This Statutory Instrument has been made in part in consequence of a defect in S.I. 2022/1271 and is being issued free of charge to all known recipients of that Statutory Instrument.

STATUTORY INSTRUMENTS

2026 No. 369

COMPETITION

The Competition Act 1998 (Technology Transfer Agreements Block Exemption) Order 2026

Made - - - -	*25th March 2026*
Laid before Parliament	*26th March 2026*
Coming into force - -	*1st May 2026*

The Competition and Markets Authority has recommended that the Secretary of State make an order specifying certain categories of agreements relating to the transfer of technology rights for the purposes of section 6 of the Competition Act 1998(**a**) ("the Act").

In accordance with section 8(1) of the Act(**b**), before making the recommendation the Competition and Markets Authority published details of the proposed recommendation and considered the representations about it which were made to it(**c**).

The Secretary of State has decided to give effect to the recommendation with some minor modifications and, in accordance with section 8(2) of the Act, has informed the Competition and Markets Authority of those modifications and has taken their comments into account.

The Secretary of State has also decided to amend the Competition Act 1998 (Research and Development Agreements Block Exemption) Order 2022(**d**) and has complied with section 8(5) of the Act(**e**) in relation to the amendments to that Order.

(**a**) 1998 c. 41. Section 6 was amended by paragraph 2 of Schedule 5 to the Enterprise and Regulatory Reform Act 2013 (c. 24) to give the function of making recommendations to the Competition and Markets Authority. The Competition and Markets Authority was established by section 25 of that Act. This function was previously the responsibility of the Director General for Fair Trading and then the Office of Fair Trading. Other amendments to section 6 were made by paragraph 38 of Schedule 25 to the Enterprise Act 2002 (c. 40) and S.I. 2004/1261. See article 2(1) of this Order for the definition of technology transfer agreements.

(**b**) Section 8(1) was amended by paragraph 38 of Schedule 25 to the Enterprise Act 2002 and paragraph 3 of Schedule 5 to the Enterprise and Regulatory Reform Act 2013.

(**c**) The Competition and Markets Authority's proposed recommendation and responses to its consultation can be found online at https://www.gov.uk/government/consultations/consultation-on-the-cmas-proposed-recommendation-on-the-assimilated-ttber or obtained by writing to Competition and Markets Authority, The Cabot, 25 Cabot Square, London E14 4QZ.

(**d**) S.I. 2022/1271, as amended by S.I. 2023/1143 and S.I. 2025/163.

(**e**) Section 8(5) was amended by paragraph 3 of Schedule 5 to the Enterprise and Regulatory Reform Act 2013.

The Secretary of State therefore makes this Order in exercise of the powers conferred by sections 6(2), (5), (6) and (7) and 71(3) of the Act.

Citation, commencement and extent

1.—(1) This Order may be cited as the Competition Act 1998 (Technology Transfer Agreements Block Exemption) Order 2026 and comes into force on 1st May 2026.

(2) This Order extends to England and Wales, Scotland and Northern Ireland.

Interpretation

2.—(1) In this Order—

"the block exemption", in relation to the category of agreements(**a**) specified in this Order, means the exemption from the Chapter I prohibition(**b**) arising by virtue of this Order;

"competing undertakings" has the meaning given in article 5(5);

"connected undertaking", in relation to a party to an agreement, means—

(a) an undertaking in relation to which the party to the agreement, directly or indirectly—

(i) has the power to exercise more than half the voting rights,

(ii) has the power to appoint more than half the members of the board of directors, or if there is no such board, the equivalent body or bodies responsible for the management of the undertaking, or

(iii) has the right to manage the undertaking's affairs,

(b) an undertaking which directly or indirectly has, in relation to the party to the agreement, any of the rights or powers listed in paragraph (a),

(c) an undertaking in relation to which an undertaking referred to in paragraph (b) has, directly or indirectly, any of the rights or powers listed in paragraph (a),

(d) an undertaking in relation to which the party to the agreement, together with one or more undertakings referred to in paragraph (a), (b) or (c), or in relation to which two or more undertakings referred to in paragraph (b) or (c), jointly have any of the rights or powers listed in paragraph (a), and

(e) an undertaking in relation to which any of the rights or the powers listed in paragraph (a) are jointly held by—

(i) two or more parties to the agreement or their respective connected undertakings referred to in paragraphs (a) to (d), or

(ii) one or more of the parties to the agreement or one or more of their respective connected undertakings referred to in paragraphs (a) to (d) and one or more third parties;

"contract product", in relation to a technology transfer agreement, means a product produced, directly or indirectly, on the basis of the licensed technology rights;

(**a**) Under section 59(1) of the Competition Act 1998 ("the Act"), references in Part 1 of the Act to "agreement" are to be read with section 2(5) and (6) of the Act, which provides that, unless the context otherwise requires, a provision of Part 1 of the Act which is expressed to apply to, or in relation to, an agreement, is to be read as applying equally to, or in relation to, a decision by an association of undertakings or a concerted practice (but with any necessary modifications).

