

## UK CMA publishes final guidance on vertical agreements

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On 12 July 2022, the UK's Competition and Markets Authority ("CMA") published its final form Guidance on the new Vertical Agreements Block Exemption Order ("VABEO"), which came into force on 1 June 2022. The VABEO replaced the retained Vertical Agreements Block Exemption Regulation ("VABER") which expired on 31 May 2022 ([read our article here](#)). Similarly, the CMA Guidance replaces the EU Guidelines on Vertical Restraints (2010) which had applied in the UK.

The CMA Guidance explains how the CMA applies the rule against anti-competitive agreements (the Chapter I prohibition in the Competition Act 1998) to vertical agreements. The Guidance describes the application of the VABEO and is intended to help businesses assess their vertical agreements and establish whether they benefit from the block exemption provided by the VABEO or otherwise comply with competition law.

The Guidance is broadly in line with the previous draft of the guidance published in March 2022, with some clarifications. As envisaged in our response to the CMA consultation on the draft guidance ([view our response here](#)) the Guidance contains some welcome detail on a number of key issues, including agency and information exchange in dual distribution, which should aid businesses in considering whether their current distribution and supply agreements may need to be revised, or whether they can take advantage of some of the more permissive elements of the new VABEO.

It is worth noting that the VABEO will only be in place for 6 years (until 01 June 2028). This short time period could provide the UK with flexibility to act upon and reflect future market developments.

**For more information on vertical agreements or any of the above, please get in touch with your usual Eversheds Sutherland contact or the contacts below:**



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