

## **Appendices and glossary**

### *Appendices*

A: Terms of reference and conduct of the inquiry

Glossary

# Appendix A: Terms of reference and conduct of the inquiry

## Terms of reference

1. In exercise of its duty under [section 33\(1\)](#) of the Enterprise Act 2002 (the Act) the Competition and Markets Authority (CMA) believes that it is or may be the case that:
  - (a) arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation, in that:
    - (i) enterprises carried on by Amazon.com, Inc. (Amazon) will cease to be distinct from enterprises carried on by Roofoods Ltd (Deliveroo); and
    - (ii) the condition specified in [section 23\(1\)\(b\)](#) of the Act is satisfied; and
  - (b) the creation of that situation may be expected to result in a substantial lessening of competition within a market or markets in the United Kingdom (UK) for goods or services, including in the supply of online food platforms in the UK and in the supply of online convenience groceries in the UK.
2. Therefore, in exercise of its duty under [section 33\(1\)](#) of the Act, the CMA hereby makes a reference to its chair for the constitution of a group under [Schedule 4](#) to the Enterprise and Regulatory Reform Act 2013 in order that the group may investigate and report, within a period ending on 11 June 2020, on the following questions in accordance with [section 36\(1\)](#) of the Act:
  - (a) whether arrangements are in progress or contemplation which, if carried into effect, will result in the creation of a relevant merger situation; and
  - (b) if so, whether the creation of that situation may be expected to result, in a substantial lessening of competition within any market or markets in the UK for goods or services.

**Andrea Gomes da Silva**  
**Executive Director, Markets and Mergers**  
**Competition and Markets Authority**  
**27 December 2019**

## Conduct of the inquiry

3. On 27 December 2019 the CMA [referred](#) the anticipated acquisition by Amazon.com NV Investment Holdings LLC, a wholly-owned subsidiary of Amazon of certain rights and a minority shareholding in Deliveroo for an in-depth phase 2 investigation.
4. We published the biographies of the members of the inquiry group conducting the phase 2 inquiry on the inquiry [webpage](#) on 6 January 2020 and the administrative timetable for the inquiry was published on the inquiry [webpage](#) on 17 January 2020.
5. We invited a wide range of interested parties to comment on the Merger. These included investors, online food platforms, on-demand logistics platforms, grocery retailers and restaurants. We issued detailed questionnaires to these various parties and a number of them provided us with further information at hearings, during teleconferences and in response to written requests. Evidence submitted during phase 1 was also considered in phase 2.
6. We also commissioned Accent and PJM Economics to conduct an online survey of customers who had placed a grocery delivery order for same day delivery with Amazon Prime Now or Deliveroo between 24 February 2020 and 1 March 2020. A copy of the findings, including the questionnaires used, are published on the inquiry [webpage](#) alongside this document.
7. On 28 January 2020, we published an Issues statement on the inquiry [webpage](#) setting out the areas of concern on which the inquiry would focus.
8. We received written evidence from the Parties in the form of submissions and responses to information requests. The Parties initial submission was published on the inquiry [webpage](#) on 29 January 2020.
9. Members of the inquiry group, accompanied by CMA staff, visited Amazon and Deliveroo's offices in London on 5 February 2020.
10. During our inquiry, we sent the Parties a number of working papers for comment. We also provided the Parties and third parties with extracts from our working papers for comments on accuracy and confidentiality. The Parties were also sent an annotated issues statement, which outlined our thinking prior to their respective hearings.
11. We held separate hearings with the Parties on 31 March 2020.

12. A non-confidential version of our provisional findings report has been published on the inquiry [webpage](#). Interested parties are invited to comment on this document.
13. We would like to thank all those who have assisted in our inquiry so far.

## Glossary

<b>Act</b>	<a href="#">Enterprise Act 2002</a> .
<b>Amazon</b>	Amazon.com, Inc.
<b>Amazon Prime</b>	A subscription service for consumers, which includes access to free delivery, certain deals, film and TV streaming and more. <b>Amazon Prime</b> customers are also able to use Amazon Prime Now (which allows members to place orders for fast, same-day delivery on a variety of (food and non-food) items).
<b>Amazon Restaurants</b>	<b>Amazon</b> previously offered restaurant food delivery in both the UK and the US through <b>Amazon Restaurants</b> . It stopped operating <b>Amazon Restaurants</b> in the UK in November 2018 and in the US in June 2019.
<b>AWS</b>	Amazon Web Services. Provides cloud storage and other IT infrastructure to businesses and organisations.
<b>CC</b>	Competition Commission.
<b>CMA</b>	Competition and Markets Authority.
<b>CMA's Jurisdictional Guidance</b>	<a href="#">Mergers: Guidance on the CMA's jurisdiction and procedure (CMA2)</a> .
<b>Coronavirus (COVID-19)</b>	See the <a href="#">GOV.UK website</a> .
<b>Deliveroo</b>	Roofoods Ltd.
<b>Initial submission</b>	The <b>Parties</b> initial <b>phase 2</b> submission submitted to the <b>CMA</b> on 24 December 2019 and <a href="#">published</a> by the <b>CMA</b> on 29 January 2020.
<b>IPO</b>	Initial public offering.
<b>Issues statement</b>	Issues Statement on the <b>Merger</b> <a href="#">published</a> by the <b>CMA</b> on 28 January 2020.
<b>MAGs</b>	<a href="#">Merger Assessment Guidelines (CC2 Revised)</a> .

<b>OCG</b>	Online convenience groceries.
<b>Parties</b>	Throughout this document we refer to <b>Amazon</b> and <b>Deliveroo</b> collectively as ‘the Parties’.
<b>Phase 1</b>	The investigation, by the <b>CMA</b> , of the <b>Transaction</b> to determine whether the statutory test for reference to an in-depth <b>phase 2</b> has been met.
<b>Phase 1 Decision</b>	The <b>CMA</b> ’s decision on reference under <a href="#">section 33(1)</a> of the <b>Act</b> given on 11 December 2019. The full text of the decision was <a href="#">published</a> by the <b>CMA</b> on 29 January 2020.
<b>Phase 2</b>	The in-depth inquiry by the <b>CMA</b> of the <b>Transaction</b> following the reference from <b>phase 1</b> .
<b>SLC</b>	Substantial lessening of competition.
<b>Transaction</b>	On 27 December 2019, the <b>CMA</b> , in exercise of its duty under <a href="#">section 33(1)</a> of the <b>Act</b> , referred the anticipated acquisition by Amazon.com NV Investment Holdings LLC, a wholly-owned subsidiary of <b>Amazon</b> , of certain rights and a minority shareholding in <b>Deliveroo</b> for further investigation and report.