



## Proposed acquisition by Hytera Communications Corporation Ltd of Sepura plc - draft undertakings

1. On 10 April 2017 the Secretary of State issued a [public interest intervention notice](#) to the Competition and Markets Authority ("CMA") under section 42 of the Enterprise Act 2002 (the "Act") in relation to the proposed acquisition by Hytera Communications Corporation Limited (Hytera) of the entire issued ordinary share capital of Sepura plc (Sepura) (the "Transaction").
2. On 4 May 2017, the CMA reported to the Secretary of State in accordance with section 44(2) of the Act, which was within the period specified by the Secretary of State. The report contained the CMA's decisions on the jurisdictional and competition aspects of the transaction and summarised representations received by it relating to the national security public interest consideration specified in the public interest intervention notice.
3. The Secretary of State has also received further representations direct from the Home Office as regards the security concerns raised by the Transaction.
4. In the light of the report from the CMA and the advice of the Home Office, the Secretary of State considers that he has the power to refer the Transaction under section 45 of the Act to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 to carry out a more detailed assessment. Alternatively he may, instead of making such a reference, accept undertakings in lieu under paragraph 3(2) of Schedule 7 to the Act.
5. Following discussions with the Home Office, Hytera and Sepura have offered undertakings in the form of the [draft undertakings](#). The undertakings are intended to provide assurance that sensitive information and technology is protected and to ensure the maintenance of UK capabilities in servicing and maintaining radio devices used by emergency services in the UK. They require Hytera and Sepura to implement enhanced controls to protect sensitive information and technology from unauthorised access and to provide rights of access to premises and information so that relevant agencies including the Home Office can audit compliance with the security measures. Hytera and Sepura have also undertaken to continue the UK repair and maintenance service for the relevant radio devices as long as it is required by the Home Office.
6. In line with advice from the Home Office, the Secretary of State is proposing to accept the draft undertakings offered by Hytera and Sepura instead of making a reference to the CMA for a more detailed investigation.
7. In accordance with paragraph 2 of Schedule 10 to the Act the Secretary of State is publishing the draft undertakings for consultation before accepting them. Under paragraph 9 of that Schedule he can dispense with any of the requirements of the Schedule if he considers there are special reasons for doing so. Given the importance of maintaining the service provided by Sepura and in order to minimise

uncertainty surrounding the progress of the proposed acquisition, the Secretary of State has decided that in this case the consultation should be expedited.

8. Interested parties wishing to make representations in relation to the proposed undertakings should do so in writing by **5pm on Wednesday, 10 May 2017**, to:

[publicinterestconsultation@beis.gov.uk](mailto:publicinterestconsultation@beis.gov.uk)

Consumer and Competition Policy Directorate  
Department of Business, Energy and Industrial Strategy  
1 Victoria Street  
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9. A copy of the draft undertakings, together with the CMA's report, can be found at: [www.gov.uk/government/consultations/proposed-acquisition-of-sepura-plc-by-hytera-communications-corporation-ltd-draft-undertakings](http://www.gov.uk/government/consultations/proposed-acquisition-of-sepura-plc-by-hytera-communications-corporation-ltd-draft-undertakings). The Confidential Annex to the undertakings which sets out the detail of the security control measures is not being published in order to protect their security.