARY OF KEY EVENTS DURING 2010

Jersey Post Ltd's Size-Based Pricing Proposal	The JCRA approved the request from Jersey Post Ltd to move to size-based pricing consistent with the approach adopted in the UK by Royal Mail
Telecommunication Market Review	The JCRA concluded that Jersey Telecom is no longer dominant in the market for mobile telecom services and networks however they are still dominant in fixed line service.
Jersey merger notification thresholds	The Minister for Economic Development adopted changes to the Jersey merger notification thresholds.
Jersey's Motor Trade Industry	The JCRA investigated Jersey's motor trade industry and concluded that the market for new car sales is largely functioning properly although cost differences and differences in scale between Jersey and the UK result in difference net prices.
Marathon Telecom Ltd	The JCRA issued a Class I Telecommunications Licence to Marathon Telecom Ltd.
Potential regulation of ferry services	The JCRA issued a joint response (with the OUR) to the green paper on ferry regulation suggesting various matters that the States could incorporate or take into account if considering greater regulation.
Impacts of Competition Policy in Jersey	Estimated that the effects arising from specific JCRA interventions have resulted in estimated total savings in excess of £20m to date.
Citipost DSA Ltd and Hub Europe Ltd Postal Licences	The JCRA issued licences to Citipost DSA and Hub Europe to allow competition in the packet fulfilment market for the first time.
TNT Post UK Ltd and Hi-Speed Freight Ltd Postal Licences	The JCRA has issued an initial notice proposing to issue postal licences to TNT and Hi-Speed Freight to compete in the packet fulfilment market.
Taxi Industry	The JCRA recommended to the Transport and Technical Services Department a number of changes to the way taxis are regulated including removal of the restriction on number of taxis, and greater transparency on taxi fares whilst maintaining maximum fares.
School uniforms	The JCRA published guidance for schools to help to ensure parents / carers can purchase school uniforms at the best possible price.
6 – 5 day collection and delivery of mail	The JCRA started a consultation, to conclude early 2011, on Jersey Post's request to allow it to reduce collection and deliveries from six to five days per week.

## EXECUTIVE DIRECTOR'S REPORT



2010 represented a year of significant change for the JCRA. Mark Boleat was appointed as Chairman in April and brought with him a wealth of knowledge and expertise combined with an extensive knowledge of the Jersey business environment.

My appointment in October as Executive Director of the JCRA, alongside my existing role as Director General of Guernsey's Office of Utility Regulation, has proven to be professionally hugely rewarding and I am keen to ensure that my joint appointment delivers a demonstrable benefit to both islands.

I believe the JCRA enters 2011 in a strong position to deliver real benefits to Jersey's consumers.

The JCRA has made significant progress in 2010 under each of its three core areas of expertise: the application of Jersey's Competition Law and as the economic regulator of Jersey's telecommunication and postal sectors.

### Competition

In September the JCRA issued its latest report on the Impact of Competition Policy in Jersey. This report demonstrated how Jersey consumers have saved in excess of £20 million through the enforcement of Jersey's competition law and the opening up of the telecommunications market. I am in no doubt that the competition law has brought real benefits for Jersey consumers and the JCRA is determined to ensure that we continue to build on our work so far.

The mergers and acquisitions element of the JCRA's work saw a busy year. The level of M&A activity in 2010 made it one of the busiest years for this work since the Competition Law was introduced. In addition to those mergers which are made public the office receives a significant number of queries from firms, or their legal advisors, for assistance on whether a formal notification is required under the Competition Law. The JCRA is rightly proud of the high level of service we provide to firms and their advisors and the feedback demonstrates that this willingness to provide assistance at any stage of the process is highly appreciated.

While the JCRA must apply the competition law rigorously some of our work has resulted in concerns being raised as to its value to the Jersey economy and Jersey consumers. This has been particularly the case with some of the M&A work. The board has taken note of these concerns and the JCRA is currently undertaking a wide ranging review to see how we can focus our efforts on those issues that will have a more direct impact on Jersey's economy and local consumers. We expect to consult with key stakeholder groups during 2011 on this important initiative. This is also an area where a pan-channel island approach is being adopted. While Guernsey has not yet formally adopted a competition law, both the JCRA and the OUR are determined to ensure that any new merger procedures will be capable of being applied on a pan-channel island basis should the competition law be introduced in Guernsey. We believe it is critically important that there is a consistent approach adopted across both Islands and we know it is of importance to the business community that this approach is followed.

By freeing up our limited resources to concentrate on other competition work rather than certain merger activity we will also be able to focus on more market studies. In 2010 the JCRA undertook a number of market studies (such as into the taxis industry in Jersey and on possible competition concerns around the supply of school uniforms). The intention during 2011 is to increase our market study work to either reassure consumers that key services are being provided fairly or to identify solutions in cases where markets may not be working as well for consumers as might be expected.

