

HERBERT SMITH FREEHILLS REACTS TO NEWS THAT TECH FIRM BECOMES FIRST TO RECEIVE NON-COMPLIANCE FINE

20 January 2020 | London
Firm news

Responding to news that AppNexus Europe has been fined £20,000 for failing to comply with a request for information from the UK Competition and Markets Authority (CMA), Mark Jephcott, a partner at Herbert Smith Freehills' warns that "companies should recognise, in no uncertain terms, that no obstacle is too large to be moved in the quest for regulatory compliance and transparency."

His comments come in the wake of the CMA issuing its first financial penalty under Section 174 of the Enterprise Act (2002) in connection with its ongoing online platforms and digital advertising review.

Jephcott, a partner in the firm's competition, regulation and trade practice, says: "This penalty notice is a reminder to businesses that they have a duty to respond comprehensively and in a timely fashion to all formal CMA requests for information, whether in the context of mergers or market studies/investigations.

"It is well documented that responding can be an onerous and arduous task - but the difficulties encountered are not a reason for any business to fail to provide information. It is now clear that a lack of resources, cost concerns, or slow response rate are unlikely to be accepted as reasonable excuses for failure to comply. Put simply, the cost of compliance is far more preferable for companies, investors and shareholders than the penalty for non-compliance is ever likely to be."

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