(**b**) For the meaning of "the Chapter I prohibition", see section 2(8) of the Act.

"database" has the same meaning as in section 3A(1) of the Copyright, Designs and Patents Act 1988(**a**);

"database right" has the same meaning as in Part 3 of the Copyright and Rights in Databases Regulations 1997(**b**);

"excluded restriction" has the meaning given in article 8(2);

"intellectual property rights" includes—

(a) industrial property rights (in particular, patents and trademarks), and

(b) copyright and related rights, and database right;

"know-how" means a package of practical information, resulting from experience and testing, which is—

(a) secret,

(b) significant and useful for the production or sale of particular products, and

(c) described in a sufficiently comprehensive manner so as to make it possible to verify that it fulfils the criteria in paragraphs (a) and (b);

"licensed technology rights", in relation to a technology transfer agreement, means the technology rights which are licensed under the agreement for the purposes of the production of particular products;

"product" means a good or a service, and includes both intermediate goods or services and final goods or services;

"relevant geographic market", in relation to particular products or technology rights, means the area in which undertakings are involved in the supply of or demand for those products or the licensing of those technology rights and—

(a) in which the conditions of competition are sufficiently homogeneous, and

(b) which can be distinguished from neighbouring areas because the conditions of competition are appreciably different in those areas;

"relevant market", in relation to contract products or licensed technology rights, means the combination of the relevant product market or relevant technology market, respectively, with the relevant geographic market in relation to those products or rights;

"relevant product market", in relation to contract products, means the market for those products and any products which are regarded by buyers as interchangeable with, or substitutable for, those products, by reason of the products' characteristics, their prices and their intended use;

"relevant technology market", in relation to licensed technology rights, means the market for those technology rights and any technology rights which are regarded by licensees as interchangeable with, or substitutable for, those technology rights, by reason of the technology rights' characteristics, the royalties payable in respect of those rights and their intended use;

"secret", in relation to know-how, means not generally known or easily accessible;

"semiconductor topography" has the same meaning as in regulation 2(1) of the Design Right (Semiconductor Topographies) Regulations 1989(**c**);

(**a**) 1988 c. 48; section 3A was inserted by S.I. 1997/3032.
(**b**) S.I. 1997/3032; amended by S.I. 2019/605; there are other amending instruments but none is relevant.
(**c**) S.I. 1989/1100, to which there are amendments not relevant to this Order.

"supplementary protection certificate" means a certificate issued under—

(a) Regulation (EC) No 469/2009 of the European Parliament and of the Council of 6th May 2009 concerning the supplementary protection certificate for medicinal products(**a**), or

(b) Regulation (EC) No 1610/96 of the European Parliament and of the Council of 23 July 1996 concerning the creation of a supplementary protection certificate for plant protection products(**b**);

"technology rights" means any of the following, or any combination of any of the following—

(a) know-how,

(b) patents,

(c) design rights (whether registered or unregistered),

(d) rights in semiconductor topographies,

(e) supplementary protection certificates,

(f) plant breeders' rights granted in accordance with Part 1 of the Plant Varieties Act 1997(**c**),

(g) copyright in software,

(h) copyright in a database and database right, and

(i) any applications for, or applications for registration of, any rights referred to in paragraphs (b), (c), (e) and (f);

"technology transfer agreement" has the meaning given in article 3(2);

"third party", in relation to an agreement, means a person(**d**) other than—

(a) a party to the agreement, or

(b) a person acting on behalf of a party to the agreement.

(2) For the purposes of this Order—

(a) other than in the definition of "connected undertaking" and article 6(1)(c), the terms "licensee", "licensor", "party" and "undertaking" include their respective connected undertakings;

(b) other than in article 3(2)(a), references to the licensing of technology rights include a reference to technology rights being assigned in the manner referred to in article 3(2)(b) and the terms "licence", "licensee" and "licensor" are to be construed accordingly.