Much of the work that the JCRA does in the area of competition law goes justifiably unreported. The JCRA is proud to be considered an expert resource of knowledge and receives numerous approaches from local

businesses and consumers each week for advice, often in confidence, because of the commercial sensitivities involved. At all time the JCRA seeks to work alongside businesses and consumers to achieve the best and most pragmatic solution for the parties and the Jersey economy.

Competition Law is also important to Jersey's standing internationally. The JCRA continues to play an active role in the International Competition Network,; in particular forums that are relevant to the development of competition law and policy in small jurisdictions. Through working alongside colleagues across the globe the JCRA can influence global best practice and tap into a valuable additional source of expertise.

## **Postal**

The postal market both globally and locally is changing. This change is driven by consumers who now have a whole range of new communication methods available to them that did not exist only a short time ago. The impact of this can be seen in the decline in ordinary letter post. The balance of need has shifted. In the past postal customers needed the post office for both urgent and non-urgent communications; now it is the post office that needs customers to ensure they remain viable in an increasingly electronic communications age.

The Jersey postal market has its own unique features. The importance of fulfilment business to the Jersey economy is well recognised. It employs significant numbers of people, provides diversification in the local economy and contributes significantly to the tax take of the States. It has also been important in supporting the traditional postal service. This however is also changing. The need for the traditional postal service to pay for itself is increasingly important. This is driven largely by the competitive market within which the fulfilment companies operate and therefore the ability for it to cross-subsidise the traditional postal service and network is less sustainable. The introduction of competition means that Jersey Post needs to ensure that this part of its business is self-funded.

During 2010, following a lengthy and detailed review of the postal market including the Universal Service Obligation (USO), the JCRA concluded that the licensable postal market in Jersey should be subject to a phased market opening. In November 2010 the JCRA issued licences to two new postal operators, Citipost D.S.A Ltd and Hub Europe Ltd, initially to allow them to compete against Jersey Post in the packet fulfilment market with large letters being opened to competition from 1 January 2012. At the year end the JCRA were still considering postal licence applications received in November and December 2010, from TNT Post UK Ltd and Hi-Speed Freight Ltd, and we expect to make a decision as to whether or not to licensing these operators by the end of March 2011.

We also extended the price control of certain Jersey Post services where it still retains a monopoly for a further year until December 2011 and commenced a review of Jersey Post's obligation to provide a six day per week postal service.

## **Telecoms**

The telecoms sector has been a driver for the need for a pan-channel island approach to regulatory issues. During 2010 significant work was undertaken in co-operation with the main telecoms operators in assessing the scope for greater competition in the fixed and broadband markets. The approach being adopted mirrors that followed in successfully introducing mobile number portability across the Channel Islands which has delivered real value for consumers. This work will continue through 2011 and it is expected that opportunities for enhanced competition will be available by the end of 2011.

Going forward, the JCRA and the OUR are working on a range of pan-channel island measures across areas such as spectrum use, off-island connectivity and assessing the scope to align regulatory reporting and compliance issues. Where possible, our approach in the telecoms market will be to seek to achieve progress on a pan-Channel Island basis.

Industry concerns about the state of competition in the telecoms market in Jersey was a key issue for the JCRA in 2010. The high level of interconnection charges and the lack of published separated accounts from

Jersey Telecom were a source of much discussion and in late 2010 Jersey Telecom agreed to withdraw its increased interconnection charges and agreed to the publication of its separated accounts. While both initiatives were welcomed by the JCRA and the telecoms industry there is a shared view that, while these are important first steps, further work is required to ensure the building blocks for a properly competitive telecoms market are in place. We are also continuing to oversee the implementation of the Regulaid report recommendations which should further contribute to achieving a more competitive market.

The efficient use of spectrum in Jersey is an area where the JCRA was active in 2010. Our close links with Ofcom, the UK telecoms regulator which manages radio spectrum on behalf of Jersey, ensures we are able to protect the use of this valuable resource for Jersey consumers. The opportunities for radio spectrum to contribute to a more competitive telecoms market is kept under review by the JCRA. In June 2010 the JCRA jointly organised a pan-Channel Island workshop for industry with Ofcom. As a consequence of that workshop, steps are now being taken to make more efficient use of the spectrum utilised by the mobile operators. This work will continue through 2011.

In line with the JCRA's stated objective, to wherever possible reduce the regulatory burden on operators, the JCRA confirmed that, in April 2010, Jersey Telecom is no longer dominant in the provision of retail mobile telecommunication services and networks in Jersey. However, it remains dominant in the provision of fixed-line telecommunication services. Removal of a designation of dominance reduces the regulatory compliance burden on Jersey Telecom in respect of these services.

#### Going Forward

The JCRA has an important role to play in ensuring business in Jersey can flourish. It is important that we maintain a focus on consumers and ensure that their needs are at the heart of our work. We want to ensure that the JCRA plays an active part in the development of a dynamic Jersey economy and that the JCRA is seen to be professional, authoritative and respected. We want to make sure what we do, and how we do it, is seen as aiding consumers interests and assists business in being able to compete fairly in the Jersey economy. We want to ensure we are seen as efficient, effective and value for money.

