

## **COMPETITION POLICY IN FINANCIAL MARKETS**

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### **Course Outline**

This course introduces Participants to competition strategies in financial markets and the competition policy issues that these strategies invoke. The main focus is on pricing strategies, while the explicit nature of financial intermediation as a distinct economic activity is taken into account.

Participants obtain insights on competition in financial markets and become fluent translators between their business, competition lawyers, competition economists and antitrust enforcers and regulators when and where competition issues are involved. The legal framework of competition policy is briefly introduced to serve as the foundation for analysing the impact of competitive strategies and competition policy as enforced by antitrust authorities and regulatory agencies.

At the end of this course, Participants will be able to:

- Understand the analytical and economic frameworks competition policy enforcers use
- Assess the antitrust risks associated with certain competitive strategies
- Understand the business rationale of certain strategies while at the same time understand their impact on competitors and consumers
- Bridge the gap that often lies between business strategy, the law and competition enforcement

## Course structure

- I. Fundamentals of Competition Policy**
  - a. Legal framework
  - b. Economic Implementation of the law
  - c. Relation to other policy areas in financial markets
- II. Pricing Decisions of (Financial) Intermediaries**
  - a. The Nature of (financial) intermediation
  - b. Pricing loans/deposits and their interrelation
  - c. Fee business (in asset management)
- III. Price Fixing and Art. 101 TFEU**
  - a. The LIBOR cartel
  - b. The Israeli Banking Cartel
  - c. Communications between competitors
- IV. Abuse of Dominance and Art.102 TFEU – Part I**
  - a. Foreclosure of CSDs
  - b. Clearstream vs Euroclear
  - c. Ex Post Competition Policy or Ex Ante Regulation?
  - d. The T2S directive
- V. Mergers and Merger Review**
  - a. Cross border consolidation
  - b. Stock Exchange globalisation
- VI. State Aid and the Banking Crises: Art 106-108 TFEU**
  - a. Viewpoints on “Too Big To Fail”
  - b. EU conditions re SA and the Dutch Mortgage Market
- VII. Abuse of Dominance – Part II**
  - a. Payments and Two Sided Markets
  - b. Merchant fees
  - c. Steering and Amex co vs. MasterCard/Visa