

Completed acquisition by TVS Europe Distribution Limited of 3G Truck & Trailer Parts Limited

Notice of Acceptance of final undertakings pursuant to sections 41, 82, 90 and Schedule 10 to the Enterprise Act 2002

Background

1. On 12 June 2020, the Competition and Markets Authority (the '**CMA**') made a reference to its chair for the constitution of a Group of CMA Panel Members (the '**Inquiry Group**') under Schedule 4 of the Enterprise and Regulatory Reform Act 2013 pursuant to section 22(1) of the Enterprise Act 2002 (the '**Act**'), to investigate and report on the completed acquisition by TVS Europe Distribution Limited ('**TVS EDL**'), the holding company of Universal Components ('**UC**') and 3G Truck & Trailer Parts Limited ('**3G**') (the '**Merger**'). The ultimate parent company of TVS EDL is TVS Automobile Solutions Private Limited ('**TVS ASPL**').
2. The Inquiry Group was required to decide, 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 10 February 2020, the CMA made an initial enforcement order ('**IEO**') pursuant to section 72(2) of the Act for the purpose of preventing pre-emptive action. On 19 June 2020, the CMA issued directions under the IEO for the appointment of a monitoring trustee (the '**Monitoring Trustee**') in order to monitor and ensure compliance with the IEO.
4. On 12 January 2021, the CMA published a 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 may be expected to result in an SLC in the wide range wholesale supply of commercial vehicle and trailer ('**CVT**') parts to motor factors in the independent aftermarket ('**IAM**') in the UK;

- (c) the CMA should take action to remedy the SLC found and its resulting adverse effects;
 - (d) having regard to the need to achieve as comprehensive a solution as is reasonable and practicable, the full divestiture of the 3G business to a suitable purchaser would be an effective and proportionate remedy; and
 - (e) undertakings should be given to the CMA or, where undertakings are not agreed, an order should be made to give effect to the remedy identified by the CMA in chapter 10 of the Report, namely the divestiture of the 3G business.
5. The CMA has reached agreement with TVS ASPL, TVS EDL, UC and 3G as to the terms of the final undertakings for the purpose of remedying, mitigating or preventing the SLC it has identified and its resulting adverse effects (the '**Final Undertakings**').
 6. On 23 February 2021, the CMA gave notice of a proposal to accept Final Undertakings on its website. No representations were received.
 7. On 30 March 2021, TVS ASPL, TVS EDL, UC and 3G gave the CMA Final Undertakings, giving effect to the CMA's decision as published in its Final Report and which are in the same terms as those consulted on.
 8. The CMA, under section 82 of the Act, now accepts those Final Undertakings as given by TVS ASPL, TVS EDL, UC and 3G. A copy of the Final Undertakings is attached. The Final Undertakings now come into force and the reference is finally determined.
 9. The Final Undertakings may be varied, superseded or released by the CMA under section 82(2) of the Act.
 10. This notice and a non-confidential version of the Final Undertakings will be published on the CMA website. The CMA has excluded from the non-confidential version of the Final Undertakings information which it considers should be excluded, having regard to the considerations set out in section 244 of the Act. These omissions are indicated by [✂].

Signed by authority of the CMA

Kirsten Baker
Inquiry Chair
30 March 2021