

## **REFERENCE RELATING TO THE COMPLETED ACQUISITION BY JD SPORTS FASHION PLC OF FOOTASYLUM PLC**

### **Notice of provisional findings made under Rule 11.3 of the Competition and Markets Authority Rules of Procedure<sup>1</sup>**

1. On 1 October 2019, the Competition and Markets Authority (CMA), in exercise of its duty under section 22(1) of the Enterprise Act 2002 (the Act), made a reference to its chair for the constitution of a group of CMA panel members (the Inquiry Group)<sup>2</sup> regarding the completed acquisition by JD Sports plc of Footasylum plc<sup>3</sup> (together known as the Parties) and requiring it to report within a period ending by 16 March 2020. This period was subsequently extended until 11 May 2020 under section 39(3) of the Act.

#### **Provisional findings**

2. The Inquiry Group appointed to consider this reference has made the following provisional findings on the statutory questions it has to decide pursuant to section 35(1) of the Act:
  - (a) a relevant merger situation has been created; and
  - (b) the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition (SLC) in:
    - (i) the retail supply of sports-inspired casual footwear (in-store and online) in the UK; and
    - (ii) the retail supply of sports-inspired casual apparel (in-store and online) in the UK.

<sup>1</sup> See Rules of procedure for merger, market and special references groups (CMA17).

<sup>2</sup> Under Schedule 4 of the Enterprise and Regularity Reform Act 2013.

<sup>3</sup> On 19 September 2019 Footasylum plc became Footasylum Limited.

3. The Inquiry Group has also provisionally found that the creation of that relevant merger situation has not resulted in and is not expected to result in an SLC on the basis of coordinated effects in the relevant markets.
4. The Inquiry Group's reasons are set out in full in the provisional findings report, which is attached to this notice and are summarised in the summary of the provisional findings report (see note below).

### **Next steps**

5. Anyone wishing to comment on the provisional findings is now invited to provide the Inquiry Group with their reasons in writing as to why these provisional findings should not become final (or, as the case may be, should be varied).
6. These reasons should be received by the Project Manager on behalf of the Inquiry Group no later than **4pm on 3 March 2020**.
7. The Inquiry Group will have regard to any such reasons in making its final decision on the statutory questions and any consequential actions. However, the Inquiry Group shall not be obliged to take into account reasons which are provided after the deadline specified in paragraph 6 above.
8. The Inquiry Group is also publishing a Notice of Possible Remedies which will set out the actions which it considers might be taken by the CMA to remedy the SLC and resultant adverse effects provisionally identified.

Kip Meek  
Inquiry Group Chair  
11 February 2020

Note: a copy of this notice, the summary of the provisional findings report and the Notice of possible remedies will be placed on the CMA case page on 11 February 2020 and the provisional findings will be placed on the CMA case page on 11 February 2020 or shortly thereafter. The published version of the provisional findings will not contain any information which the Inquiry Group considers should be excluded from the report, having regard to the three considerations set out in section 244 of the Act. These omissions are indicated by [X].