We have a wide range of issues that we need to tackle with what, in comparison to most regulatory agencies, are very modest resources. The JCRA is fortunate to have an experienced team working across all three key areas of the authority's work. Where possible we will look to work more closely with the OUR in Guernsey by combining our pooled resources and expertise and, in this way, deliver more in a more efficient way for both islands.



John Curran  
Executive Director

## **Board Members**

### **Mark Boleat - Chairman**

Appointed in April 2010, Mark has extensive experience in regulatory policy and practice, the handling of complex public policy issues and holds, or has held numerous board level appointments in commercial, public and charitable organisations. He has strong ties to Jersey having been educated at Victoria College. He has written extensively on Jersey and has undertaken three significant reviews for the States of Jersey including one on consumer policy.



### **John Curran – Executive Director**

Appointed in September 2010, John is also the Director General of the Office of Utility Regulation (OUR) in Guernsey, a post to which he was first appointed in January 2005. He has worked with the OUR since 2003 as Director of Regulation. He has extensive experience in regulation having previously worked with Telstra, the Australian telecoms incumbent, and with the Commission for Communications Regulation (Comreg) in Dublin. He started his career with the Irish Civil Service having studied Electronic Engineering at Galway Institute of Technology and also holds a Diploma in Company Direction from the IoD.

### **Robert Foster – Non-Executive Director**

Robert was appointed a Non-Executive Director of the JCRA in August 2004 and was re-appointed in August 2007 and August 2010. He is a Commissioner of the National Lottery Commission and was Chair of the project board overseeing the award of the third licence for the UK national lottery. He is also a Non-Executive Director, and Vice-Chair, of King's College Hospital NHS Trust in London and a Governor of Guy's and St Thomas' NHS Foundation Trust and a member of the advisory council of a venture capital company, Oxford Capital Partners. He was Chief Executive of the UK Competition Commission from 2000 to 2004. He is a Chartered Engineer and was previously an engineering manager in the electronics and telecommunications industries. Subsequently he was a senior civil servant in the Cabinet Office and Department of Trade and Industry and responsible for innovation policy.



### **Richard Povey – Non-Executive Director**

Richard was appointed a Non-Executive Director of the JCRA in May 2005 and was re-appointed in May 2008. He has extensive industrial experience particularly in the petrochemical, mechanical and electrical engineering, and telecommunications sectors. He held a number of senior management positions in Swire Pacific Ltd in Hong Kong and Taiwan between 1979 and 1996. Since 1996, he has held non-executive positions for various fund management and industrial companies. He is currently a Non-Executive Director of Opsec Security Group plc and Henderson Far East Income Ltd.

### **Philip Marsden – Non – Executive Director**

Appointed in September 2010, Philip is a competition lawyer with a particular interest in abuse of dominance, consumer welfare, innovation incentives and international competition issues. His current portfolio includes being a director of the Competition Law Forum, Senior Research Fellow at the British Institute of International and Comparative Law, Non-Executive Director of the UK Office of Fair Trading and a visiting professor at the College of Europe, Bruges.





## **Our values**

We believe it is important for any organisation to have a set of values to guide its work. The JCRA is no exception. Such values help enable the businesses, consumers and others we deal with to know what to expect of us, and our board and staff to act in a consistent and fair manner.

Our values encompass:

### **Fairness**

The JCRA has to be fair and objective. We are committed to ensuring that Jersey consumers and businesses understand our processes and how the JCRA goes about its business. We intend to listen to all relevant views of consumers, businesses and all parties who wish to be heard.

### **Accountability**

We are accountable to Jersey citizens through their political representatives, namely the Economic Development Minister and his colleagues, and through the legal framework. The minister can issue directions and guidance to the JCRA in telecoms and postal matters. We have a Service Level Agreement with the Minister, regulating the grant funding for the administration of the Competition (Jersey) Law 2005.

### **Proportionality**

Our actions will be proportionate to the problems we seek to remedy.

### **Efficiency**

Our resources will be tightly managed and we will aim for maximum efficiency in our operations.

## JCRA FINANCIAL STATEMENTS 2010

Consistent with prior years, the Jersey Competition Regulatory Authority made an accounting surplus of £1 in 2010 – effectively breaking even. The laws, under which the JCRA operates, require that it accounts for income only in order to meet its actual costs during the year. It must also ensure that it receives enough income during the year in each of the three areas it covers – competition, telecoms regulation and postal regulation – to fund them separately, given that cross-subsidisation is not permitted. A working balance is maintained at all times but, for the purposes of the financial statements, deferred income adjustments are made to match income with costs.

Overall costs in 2010 decreased by 11.5% to £1.1m compared with 2009. The main decrease of £149,000 was in the area of consultancy fees 2010: £86,000 (2009: £235,000) but all expenditure has been closely controlled during the year with substantial cost savings made in several areas.

The JCRA maintains strict internal guidelines with regard to purchasing and tendering procedures which, combined with corporate governance in line with best practice, helps to ensure that it is run as an effective and efficient organisation. An audit of policies and procedures is undertaken each year by independent internal auditors to ensure high standards are maintained.

