

REFERENCE RELATING TO THE COMPLETED ACQUISITION BY FACEBOOK, INC OF GIPHY, INC

Notice of provisional findings made under Rule 11.3 of the Competition and Markets Authority Rules of Procedure¹

1. On 1 April 2021, the Competition and Markets Authority (**CMA**), made a reference to its chair for the constitution of a Group of CMA Panel Members (the **Inquiry Group**)² in accordance with section 22 of the Enterprise Act 2002 (the **Act**), regarding the completed acquisition by Facebook, Inc (**Facebook**) of GIPHY, Inc (**GIPHY**) and requiring it to report within a period ending on 15 September 2021.
2. On 7 June 2021, the CMA published a notice of an extension of the reference period, made pursuant to section 39(4) of the Act, as a result of the failure by Facebook to comply with the requirements of a notice under section 109 of the Act (the **section 109 notice**).
3. On 29 June 2021, the CMA published a notice of termination of extension of the inquiry period, being satisfied for the purposes of section 39(8) of the Act that the documents and information required by the section 109 notice had been provided. The statutory timetable was stopped for 21 days, with the Inquiry Group now required to report within a period ending 6 October 2021.

Provisional findings

4. The CMA 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

¹ See [Rules of procedure for merger, market and special reference groups: CMA17](#).

² Under Schedule 4 to the Enterprise and Regulatory Reform Act 2013.

- (b) the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition within:
 - a. the supply of display advertising in the UK; and
 - b. the supply of social media services worldwide.
- 5. 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).

The next steps

- 6. Facebook, GIPHY and any other person wishing to comment on the provisional findings are 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).
- 7. These reasons should be received by the Inquiry Group no later than **2 September 2021**.
- 8. The Inquiry Group will have regard to any such reasons in making its final decisions on the statutory questions and actions.
- 9. The Inquiry Group is also publishing a notice of possible remedies. This will set out the actions which it considers might be taken by the CMA to remedy the substantial lessening of competition and resultant adverse effects provisionally identified.

Stuart McIntosh
Inquiry Group Chair
12 August 2021

Note: A copy of this notice and the summary of the provisional findings report will be placed on the [CMA website](#) on 12 August 2021. The CMA proposes to publish the provisional findings report on its website shortly thereafter. The published version of the provisional findings report 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].

Comments should be made by email to facebook.giphy@cma.gov.uk.