

**DEROGATION LETTER  
IN RESPECT OF INITIAL ENFORCEMENT ORDERS ISSUED  
PURSUANT TO SECTION 72(2) ENTERPRISE ACT 2002**

**Consent under section 72(3C) of the Enterprise Act 2002 to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority (CMA) on 24 June 2019**

**Acquisition by Amazon.com NV Investment Holdings LLC of certain rights and a minority shareholding in Deliveroo**

We refer to your emails dated 28 June 2019 requesting that the CMA consents to derogations to the Initial Enforcement Order of 24 June 2019 (the **Initial Order**). The terms defined in the Initial Order have the same meaning in this letter.

Under the Initial Order, save for written consent by the CMA, Amazon, Amazon.com NV, Amazon EU SARL and Deliveroo are required to hold separate the Deliveroo business from the Amazon business and refrain from taking any action which might prejudice a reference under section 22 or 33 of the Act or impede the taking of any remedial action following such a reference. After due consideration of your request for derogations from the Initial Order, based on the information received from you and in the particular circumstances of this case, Amazon, Amazon.com NV, Amazon EU SARL and Deliveroo may carry out the following actions, in respect of the specific paragraphs:

**1. Paragraphs 4(c), 5(c), 5(d), 5(e), 5(i) and 5(k) of the Initial Order**

The CMA consents that the obligations in paragraphs 4(c), 5(c), 5(d), 5(e), 5(i) and 5(k) do not apply to Amazon and Deliveroo. This derogation is granted based on the representations made by Amazon and Deliveroo to the CMA that, given the nature of arrangements between Amazon and Deliveroo, a derogation is proportionate and in line with the aims of the Initial Order, and will allow Amazon and Deliveroo to operate their businesses in the ordinary course.

**2. Paragraphs 4(b) and 5(b) of the Initial Order**

Amazon submitted that given it is a publicly listed company it is not able to ensure its compliance with paragraph 4(b) where one or more third parties might seek to

acquire control. Amazon also submitted that paragraph 5(b) should not be applied given the nature of the arrangements between Amazon and Deliveroo and that the burden of complying with these obligations would be disproportionate compared to aims of the Initial Order.

The CMA consents that paragraphs 4(b) and 5(b) do not apply to Amazon.

### **3. Paragraph 4(b) and 5(b) of the Initial Order**

Deliveroo submitted that the business of Deliveroo and its subsidiaries carried out outside the UK, excepting any business activities outside the UK which are necessary for the effective functioning of the Deliveroo business in the UK (the **Deliveroo International business**), should be excluded from the scope of paragraphs 4(b) and 5(b) on the basis that the Deliveroo International business is entirely separate from the UK business and the application of these paragraphs to the Deliveroo International business represents a significant burden on Deliveroo.

The CMA grants a derogation excluding the Deliveroo International business from paragraphs 4(b) and 5(b) on the basis that this business is entirely separate and has no relevance on Deliveroo's activities in the UK, and subject to the restriction that, in regards to paragraph 4(b), there is no transfer of ownership or control of any Deliveroo business (including the Deliveroo International business) to the Amazon business.

### **4. Paragraph 5(f) of the Initial Order**

The CMA consents to a derogation for Deliveroo from paragraph 5(f) that allows it to make changes to the software and hardware platforms of the Deliveroo business. This derogation is granted based on the representations made by Deliveroo to the CMA that, given the nature of arrangements between Amazon and Deliveroo, a derogation is proportionate and in line with the aims of the Initial Order, and will allow Deliveroo to operate its business in the ordinary course. This derogation does not allow for any integration of the information technology of the Deliveroo business or Amazon business.

### **5. Paragraph 11 of the Initial Order**

Amazon and Deliveroo submitted that paragraph 11 should exclude material developments (i) arising in the ordinary course of business; and/or (ii) relating to the Deliveroo International business and to the business of Amazon and its subsidiaries carried out outside the UK, excepting any business activities outside the UK which are necessary for the effective functioning of the Amazon business in the UK (the **Amazon International business**). The CMA consents to this request on the basis that this derogation is appropriate given the nature of the arrangements between

Amazon and Deliveroo and the aims of the Initial Order, and that this derogation will significantly ease the administrative burden in a proportionate manner.