

## **ACQUISITION BY ELECTRO RENT CORPORATION OF TEST EQUIPMENT ASSET MANAGEMENT LIMITED**

### **Derogation from Interim Order**

#### **Background**

- A. On 7 November 2017 the Competition and Markets Authority (CMA) made an Interim Order pursuant to [section 81](#) of the Enterprise Act 2002 (the Act) applying to Electro Rent Corporation, Electro Rent Europe (including its UK branch) and Test Equipment Asset Management Limited (together ‘the Parties’) to ensure that no action is taken pending final determination of the Reference which might prejudice the Reference or impede the taking of any action by the CMA under Part 3 of the Act which may be justified by the CMA’s decisions on the Reference and adopted the derogations to the Phase 1 Initial Enforcement Order (IEO) to that date.
- B. The Reference has not been finally determined in accordance with [section 79](#) of the Act.
- C. The Interim Order prohibits certain actions without the prior consent of the CMA.

#### ***Derogation requests and CMA consent***

- 1. On 10 July 2018, the Parties informed the CMA (via the Monitoring Trustee) that, as a result of changes in their business performance, Microlease is planning to adjust its focus regarding a particular supplier arrangement. In particular, it was planning to modify a distribution agreement, and refocus staff elsewhere.
- 2. The Parties explained their planned approach regarding staff, and noted the very small scale of Microlease’s existing business which would be affected by these changes.
- 3. On 26 July 2018, the CMA consented to the Parties modifying their supplier arrangement, and the consequential changes to the business which they described.

Signed by authority of the CMA

Simon Polito  
CMA Group Chairman  
27 July 2018