In line with the service level agreement between the JCRA and the Economic Development Department (EDD), grant funding for work under the Competition (Jersey) Law 2005 continued to be received quarterly in advance. There was deferred grant income carried forward at the year end of £291,255 (2009: £205,472).

Income of £102,415 (2009: £42,365) was received in the form of mergers and acquisitions fees.

There were no fines issued during the year.

At the year end there was deferred telecommunications licence fee income of £392,642 (2009: £207,110). Based on budgeted costs, the Class III and Class II licence fees for 2011 have once again been set at 0.75% of regulated turnover, subject to subsequent adjustment in the light of actual costs.

Class II postal licence fees from JP continued to be received quarterly in advance and at the year end there was deferred postal licence fee income of £69,046 (2009: £72,167).

## **JERSEY COMPETITION REGULATORY AUTHORITY**

(Incorporated in Jersey, Channel Islands)

### **MEMBERS**

Mark Boleat (Non-Executive Chairman) appointed 20 April 2010

Charles Webb (Executive Director) resigned 1 October 2010

John Curran (Executive Director) appointed 1 October 2010

Robert Foster (Non-Executive Director)

Richard Povey (Non-Executive Director)

Philip Marsden (Non-Executive Director) appointed 1 September 2010

Christopher Bright (Non-Executive Director) resigned 1 August 2010

### **SECRETARY**

Louise Read

### **AUDITORS**

Grant Thornton Limited

Kensington Chambers

46/50 Kensington Place

St Helier

Jersey

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### **BANKERS**

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Jersey

JE2 3RF

## **JERSEY COMPETITION REGULATORY AUTHORITY**

### **MEMBERS' REPORT**

The Members of the Jersey Competition Regulatory Authority (JCRA) present their report and financial statements for the year ended 31 December 2010.

### **ACTIVITIES**

The principal activities of the JCRA during the year were the regulation of the telecommunications and postal industries and the administration and enforcement of the Competition (Jersey) Law 2005.

### **RESULTS**

There was a surplus for the year of £1 (2009: surplus £1).

### **MEMBERS**

The Members in office when these financial statements were approved are shown on page 10.

### **AUDITORS**

In accordance the accepted best practise of rotating auditors, Reads (Audit) Limited, who had served as auditors for five years were asked to step down and the audit was put out to tender. As the result of that process Grant Thornton Limited were appointed in accordance with Article 17 of the Competition Regulatory Authority (Jersey) Law 2001.

By order of the Members



**Louise Read**  
Secretary

## **JERSEY COMPETITION REGULATORY AUTHORITY**

### **STATEMENT OF MEMBERS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The Competition Regulatory Authority (Jersey) Law 2001 requires the members to prepare financial statements in accordance with generally accepted accounting principles which show a true and fair view of the surplus or deficit of the JCRA for the year and of the state of the JCRA's affairs at the end of the year.

In preparing financial statements the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the JCRA will continue in business; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The members are responsible for keeping accounting records which are sufficient to show and explain the JCRA's transactions and are such as to disclose with reasonable accuracy, at any time, the financial position of the JCRA and to enable them to ensure that the financial statements comply with the Competition Regulatory Authority (Jersey) Law 2001. They are also responsible for safeguarding the assets of the JCRA and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Members confirm that these financial statements comply with these requirements.

**INDEPENDENT AUDITORS REPORT  
TO THE MEMBERS OF THE JERSEY COMPETITION REGULATORY AUTHORITY**

We have audited the financial statements of Jersey Competition Regulatory Authority for the year ended 31 December 2010 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards.

This report is made solely to the Authority's members, as a body, in accordance with Article 17 of the Competition Regulatory Authority (Jersey) Law 2001. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As described in the Statement of Members' Responsibilities on page 12 the authority's members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit the financial statements in accordance with applicable legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

**Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Authority's affairs as at 31 December 2010 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Competition Regulatory Authority (Jersey) Law 2001.

**Grant Thornton Limited  
Chartered Accountants  
St Helier, Jersey, Channel Islands**

**Date**

**JERSEY COMPETITION REGULATORY AUTHORITY**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

	<i>Note</i>	<i>2010</i>	<i>2009</i>
		£	£
<b>INCOME</b>			
Licence fees		717,896	762,499
Economic Development Department grant		289,217	449,290
Mergers and acquisitions fees		102,415	42,365
Bank interest		953	1,495
Application fees		2,950	2,950
Sundry income		36	45
		<u>1,113,467</u>	<u>1,258,644</u>
<b>EXPENDITURE</b>			
Salaries and staff costs		778,915	803,598
Consultancy fees		86,071	235,314
Operating lease rentals		58,288	50,256
Travel and entertainment		9,753	8,874
Conference and course fees		12,880	13,244
Depreciation		21,877	27,494
Administration expenses		21,895	23,299
Legal and professional fees		19,123	-
General expenses		32,924	42,410
Audit and accounting fee		13,502	17,772
Advertising and publicity		4,132	5,144
Repairs and maintenance		23,744	21,795
Heat, light and water		5,399	5,973
Recruitment		24,963	3,470
		<u>1,113,466</u>	<u>1,258,643</u>
<b>SURPLUS FOR THE YEAR</b>	<b>5</b>	<u><u>1</u></u>	<u><u>1</u></u>

**Recognised gains and losses**

There are no recognised gains and losses other than the surplus of the JCRA of £1 in the years ended 31 December 2010 and 31 December 2009.