Block exemption

3.—(1) The category of agreements identified in paragraph (2) as technology transfer agreements is specified for the purposes of section 6 of the Competition Act 1998(**e**) (and accordingly a block exemption(**f**) applies in respect of technology transfer agreements).

(2) Technology transfer agreements are agreements entered into between two undertakings to the extent they provide for—

(**a**) EUR 469/2009, amended by S.I. 2019/801, S.I. 2020/1050, S.I. 2020/1471 and S.I. 2024/1075.
(**b**) EUR 1610/96, amended by S.I. 2019/801 and S.I. 2020/1471.
(**c**) 1997 c. 66.
(**d**) Under section 59(1) (interpretation) of the Act, "person", in addition to the meaning given by the Interpretation Act 1978 (c. 30), includes any undertaking.
(**e**) Agreements which fall within a category specified for the purposes of section 6 are exempt from the Chapter I prohibition. See section 6(3) of the Act.
(**f**) For the meaning of "block exemption", see section 6(4) of the Act.

(a) technology rights to be licensed for the purpose of the production of particular products by the licensee or a sub-contractor of the licensee, or

(b) technology rights to be assigned for the purpose of the production of particular products by the assignee in such a way that part of the risk associated with the exploitation of the technology rights remains with the assignor,

but also to the extent they include further provision (if any) of the kind in paragraph (3).

(3) The provision in this paragraph is provision for—

(a) the purchase of products by the licensee, or

(b) any licensing or assignment of intellectual property rights or know-how that does not fall within paragraph (2)(a) or (b),

but only to the extent that the provision is directly related to the production or sale of the contract products.

(4) Subject to paragraph (5), the block exemption has effect in relation to a technology transfer agreement for as long as at least one of the licensed technology rights—

(a) has not expired, lapsed or been declared invalid, or

(b) in the case of know-how, remains secret.

(5) Where know-how which is a licensed technology right ceases to be secret as a result of any act or omission by the licensee, the exemption applies for the duration of the agreement.

(6) This Order does not apply to licensing arrangements—

(a) in research and development agreements which fall within the scope of the Competition Act 1998 (Research and Development Agreements Block Exemption) Order 2022(**a**), or

(b) in specialisation agreements which fall within the scope of the Competition Act 1998 (Specialisation Agreements Block Exemption) Order 2022(**b**).

Block exemption subject to conditions and obligation

4. The block exemption has effect in relation to a technology transfer agreement subject to—

(a) the conditions in articles 5 (market share and other thresholds), 7 (hardcore restrictions) and 8 (excluded restrictions), and

(b) the obligation in article 10 (obligation to provide information).

Market share and other thresholds

5.—(1) Where the undertakings party to the technology transfer agreement are competing undertakings, the agreement must meet the condition in paragraph (2).

(2) The condition in this paragraph is that—

(a) the combined market share of the parties to the technology transfer agreement does not exceed 20% of any relevant market for the contract products, and

(b) either—

(i) the combined market share of the parties to the technology transfer agreement does not exceed 20% of any relevant market for the licensed technology rights, or

(ii) there are three or more independent competing technology rights.

(**a**) S.I. 2022/1271, amended by S.I. 2023/1143 and S.I. 2025/163.
(**b**) S.I. 2022/1272.

(3) Where the undertakings party to the technology transfer agreement are not competing undertakings, the agreement must meet the condition in paragraph (4).

(4) The condition in this paragraph is that—

(a) the market share of each party to the technology transfer agreement does not exceed 30% of any relevant market for the contract products, and

(b) either—

(i) the market share of each party to the technology transfer agreement does not exceed 30% of any relevant market for the licensed technology rights, or

(ii) there are three or more independent competing technology rights.

(5) Undertakings party to a technology transfer agreement are competing undertakings if—

(a) they are both an actual competitor on the relevant market for the licensed technology rights, and if there is more than one relevant market for the licensed technology rights, they are both an actual competitor on the same relevant market, or

(b) they are both an actual competitor or a potential competitor on the relevant market for the contract products, and if there is more than one relevant market for the contract products, they are both an actual competitor or potential competitor on the same relevant market.

