

# Code of conduct

## **UK construction industry competition law code of conduct August 2009**

Members of the National Federation of Builders will comply with the following terms of the industry's competition law code of conduct:

- 1 The UK construction industry is committed to compliance with UK and EU competition law.
- 2 The industry understands that the purpose of competition law is to preserve free, fair and efficient competition for the benefit of all companies operating in the industry and their clients.
- 3 The industry agrees at all times to commit to ensuring the highest standards of competition law compliance within the sector by adhering in all of its business practices to the principle of fair competition and to ensure that construction companies do not engage in conduct which is anti-competitive.
- 4 Construction companies must:
  - 4.1 not restrain competition amongst themselves through agreements, arrangements or understandings that restrict competition;
  - 4.2 bid for contracts and tenders independently from and without any agreement or arrangement with their competitors; or
  - 4.3 not exchange competitively sensitive information or engage in discussions that may lead to the co-ordination of competitive behaviour and, in particular, must not share information about current or future pricing intentions for tenders, or any element that might affect prices or pricing practices, including the exchange of cover prices.
- 5 Construction companies understand that co-operation with a competitor is justified only under the exceptions permitted by the competition rules or where they have been expressly required to enter into such arrangements by the client, for example, certain joint ventures and framework agreements, in which case such arrangements will be fully disclosed to the client.
- 6 The industry understands that each individual construction company is responsible for its own compliance with competition law and that the consequences of breaching competition law are severe including possible penalties, director disqualification, criminal sanctions and damages actions.
  - 6.1 Construction companies will therefore endeavour to:
    - 6.1.1 ensure that competition law compliance will be achieved through implementing effective competition compliance policies and guidelines throughout their businesses; and
    - 6.1.2 promote an understanding of and compliance with competition law throughout their supply chains, including with their sub-contractors.