**Historical cost equivalent**

There is no difference between the net surplus for the year stated above and its historical cost equivalent.

**Continuing Operations**

All the items dealt with in arriving at the net surplus in the income and expenditure account relate to continuing operations.

The notes on pages 17 to 21 form an integral part of these financial statements.

**JERSEY COMPETITION REGULATORY AUTHORITY**

**BALANCE SHEET**

**AS AT 31 DECEMBER 2010**

	<i>Notes</i>	<i>2010</i> £	<i>2009</i> £
<b>FIXED ASSETS</b>			
Tangible fixed assets	2	31,410	51,197
<b>CURRENT ASSETS</b>			
Debtors and prepayments	3	331,285	514,598
Cash at bank		583,455	293,590
		914,740	808,188
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	4	820,701	733,937
<b>NET CURRENT ASSETS</b>		94,039	74,251
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		125,449	125,448
<b>RETAINED SURPLUS</b>	5	125,449	125,448

The financial statements on pages 14 to 21 were approved by the members and signed on their behalf by:



**John Curran**  
28 February 2011

The notes on pages 17 to 21 form an integral part  
of these financial statements.



**JERSEY COMPETITION REGULATORY AUTHORITY**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

	<i>Note</i>	<i>2010</i> £	<i>2009</i> £
<b>NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES</b>	6	291,002	(251,605)
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>			
Interest received		953	1,495
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Payments to acquire tangible fixed assets		(2,090)	(5,629)
<b>MANAGEMENT OF LIQUID RESOURCES</b>		-	-
<b>INCREASE / (DECREASE) CASH</b>		289,865	(255,739)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

	<i>2010</i> £	<i>2009</i> £
Increase / (Decrease) in cash in year	289,865	(255,739)
Cash used to increase liquid resources	-	-
Change in net funds	289,865	(255,739)
Net funds at 1 January	293,590	549,329
Net funds at 31 December	583,455	293,590

**ANALYSIS OF NET FUNDS**

	<i>1 Jan 2010</i>	<i>Cash flows</i>	<i>31 Dec 2010</i>
Cash at bank	43,554	139,901	183,455
Current asset investments	250,036	149,964	400,000
Total	293,590	289,865	583,455

The notes on pages 17 to 21 form an integral part  
of these financial statements.

**JERSEY COMPETITION REGULATORY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

**1. ACCOUNTING POLICIES**

The financial statements are prepared under the historical cost convention and in accordance with accounting principles generally accepted in the Bailiwick of Jersey, incorporating United Kingdom accounting standards.

A summary of the more important accounting policies is set out below

**a) Interest receivable**

Interest on bank deposits is accrued on a daily basis.

**b) Fixed assets**

Fixed assets are stated at cost less depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write down their cost on a straight line basis to their estimated residual values over their expected useful lives. The depreciation rates used are as follows:

Leasehold improvements	– remaining length of the lease or expected useful life whichever is shorter
Computer equipment	– 33% per annum
Fixtures and fittings	– 10% per annum
Other equipment	– 20% per annum

**c) Leasing commitments**

All leases are operating leases. Rentals payable under operating leases are charged in the income and expenditure account on a straight line basis over the lease term.

**d) Pensions**

The JCRA provides a defined contribution pension scheme. Contributions are charged in the income and expenditure account as they become payable in accordance with the rules of the scheme.

**e) Grants**

Grants received from the Economic Development Minister are accounted for in the period to which they relate. Any unused funds at the financial year end are either deferred or repaid to the Minister. Deferred grant income as at 31 December 2010 amounted to £291,255 (2009: £205,472).

**f) Telecoms licence fees**

Licence fees are set on the basis of cost recovery under Article 17 of the Telecommunications (Jersey) Law 2002. The JCRA's costs are determined on an annual basis and these are recovered by applying a percentage to the licensed revenues of the Operators on the basis of relevant pro-rata turnover, or if appropriate an annual fee.

The percentage for 2010 was 0.75% (2009: 0.75%).

The Operators are invoiced quarterly in advance and fee income is recognised in the period to which it relates. Should fee income exceed costs, the balance is treated as deferred revenue. Deferred licence fee income as at 31 December 2010 amounted to £392,642 (2009: £207,110).

**JERSEY COMPETITION REGULATORY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

**1. ACCOUNTING POLICIES – CONTINUED**

**g) Postal licence fees to Class II Operators**

Licence fees are set on the basis of cost recovery under Article 18 of the Postal Services (Jersey) Law 2004. The JCRA's costs are determined on an annual basis and these are recovered by applying a percentage to the licensed revenues of the Operators on the basis of relevant pro-rata turnover, or if appropriate an annual fee.