(6) For the purposes of paragraph (5), an undertaking party to a technology transfer agreement is—

(a) an actual competitor on a relevant market for the licensed technology rights, if it grants licences of technology rights on that relevant market;

(b) an actual competitor on a relevant market for the contract products if, ignoring the technology transfer agreement, it sells products on that relevant market;

(c) a potential competitor on a relevant market for the contract products if, ignoring the technology transfer agreement, it would, on realistic grounds and not just as a mere theoretical possibility, in response to a small and permanent increase in relative prices, be likely to undertake the necessary additional investments or incur other necessary costs to enter that relevant market within a period of time that is sufficiently short to impose competitive pressure on undertakings that are already selling products on that relevant market.

(7) In this article "independent competing technology rights", in relation to a technology transfer agreement, means technology rights which are—

(a) owned or controlled by a third party, and

(b) interchangeable with, or substitutable for, the licensed technology rights, by reason of the technology rights' characteristics, the royalties payable in respect of those rights, their commercial strength and their intended use.

Rules for applying thresholds

6.—(1) For the purposes of applying the market share thresholds provided for in article 5 in relation to a technology transfer agreement, the following rules apply—

(a) the market share of a party is to be calculated on the basis of market sales value data, or, where market sales value data are not available, estimates based on other reliable market information, such as market sales volumes;

(b) the market share of a party is to be calculated on the basis of data or information relating to the calendar year preceding that in which the calculation is being made, or, where that calendar year is not representative of the party's position in the relevant market,

calculated as an average of the party's market shares for the three calendar years preceding that in which the calculation is being made;

(c) the market share held by the undertakings referred to in paragraph (e) of the definition of "connected undertakings" in article 2(1) is to be apportioned equally to each undertaking having the rights or the powers listed in paragraph (a) of that definition;

(d) the market share of a party on any relevant market for the licensed technology rights is to be calculated on the basis of the presence of technology rights licensed by that party on the relevant market for the contract products, that is to say, on the basis of market data or information relating to the combined sales by that party and its licensees on the relevant market for the contract products of products incorporating or produced using technology rights licensed by that party.

(2) For the purposes of applying the threshold provided for in article 5(2)(b)(ii) and (4)(b)(ii), the commercial strength of technology rights other than the licensed technology rights is to be assessed taking into account factors such as—

(a) the commercial viability of the other technology rights,

(b) the extent to which they constitute or would be likely to constitute a realistic alternative to the licensed technology rights, and

(c) their ability to impose competitive pressure in relation to the licensed technology rights on the relevant market for the licensed technology.

Hardcore restrictions

7.—(1) A technology transfer agreement between undertakings which are competing undertakings must not contain a hardcore restriction within the meaning of paragraph (2).

(2) A hardcore restriction within the meaning of this paragraph is one or more provisions which, directly or indirectly, in isolation or in combination with other factors under the control of the parties to the technology transfer agreement, have as their object—

(a) the restriction of the ability of a party to the agreement to determine its prices when selling products to third parties,

(b) the limitation of output, except limitations on the output of contract products imposed on the licensee in a non-reciprocal agreement or imposed on only one of the licensees in a reciprocal agreement,

(c) the allocation of markets or customers, subject to the exceptions set out in paragraph (3),

(d) the restriction of the licensee's ability to exploit its own technology rights, or

(e) the restriction of the ability of either of the parties to the agreement to carry out research and development, unless the restriction is indispensable to prevent the disclosure of any know-how licensed under the agreement to third parties.

(3) The following are not a hardcore restriction falling within paragraph (2)(c)—

(a) an obligation on the licensor or the licensee, in a non-reciprocal agreement—

(i) not to produce products with the licensed technology rights within the exclusive territory reserved for the other party, or

(ii) not to sell the contract products actively or passively into the exclusive territory or to the exclusive customer group reserved for the other party;

(b) the restriction, in a non-reciprocal agreement, of active sales of the contract products by the licensee into the exclusive territory or to the exclusive customer group allocated by the licensor to another, third party, licensee (L) provided L and the licensor were

not competing undertakings at the time of the conclusion of the licensing agreement between them;

(c) an obligation on the licensee to produce the contract products only for its own use, provided that, where the licensee incorporates the contract products into its own products, it is not restricted from selling the contract products actively or passively as spare parts for its own products;

(d) an obligation on the licensee, in a non-reciprocal agreement, to produce the contract products only for a particular customer, where the licence was granted in order to create an alternative source of supply for that customer.

(4) A technology transfer agreement between undertakings which are not competing undertakings must not contain a hardcore restriction within the meaning of paragraph (5).

