

Completed acquisition by JD Sports Fashion plc of Footasylum plc¹

Notice of proposal to accept Final Undertakings pursuant to sections 41, 82 and 90 of and Schedule 10 to the Enterprise Act 2002 and public consultation on the proposed Final Undertakings

Background

1. On 12 April 2019, JD Sports Fashion plc (**'JD Sports'**) completed its acquisition of Footasylum plc (**'Footasylum'**) (the **'Merger'**).
2. On 1 October 2019, the Competition and Markets Authority (**'CMA'**), in accordance with section 22(1) of the Enterprise Act 2002 (the **'Act'**), referred the Merger to a group of CMA panel members to determine, pursuant to section 35 of the Act:
 - (a) whether a relevant merger situation has been created; and
 - (b) if so, whether the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition (**'SLC'**) in any market or markets in the United Kingdom (**'UK'**) for goods or services.
3. On 6 May 2020, the CMA published its final report pursuant to section 38 of the Act (the **'Report'**) which concluded that:
 - (a) the Merger has created a relevant merger situation;
 - (b) the creation of that situation has resulted in, or may be expected to result, in SLCs in relation to the supply of sports-inspired casual footwear and apparel both in-store and online in the UK; and
 - (c) the CMA should take action to remedy the SLCs found and any adverse effects resulting from them.
4. On 17 June 2020, JD Sports made an application to the Competition Appeal Tribunal pursuant to section 120 of the Act for a review of the CMA's decision in the Report.

¹ On 19 September 2019, Footasylum plc became Footasylum Limited. References to Footasylum should be interpreted to mean both Footasylum plc (in the period prior to 20 September 2019) and Footasylum Limited (in the period since 20 September 2019).

5. The CMA has reached agreement with JD Sports, Footasylum and Pentland Group Limited (Jersey) and Pentland Group Limited as to the terms of Final Undertakings for the purpose of remedying, mitigating or preventing the SLCs it has identified in the Report and any adverse effects arising from the SLCs. The proposed Final Undertakings are attached to this Notice.

Notice of proposal to accept undertakings

6. The CMA now hereby gives notice under paragraph 2 of Schedule 10 to the Act that:
 - (a) the CMA proposes to accept the attached proposed Final Undertakings;
and
 - (b) the proposed Final Undertakings seek to address the SLCs identified in the Report and any adverse effects arising from the SLCs.
7. The CMA invites written representations on the proposed Final Undertakings from any person or persons who wish to comment.
8. Please note due to the ongoing COVID-19 outbreak, the CMA's offices across the UK are closed until further notice. We are no longer able to accept delivery of any documents or correspondence by post or courier to any of our offices.
9. Representations should reach the CMA via email by 5pm on Friday 3 July 2020 and should be addressed to: JDsports.Footasylum@cma.gov.uk.
10. The CMA will consider any written representations made in accordance with this Notice and may make modifications to the proposed Final Undertakings as a result. In the absence of any written representations, or in the event that the CMA decides, on consideration of representations made and not withdrawn, not to amend the proposed Final Undertakings, the CMA proposes to accept the proposed Final Undertakings in their present form pursuant to section 82 of the Act. If the CMA considers that any representation necessitates any material change to the proposed undertakings, the CMA will give notice of the proposed modifications.
11. Once accepted, the Final Undertakings may be varied, superseded or released by the CMA under section 82(2) of the Act.
12. This Notice and a non-confidential version of the proposed Final Undertakings will be published on the CMA website.

Signed by authority of the CMA

Kip Meek
Inquiry Group Chair
18 June 2020