The fee for 2010 was set at £332,167 (2009: £205,268).

The Operators are invoiced quarterly in advance and fee income is recognised in the period to which it relates. Should fee income exceed costs, the balance is treated as deferred revenue. Deferred licence fee income as at 31 December 2010 amounted to £69,046 (2009: £72,167).

**h) Taxation**

Article 16 of the Competition Regulatory Authority (Jersey) Law 2001 provides that the income of the JCRA shall not be liable to income tax under the Income Tax (Jersey) Law 1961.

**i) Expenditure**

Expenditure is accounted for on an accruals basis.

**2. TANGIBLE FIXED ASSETS**

	<i>Leasehold improvements</i>	<i>Computer equipment</i>	<i>Fixtures and fittings</i>	<i>Other equipment</i>	<i>Total</i>
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2010	33,841	93,082	19,781	3,951	150,655
Additions	1,252	-	548	290	2,090
Disposals	-	-	-	(305)	(305)
At 31 December 2010	<u>35,093</u>	<u>93,082</u>	<u>20,329</u>	<u>3,936</u>	<u>152,440</u>
<b>Depreciation</b>					
At 1 January 2010	9,384	73,443	12,764	3,867	99,458
Charge in the year	3,833	15,931	2,019	94	21,877
Disposals	-	-	-	(305)	(305)
At 31 December 2010	<u>13,217</u>	<u>89,374</u>	<u>14,783</u>	<u>3,656</u>	<u>121,030</u>
<b>Net book value:</b>					
At 31 December 2010	<u>21,876</u>	<u>3,708</u>	<u>5,546</u>	<u>280</u>	<u>31,410</u>
At 31 December 2009	<u>24,457</u>	<u>19,639</u>	<u>7,017</u>	<u>84</u>	<u>51,197</u>

**JERSEY COMPETITION REGULATORY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

**3. DEBTORS AND PREPAYMENTS**

	<i>2010</i>	<i>2009</i>
	£	£
Prepayments	42,341	44,884
Trade debtors	288,358	326,743
Sundry debtors	586	356
Cash held on behalf of others	-	142,615
	<u>331,285</u>	<u>514,598</u>
	<u><u>331,285</u></u>	<u><u>514,598</u></u>

Cash held on behalf of others related to funds deposited with the Jersey Competition Regulatory Authority pending the final resolution of a dispute between telecoms operators. The dispute was resolved in November 2010 and the cash repaid to the telecoms operators involved.

**4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<i>2010</i>	<i>2009</i>
	£	£
Accruals	47,758	58,353
Deferred grant income	291,255	205,472
Deferred licence fee income	461,688	280,027
Other deferred income	9,220	19,635
Trade creditors	2,684	16,413
Social security	8,096	11,422
Cash held on behalf of others	-	142,615
	<u>820,701</u>	<u>733,937</u>
	<u><u>820,701</u></u>	<u><u>733,937</u></u>

Cash held on behalf of others relates to funds deposited with the Jersey Competition Regulatory Authority pending the final resolution of a dispute between telecoms operators. The dispute was resolved in November 2010 and the cash repaid to the telecoms operators involved.

**5. MOVEMENT ON RETAINED SURPLUS**

	<i>2010</i>	<i>2009</i>
	£	£
Income and Expenditure Account		
At 1 January	125,448	125,447
Surplus for the year	1	1
	<u>125,449</u>	<u>125,448</u>
At 31 December	<u><u>125,449</u></u>	<u><u>125,448</u></u>

**JERSEY COMPETITION REGULATORY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

**6. NOTE TO THE CASH FLOW STATEMENT**

Reconciliation of surplus for the year to net cash inflow / (outflow) from operating activities:

	<i>2010</i>	<i>2009</i>
	£	£
Operating surplus	1	1
Depreciation	21,877	27,494
Interest on current asset investments	(953)	(1,495)
Increase in debtors	183,313	(457,963)
Increase in creditors	86,764	180,358
<b>NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>291,002</b>	<b>(251,605)</b>

**7. RELATED PARTIES**

**The transacting parties are:**

- The Economic Development Minister
- Jersey Competition Regulatory Authority (JCRA)

**Relationship**

The JCRA acts independently of the States, but is accountable to the Economic Development Minister in respect of its funding for the Competition (Jersey) Law 2005 which is also covered by a Service Level Agreement. The Minister acts as a conduit for requests from other Ministers who may request the JCRA to carry out projects. The JCRA reports formally to the Minister on an annual basis.

**Transactions**

In 2010, the Economic Development Minister provided funds to the JCRA to finance the administration and enforcement of the Competition (Jersey) Law 2005.

**Amounts involved**

- £205,472 brought forward as deferred grant income, as agreed from 2009.
- £400,000 received during the year under the provisions of the Competition Regulatory Authority (Jersey) Law 2001.