(5) A hardcore restriction within the meaning of this paragraph is one or more provisions which, directly or indirectly, in isolation or in combination with other factors under the control of the parties to the technology transfer agreement, have as their object—

(a) subject to paragraph (6), the restriction of a party's ability to determine its prices when selling products to third parties,

(b) the restriction of the territory into which, or the customers to whom, the licensee may passively sell the contract products, subject to the exceptions set out in paragraph (7), or

(c) subject to paragraph (8), the restriction of active sales or passive sales to end-users by a licensee which is a member of a selective distribution system for the contract products and operates at the retail level.

(6) Imposing a maximum sale price or recommending a sale price is not a hardcore restriction falling within paragraph (5)(a), provided that the price does not amount to a fixed or minimum sale price as a result of pressure from, or incentives offered by, either of the parties to the technology transfer agreement.

(7) The following are not a hardcore restriction falling within paragraph (5)(b)—

(a) the restriction of passive sales into an exclusive territory or to an exclusive customer group reserved for the licensor;

(b) an obligation on the licensee to produce the contract products only for its own use, provided that, where the licensee incorporates the contract products into its own products, it is not restricted from selling the contract products actively or passively as spare parts for its own products;

(c) an obligation to produce the contract products only for a particular customer, where the licence was granted in order to create an alternative source of supply for that customer;

(d) the restriction of sales to end-users by a licensee operating at the wholesale level of trade;

(e) the restriction of sales to unauthorised distributors located in a territory where the licensor operates a selective distribution system for the contract products.

(8) Prohibiting a member of a selective distribution system for the contract products from operating out of a place of establishment which is not authorised under the selective distribution system is not a hardcore restriction falling within paragraph (5)(c).

(9) Where the undertakings party to a technology transfer agreement are not competing undertakings at the time the agreement is entered into but become competing undertakings after that time, paragraph (4) and not paragraph (1) applies for the full duration of the agreement unless—

(a) the agreement is subsequently amended in any material respect, or

(b) a new technology transfer agreement is entered into between the parties concerning competing technology rights.

(10) In this article—

"active sales" means—

(a) actively targeting customers by for instance calls, e-mails, letters, visits or other direct means of communication,

(b) targeted advertising and promotion, by means of print or digital media, offline or online, including online media, digital comparison tools or advertising on search engines targeting customers in specific geographical areas or customer groups,

(c) advertisement or promotion that is only attractive for the buyer if it (in addition to reaching other customers) reaches a specific group of customers or customers in a specific geographical area (and is considered active selling to that customer group or customers in that geographical area),

(d) offering on a website language options different to the ones commonly used in the geographical area in which the distributor is established, or

(e) using a domain name corresponding to a geographical area other than the one in which the distributor is established,

and related expressions are to be construed accordingly;

"competing products" means products which are regarded by buyers as interchangeable with, or substitutable for, one another, by reason of the products' characteristics, their prices and their intended use;

"competing technology rights" means technology rights which are regarded by licensees as interchangeable with, or substitutable for, one another, by reason of the technology rights' characteristics, the royalties payable in respect of those rights and their intended use;

"devolved Scottish authority" has the same meaning as in section 2 of the Procurement Act 2023(**a**);

"digital comparison tools" means online intermediary services used by end users to compare prices, quality or other characteristics of, and potentially to switch to or purchase, goods or services from a range of businesses;

"exclusive customer group", in relation to a technology transfer agreement, means a group of customers to which only one party to the agreement is allowed to actively sell the contract products;

"exclusive territory", in relation to a technology transfer agreement, means a given territory within which only one undertaking is allowed to produce the contract products, but includes a territory within which one or more other licensees are allowed to produce the contract products if the production is for a particular customer only and the other licences were granted in order to create an alternative source of supply for that customer;

"non-reciprocal agreement" means a technology transfer agreement under which—

(a) one undertaking grants another undertaking a licence of technology rights for the purposes of the production of products, or

(b) two undertakings grant each other such a licence, and those licences do not concern competing technology rights and cannot be used for the production of competing products;

(**a**) 2023 c. 54; section 2 is amended by S.I. 2024/692.

