

Pharma company director disqualified for competition law breaches

Amit Patel has signed undertakings that ban him from holding a director role at any UK company for the next 5 years, in connection with his involvement in illegal arrangements during his time at Auden McKenzie (Pharma Division) Ltd and Amilco Ltd.

Auden McKenzie

From September 2014 to May 2015, Mr Patel was a director at the pharmaceutical company Auden McKenzie. A Competition and Markets Authority (CMA) investigation into agreements affecting [the supply of nortriptyline](#), an NHS prescribed drug used by thousands of patients to relieve the symptoms of depression, found that Auden McKenzie and King Pharmaceuticals Ltd had shared out between them the supply of the drug to a large pharmaceutical wholesaler. The 2 companies agreed that King would supply only 25mg tablets and Auden McKenzie only 10mg tablets. They also agreed to fix quantities and prices to the wholesaler.

The object of this agreement was to limit competition, meaning the NHS – and ultimately the taxpayer – could have been paying higher prices than if competition hadn't been restricted by the agreement.

Amilco

Mr Patel is currently the sole director at Amilco and has held this directorship since 2013. Mr Patel admitted that, from 1 March 2016 to 19 Oct 2016, [Amilco and another pharmaceutical company, Tiofarma, stayed out of the UK fludrocortisone market](#) enabling the market-leader Aspen to maintain its position as the sole supplier for the UK. Fludrocortisone is a prescription-only medicine that patients rely on to treat primary or secondary adrenal insufficiency, commonly known as Addison's Disease, and the CMA has alleged that this illegal agreement protected Aspen's monopoly, giving it an opportunity to increase prices charged to the NHS by up to 1800%.

Mr Patel has now admitted that, in exchange for staying out of the market, Amilco received a 30% share of the increased prices that Aspen was able to charge.

Amit Patel will now be disqualified from taking up any director role or being involved in the management of any company based in England, Scotland or Wales for 5 years.

Consistent with his admission, Mr Patel has also withdrawn his appeal against the CMA's nortriptyline decision.

Michael Grenfell, the CMA's Executive Director of Enforcement, said:

Company directors have a responsibility to make sure their companies comply with competition law. And the CMA is determined to protect the public from directors who fail to do so.

Today's action should act as a warning to those in management positions – the CMA will not stand by when your firms break the law and take advantage of customers.

The disqualification announced today brings the total number of disqualifications secured by the CMA to 16, after it began actively using its power in December 2016. As part of the Company Directors Disqualification Act, the CMA can seek the disqualification of any director where their company has broken competition law. It is one of a number of tools the CMA can use to protect consumers from anti-competitive behaviour.

Notes to editors

1. Amit Patel has received 2 director disqualifications – 1 in relation to his time at Auden McKenzie and 1 for his time at Amilco. These will be served concurrently.
2. The disqualification covers both Auden McKenzie (Pharma Division) Ltd and Auden McKenzie Holdings Ltd.
3. Under the Company Directors Disqualification Act, the CMA has the power to apply to the court to disqualify a director from holding company directorships or performing certain roles in relation to a company for a specified period, if a company which he or she is a director of has breached competition law. The Act also allows the CMA to accept a disqualification undertaking from a director instead of bringing proceedings, which has the same legal effect as a disqualification order. A disqualification can also come before a company is found to have broken competition law.
4. References in this press release to fludrocortisone acetate tablets and to fludrocortisone are to fludrocortisone acetate 0.1mg tablets.
5. The disqualification undertakings each relate to serious breaches of competition law. In the CMA's view, those breaches would have merited a disqualification of at least 6 years. The CMA has agreed to reduce this to 5 years, given the public interest benefit of securing an immediate disqualification, without the time and cost of court proceedings.
6. On 3 June 2020, the Competition Appeal Tribunal gave Mr Patel permission

to withdraw his appeal against the CMA's decision relating to agreements affecting the supply of nortriptyline.