**Amounts due to the Economic Development Department at the balance sheet date**

	<i>2010</i>	<i>2009</i>
	£	£
Deferred grant income (included in creditors)	291,255	205,472

**JERSEY COMPETITION REGULATORY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

**8. FINANCIAL COMMITMENTS**

At 31 December 2010 the JCRA had annual commitments under non-cancellable operating leases as set out below:

	<i>Buildings</i>	
	<i>2010</i>	<i>2009</i>
	£	£
Operating leases which expire:		
Not later than one year	-	-
In more than one year but less than five years	-	-
Later than five years	53,886	53,886
	<u>53,886</u>	<u>53,886</u>
	<u><u>53,886</u></u>	<u><u>53,886</u></u>

**9. PENSION COMMITMENTS**

The JCRA provides a defined contribution pension scheme (the Public Employees Contributory Retirement Scheme) for its employees. The assets of the scheme are held separately from those of the JCRA in an independently administered fund. Contributions of £105,282 (2009: £110,969) were charged in the year and there were no unpaid contributions at the year end.

## **JERSEY COMPETITION REGULATORY AUTHORITY CORPORATE GOVERNANCE GUIDELINES**

### **The JCRA and the Economic Development Minister (the Minister)**

The JCRA is an autonomous body and entirely independent in its decision taking from the States of Jersey. But under powers of the Competition Regulatory Authority (Jersey) Law 2001 (the CRA Law), Article 10(1) the Minister, “may give to the Authority written guidance, or general written directions, on matters relating to corporate governance, that is relating to the systems and arrangements by and under which the Authority is directed and controlled”. The following are the Corporate Governance Guidelines as agreed between the Minister and the JCRA.

### **What is Corporate Governance?**

“Corporate Governance is the system by which business corporations are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation, such as, the board, managers, shareholders and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides the structure through which the company objectives are set, and the means of attaining those objectives and monitoring performance.” – OECD April 1999

### **Constitution of the JCRA**

The JCRA is a statutory body corporate established under Article 2 of the CRA Law. The governing body is a Board of Members which directs regulatory, licensing, financial operational and strategic policies of the JCRA.

### **Functions of the JCRA**

The functions of the JCRA are set out in Article 6 of the CRA Law which states:-

- a) The JCRA shall have such functions as are conferred on it by or under this or any other Law or any other enactment.
- b) The JCRA may recognise or establish, or assist or encourage the establishment of, bodies that have expertise in, or represent persons having interests in, any matter concerning competition, monopolies, utilities or any matter connected with the provision of goods and services to which the JCRA’s functions relate.
- c) The functions of those bodies shall include one or more of the following –
  - i. the provision to the JCRA of advice, information and proposals in relation to any one or more of those matters;
  - ii. the representation of the views of any one or more of those persons.
- d) The JCRA may, on request by the Minister, provide the Minister with reports, advice, assistance and information in relation to any matter referred to in paragraph (b).
- e) The JCRA shall have power to do anything that is calculated to facilitate, or is incidental or conducive to, the performance of any of its functions.

### **Constitution of the Board**

Article 3 of the CRA Law requires the Board to consist of a Chairman and at least two other members.

Currently the Members of the Board comprise of A Chairman, an Executive Director and three Non-Executive Members, one of whom lives on Jersey.

## **JERSEY COMPETITION REGULATORY AUTHORITY**

### **CORPORATE GOVERNANCE GUIDELINES**

The appointment of Board Members is undertaken by the Minister. Vacancies which arise on the Board are filled through the use of an open and transparent process. The Minister follows the procedures recommended by the Jersey Appointments Commission – a body set up by the States of Jersey to overview all public sector appointments. A vacancy is usually advertised and once a suitable candidate is identified, a recommendation is made to the Minister. Under the provisions of the CRA Law, the appointment of the Chairman is a matter reserved for decision by the States of Jersey on the recommendation of the Minister. The other Board Members are appointed by the Minister after it has consulted with the Chairman. The Minister shall notify the States of the appointments.

On appointment, a Member will receive an induction to the work of the Board and the JCRA. This includes an opportunity to meet all members of staff.

Under the provisions of the CRA Law, Members are appointed for terms not exceeding five years and upon expiry of such period are eligible for reappointment.

#### **Operations of the Board**

The Board sets strategic policy and the implementation of these policies is undertaken by the Executive.

The Board usually meets at least monthly or bi-monthly and will hold additional meetings when circumstances require it. In advance of each meeting, Members are provided with comprehensive briefing papers on the items under consideration. The Board is supported by the Board Secretary who attends and minutes all meetings of the Board. During 2010 the Board met eleven times.

The quorate number of Members to hold a Board meeting is three, two of which must be Non-Executives, with one acting as Chair.

Article 9 of the CRA Law empowers the Board to delegate any of its powers to the Chairman, one or more Members, or an officer or employee of the JCRA or a committee whose member or members are drawn only from the Members, officers and employees of the JCRA. However, the Board is not authorised to delegate this power of delegation or the function of reviewing any of its decisions.

