

Completed acquisition by Hunter Douglas N.V. of convertible loan notes and certain rights in 247 Home Furnishings Ltd. in 2013 and the completed acquisition by Hunter Douglas N.V. of a controlling interest in 247 Home Furnishings Ltd. in 2019

Decision to refer

ME/6867/19

The CMA's decision to refer under section 22 of the Enterprise Act 2002 given on 1 April March 2020. Full text of the decision published on 6 April 2020.

Introduction

1. Hunter Douglas N.V. (**Hunter Douglas**) acquired convertible loan notes and certain rights in 247 Home Furnishings Ltd. (**247**) in 2013 (the **2013 Transaction**) and acquired 100% of the shares in 247 in 2019 (**2019 Transaction**) (both **the Transactions**). Hunter Douglas and 247 are together referred to as the **Parties**.
2. On 20 March 2020, the Competition and Markets Authority (**CMA**) decided under section 22(1) of the Enterprise Act 2002 (the **Act**) that it is or may be the case that, as a result of each of the Transactions, a separate relevant merger situation has been created and that each Transaction may be expected to result in a substantial lessening of competition (**SLC**) within a market or markets in the United Kingdom (the **SLC Decision**).¹
3. On the date of the SLC Decision, the CMA gave notice pursuant to section 34ZA(1)(b) of the Act to Hunter Douglas of the SLC Decision. However, in order to allow Hunter Douglas the opportunity to offer undertakings to the CMA for the purposes of section 73(2) of the Act, the CMA did not refer the Transactions for a phase 2 investigation pursuant to section 22(3)(b) on the date of the SLC Decision.

¹ See [case page](#)

4. Pursuant to section 73A(1) of the Act, if a party wishes to offer undertakings for the purposes of section 73(2) of the Act, it must do so before the end of the five working day period specified in section 73A(1)(a) of the Act. The SLC Decision stated that the CMA would refer the Transactions for a phase 2 investigation pursuant to sections 22(1), and in accordance with section 34ZA(2) of the Act, if no undertakings for the purposes of section 73(2) of the Act were offered to the CMA by the end of this period (ie by 27 March 2020)); if Hunter Douglas indicated before this deadline that it did not wish to offer such undertakings; or if the undertakings offered were not accepted.
5. Hunter Douglas did not offer such undertakings to the CMA before the end of the five working day period specified in section 73A(1)(a) of the Act.
6. Pursuant to section 25(5)(c) of the Act, the CMA hereby cancels the four-month period mentioned in section 24(1) of the Act which it extended in the SLC Decision in accordance with section 25(4) of the Act, effective at 5.00pm on the 1 April 2020.

Decision

7. Therefore, pursuant to sections 22(1) and in accordance with section 34ZA(2) of the Act, the CMA has decided to refer the Transactions to its chair for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 to conduct a phase 2 investigation.

Colin Raftery
Senior Director, Mergers
Competition and Markets Authority
1 April 2020