"passive sales" means—

(a) sales in response to unsolicited requests from individual customers, including delivery of goods or services to such customers without the sale having been initiated through advertising actively targeting the particular customer group or geographical area,

(b) general advertising or promotion that reaches customers in other distributors' geographical areas or customer groups (whether exclusive or not) but which is a reasonable way to reach customers not in those other distributors' geographical areas or customer groups (whether exclusive or not), such as customers in a supplier's own geographical area, including where, for example, it would be attractive for the buyer to incur the costs of the general advertising or promotion concerned even if it would not reach customers in other distributors' geographical areas or customer groups (whether exclusive or not), or

(c) participating in a public procurement exercise undertaken in accordance with—

(i) the Procurement Act 2023, or

(ii) in respect of a public authority that is a devolved Scottish authority, the Public Contracts (Scotland) Regulations 2015(**a**), the Concession Contracts (Scotland) Regulations 2016(**b**) or the Utilities Contracts (Scotland) Regulations 2016(**c**),

and related expressions are to be construed accordingly;

"public authority" has the same meaning as in section 2(2) of the Procurement Act 2023;

"reciprocal agreement" means a technology transfer agreement under which two undertakings grant each other, in the same or separate contracts, a licence of technology rights for the purposes of the production of products, and those licences concern competing technology rights or can be used for the production of competing products;

"selective distribution system" means a distribution system set up by a licensor under which—

(a) the licensor undertakes to grant licences of technology rights for the purposes of the production, either directly or indirectly, of particular products only to licensees selected on the basis of specified criteria ("authorised distributors"), and

(b) those licensees undertake not to sell the products concerned to distributors who are not authorised distributors ("unauthorised distributors") within the territory reserved by the licensor to operate that system.

(11) In paragraph (3)(b) the references to "competing undertakings", "exclusive customer group" and "exclusive territory" have effect in relation to the licensing agreement concluded between the licensor under the technology transfer agreement and L as if that licensing agreement were a technology transfer agreement.

Excluded restrictions

8.—(1) Subject to article 9(3), a technology transfer agreement must not contain an excluded restriction.

(2) An excluded restriction means—

(**a**) S.S.I. 2015/446, to which there are amendments not relevant to this Order.
(**b**) S.S.I. 2016/65, to which there are amendments not relevant to this Order.
(**c**) S.S.I. 2016/49, to which there are amendments not relevant to this Order.

(a) any direct or indirect obligation on the licensee to grant an exclusive licence or to assign rights, in whole or in part, to the licensor or to a third party designated by the licensor in respect of the licensee's own improvements to, or the licensee's own new applications of, the licensed technology rights;

(b) subject to paragraph (3), any direct or indirect obligation on a party to the technology transfer agreement not to challenge the validity of intellectual property rights held by the other party which have effect in the United Kingdom;

(c) if the undertakings party to the technology transfer agreement are not competing undertakings, any direct or indirect obligation—

(i) limiting the licensee's ability to exploit its own technology rights, or

(ii) limiting the ability of either of the parties to the agreement to carry out research and development, unless the restriction is indispensable to prevent the disclosure of know-how licensed under the agreement to third parties.

(3) In the case of an exclusive licence under a technology transfer agreement, provision permitting termination of the agreement in the event of the licensee challenging the validity of any of the licensed technology rights is not an excluded restriction falling within paragraph (2)(b).

(4) In this article "exclusive licence", in relation to a technology transfer agreement, means a licence under which the licensor itself is not permitted to produce products on the basis of the licensed technology rights and is not permitted to license the licensed technology rights to third parties, whether in general or for a particular use or in a particular territory.

Effect of breach of conditions

9.—(1) Breach of a condition imposed by article 5 (market share and other thresholds) or 7 (hardcore restrictions) has the effect of cancelling the block exemption in respect of the technology transfer agreement concerned, subject to paragraph (2) in the case of a breach of a condition imposed by article 5.

(2) If at the time the technology transfer agreement is entered into the agreement meets the condition under article 5(2) or (4) (whichever is relevant), but at a subsequent time ceases for any reason to meet whichever of those conditions is then relevant, the breach has the effect of cancelling the block exemption in respect of the technology transfer agreement, but only with effect from the end of the period of three consecutive calendar years following the calendar year in which the condition concerned is first breached.

(3) Breach of the condition imposed by article 8 (excluded restrictions) has the effect, as regards a technology transfer agreement which contains an excluded restriction—

(a) which is not severable from the agreement, of cancelling the block exemption in respect of that agreement;

(b) which is severable from the agreement, of cancelling the block exemption in respect of that excluded restriction only.

Obligation to provide information and effect of breach

10.—(1) A party to an agreement in respect of which the benefit of the block exemption is claimed must provide to the CMA(**a**) such information in connection with the agreement as the CMA may request by notice in writing.