Customarily, the Board holds an annual away day. This event, which may also be attended by senior staff, is an opportunity for the Board to conduct an evaluation of its performance during the year and discuss strategic issues for the year ahead and possible changes to the *modus operandi*.

The Board maintains a strategic plan and annual budget which is prepared by the Executive Director in the last quarter of each year and incorporates, amongst other things any strategic issues raised by the Board at its annual away day, and comments received during public consultation. This is considered by the Board prior to the start of the financial year.

The Board monitors the performance of the JCRA against the strategic plan and annual budget through reports at its regular Board meetings. Performance against budget is monitored by the presentation of quarterly management accounts to the Board and ad-hoc financial presentations as and when appropriate.

The JCRA has agreed a policy on travel with the Economic Development Department.

The Executive Director makes recommendations to the Minister in respect of fees paid to the Non- Executive Board members.



## **JERSEY COMPETITION REGULATORY AUTHORITY**

### **CORPORATE GOVERNANCE GUIDELINES**

#### **Committees of the Board**

Article 7(1) of the CRA Law enables the JCRA to establish committees.

As at 1 January 2010, the Board had established two committees; an Audit and Risk Committee and a Remuneration Committee. The members of these committees are selected from the Non-Executive Directors and are appointed by the Board.

The key duties of the Audit and Risk Committee are:-

- To review annually the JCRA's application of corporate governance best practice;
- To review the mechanisms for ensuring the effectiveness of the JCRA's internal controls;
- To review and agree the internal auditor's annual work plan, monitor and review the effectiveness of any internal audit work carried out and review all reports from the internal auditors, monitoring the Executive's responsiveness to the findings and recommendations.
- To meet with the internal auditors at least once a year, without the presence of the Executive.
- To consider certain matters relating to the external audit of the JCRA's annual financial statements (including reviewing those financial statements prior to their consideration by the Board).

Whilst the Audit and Risk Committee's Charter includes the consideration of the annual appointment of the external auditor, the actual appointment of the auditor is a matter reserved to the Economic Development Minister under Article 17 of the CRA Law.

The members of the Audit and Risk Committee are Robert Foster (Chairman), Richard Povey and Christopher Bright. The Executive Director is expected to attend the meetings of the Audit Committee in an advisory capacity.

During the year the Board reviewed the key duties of the Remuneration Committee and agreed that these could be more efficiently and effectively discharged through the main board rather than through a separate committee. The committee was therefore dissolved on 6 September 2010

Until its dissolution the key duties of the Remuneration Committee were:-

- To consider the remuneration of the Executive Board Member and advise the Minister;
- To agree the budgetary level of the annual pay review for staff taking account of market remuneration analysis;
- To consider and agree any variations to the structure of the remuneration package that may be proposed from time to time.

The members of the Remuneration Committee were Christopher Bright (Chairman), Richard Povey and Robert Foster.

#### **Openness, Integrity and Accountability**

The JCRA abides by the principles of openness, integrity and accountability – and those standards which are widely recognised as being applicable to public service, and to the conduct of all involved in public life.

## **JERSEY COMPETITION REGULATORY AUTHORITY**

### **CORPORATE GOVERNANCE GUIDELINES**

In the discharge of its duties, the JCRA will ensure:

- That subject to the appropriate level of confidentiality, it maintains an openness in its public affairs, in order that the public can have confidence in the decision-making processes and actions of public service bodies, in the management of the JCRA's activities, and in the Board Members and staff of the JCRA itself;
- That it maintains at all times an appropriate degree of integrity in the conduct of its affairs. Integrity comprises both straightforward dealing and completeness. The JCRA bases its integrity upon honesty, selflessness and objectivity, and high standards of propriety and probity in the stewardship of its funds and management of its affairs;
- That it is fully accountable in the application of the public funds and that these are properly safeguarded, and are used economically, efficiently and effectively.

The three fundamental principles, defined above in terms of public sector bodies, have been refined to include the findings and recommendations of the Nolan Committee on Standards in Public Life. The JCRA will make its best efforts to abide by Nolan's seven general principles that underpin public life as follows:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

#### **Audit and Accounts**

While the JCRA is an independent body, it is accountable for its overall performance to the States of Jersey through the Minister.

Article 17 of the CRA Law requires that the JCRA shall keep proper accounts and proper records in the accounts and prepare a report and financial statements in respect of each financial year and provide these to the Minister no later than four months after the year end. The Minister shall lay a copy of the financial statements provided before the States as soon as practicable after he receives the report.

It is also a requirement of the CRA Law that the financial statements are audited by auditors appointed by the Treasury and Resources Minister and be prepared in accordance with generally accepted accounting principles.

#### **Other Matters**

Under powers granted by Article 10 of the CRA Law, the Minister may, after first consulting with the JCRA and where it considers that it is necessary in the public interest to do so, give the JCRA written guidance, or general written directions, on matters relating to corporate governance which may include matters relating to corporate governance which may include matters relating to accountability, efficiency and economy of operation of the JCRA.

The Board is in the process of establishing a revised Service Level Agreement with the Minister in respect of the Competition Law grant made from the States of Jersey.