(2) The party must provide the information within—

(**a**) For the meaning of "the CMA", see section 59(1) of the Act.

(a) the period of ten working days(**a**) starting with the relevant day, or

(b) if, having had regard to all the circumstances of the case, the CMA has agreed in writing a longer period, the agreed period.

(3) Where the CMA considers that the party has failed to comply with the obligation in this article without reasonable excuse, the CMA may cancel the block exemption in respect of the agreement by notice in writing, subject to paragraph (4).

(4) Before cancelling the block exemption in respect of the agreement, the CMA must—

(a) give notice in writing of its proposal to cancel the block exemption in respect of the agreement, and

(b) consider any representations made to it.

(5) In this article, "relevant day" means—

(a) where article 12(1)(a)(i) (notice given directly) applies, the day on which the party receives the notice;

(b) where article 12(1)(b) (notice given via publication) applies, the day on which the notice is published,

except that, if the day referred to in sub-paragraph (a) or (b) is not a working day, "relevant day" means the next working day after that day.

Cancellation in individual cases

11.—(1) Paragraph (2) applies where the CMA considers that a particular technology transfer agreement is not exempt from the Chapter I prohibition as a result of section 9 of the Competition Act 1998(**b**).

(2) Where this paragraph applies, the CMA may cancel the block exemption in respect of the technology transfer agreement by notice in writing, subject to paragraph (3).

(3) Before cancelling the block exemption in respect of the technology transfer agreement, the CMA must—

(a) give notice in writing of its proposal to cancel the block exemption in respect of the technology transfer agreement, and

(b) consider any representations made to it.

Notices in writing

12.—(1) For the purposes of articles 10 and 11, notice in writing is to be given—

(a) in the case of—

(i) a request for information, by the CMA giving written notice to the party in question;

(ii) a proposal or decision, by the CMA giving written notice to those persons whom it can reasonably identify as being parties to the agreement in question, or

(b) where it is not reasonably practicable for the CMA to comply with paragraph (1)(a), by the CMA publishing its request for information, proposal or decision in—

(i) the register maintained by the CMA under rule 20 of the CMA's rules set out in the Schedule to the Competition Act 1998 (Competition and Markets Authority's Rules) Order 2014(**c**),

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(**a**) For the meaning of "working day", see section 59(1) of the Act.
(**b**) Section 9 was amended by S.I. 2004/1261.
(**c**) S.I. 2014/458, to which there are amendments not relevant to this instrument.

(ii) the London, Edinburgh and Belfast Gazettes,

(iii) at least one national daily newspaper, and

(iv) if there is in circulation an appropriate trade journal which is published at intervals not exceeding one month, in such trade journal.

(2) A notice under paragraph (1) must state the facts on which the CMA bases the request, decision or proposal, and its reasons for making it.

Transitional provision

13.—(1) An agreement which—

(a) immediately before 1st May 2026, was exempt from the Chapter I prohibition by virtue of the assimilated TTBER, and

(b) on 1st May 2026, would not otherwise be an agreement to which the block exemption applies,

is to be treated as a technology transfer agreement which satisfies the conditions referred to in article 4(a) (block exemption subject to conditions and obligation) until the end of 30th April 2027.

(2) Such an agreement is to be known as a "pre-existing technology transfer agreement".

(3) Notwithstanding paragraph (1), the block exemption does not apply in respect of any obligation in a pre-existing technology transfer agreement which was an obligation falling within article 5 (excluded restrictions) of the assimilated TTBER immediately before 1st May 2026.

(4) Articles 10 to 12 apply to a pre-existing technology transfer agreement as they apply to a technology transfer agreement.

(5) In this article, the "assimilated TTBER" means Commission Regulation (EU) No 316/2014 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of technology transfer agreements(**a**).

Amendment to the Competition Act 1998 (Research and Development Agreements Block Exemption) Order 2022

14.—(1) The Competition Act 1998 (Research and Development Agreements Block Exemption) Order 2022(**b**) is amended as follows.

(2) In article 10 (hardcore restrictions), in paragraph (5)—

(a) after the definition of "active sales" insert—

""devolved Scottish authority" has the same meaning as in section 2 of the Procurement Act 2023;";

(b) in the definition of "passive sales", in sub-paragraph (c)—

(i) after "with" insert "—";

(ii) "the Procurement Act 2023" becomes paragraph (i) of that sub-paragraph;

(iii) at the end of that paragraph, insert ", or

(ii) in respect of a public authority that is a devolved Scottish authority, the Public Contracts (Scotland) Regulations 2015, the Concession Contracts (Scotland) Regulations 2016 or the Utilities Contracts (Scotland) Regulations 2016;";

(**a**) EUR 2014/316, as amended by S.I. 2019/93 and S.I. 2022/1271.
(**b**) S.I. 2022/1271, as amended by S.I. 2023/1143 and S.I. 2025/163.

(c) after the definition of "passive sales", insert—

""public authority" has the same meaning as in section 2(2) of the Procurement Act 2023".

(3) In article 18 (amendments to retained block exemption regulations), omit paragraphs (3) and (4).

Review

15.—(1) The Secretary of State must from time to time—

(a) carry out a review of the regulatory provision contained this Order,

(b) set out the conclusions of the review in a report, and

(c) publish the report.

(2) Section 30(4) of the Small Business, Enterprise and Employment Act 2015(**a**) requires that the report must in particular—

(a) set out the objectives intended to be achieved by the regulatory provision referred to in paragraph (1)(a),

(b) assess the extent to which those objectives are achieved, and

(c) assess whether those objectives remain appropriate, and, if so, the extent to which they could be achieved in another way which involves less onerous regulatory provision.

(3) The first report must be published before the end of the period of five years beginning with the day on which this Order comes into force.

(4) Subsequent reports must be published at intervals not exceeding five years.

(5) In this article, "regulatory provision" has the same meaning as in sections 28 to 32 of the Small Business, Enterprise and Employment Act 2015 (see section 32 of that Act).

Expiry

16. This Order ceases to have effect at the end of 31st December 2038, except for article 14.

Kate Dearden
Parliamentary Under-Secretary of State
Department for Business and Trade

25th March 2026

(**a**) 2015 c. 26.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order is a block exemption Order under section 6 of the Competition Act 1998 (c. 41) ("the Act"). It gives effect to the recommendation of the Competition and Markets Authority ("CMA") that certain technology transfer agreements (as defined in article 3(2) of the Order) constitute a category of agreements which are likely to be exempt from the prohibition against anti-competitive agreements in Chapter 1 of Part 1 of the Act ("the Chapter I prohibition").

The Order replaces assimilated Commission Regulation (EU) No. 316/2014 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of technology transfer agreements (EUR 2014/316) ("the assimilated TTBER"), which expires at the end of 30th April 2026.

Under article 3 of the Order, technology transfer agreements are specified for the purposes of section 6 of the Act, with the effect that a block exemption from the Chapter 1 prohibition applies to technology transfer agreements. The block exemption has effect in respect of a technology transfer agreement subject to the conditions and obligation referred to in article 4. These include conditions relating to market share and other thresholds (see article 5) and the inclusion of hardcore restrictions and excluded restrictions (see articles 7 and 8).

The block exemption will be cancelled in respect of a technology transfer agreement if—

- there is a breach of a condition relating to the market share or other thresholds in article 5, although if the applicable market share condition in article 5(2) or (4) is met initially, and only subsequently breached, the breach has the effect of cancelling the block exemption in respect of the agreement but only with effect from the end of the period of three consecutive calendar years following the year in which the condition in question was first breached (see article 9(2));
- a hardcore restriction is included in the agreement (see articles 7 and 9(1));
- an excluded restriction is included in the agreement, although if the excluded restriction is severable from the agreement the block exemption is cancelled only in respect of the excluded restriction (see articles 8(1) and 9(3)).

In addition, the CMA may cancel the block exemption in respect of an agreement if: (i) a party to the agreement fails to comply with the obligation to provide information to it (see article 10), or (ii) the CMA considers that the agreement is not one which is exempt from the Chapter 1 prohibition as a result of section 9 of the Act (see article 11).

A transitional provision also ensures that the Chapter I prohibition does not apply for 12 months to pre-existing agreements which satisfied the conditions for exemption provided for in the assimilated TTBER but which do not otherwise satisfy the conditions for exemption provided for in this Order (see article 13).

The Order also corrects an omission in the Competition Act 1998 (Research and Development Agreements Block Exemption) Order 2022 (S.I. 2022/1271) by including a reference to Scottish procurement legislation in the definition of "passive sales", to ensure the definition applies in relation to procurement by devolved Scottish authorities (see article 14).

The block exemption applies from 1st May 2026 (see article 1(1)) and will cease to have effect at the end of 31st December 2038 (see article 16).

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.

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