

COMPLETED ACQUISITION BY META PLATFORMS, INC (FORMERLY FACEBOOK, INC.) OF GIPHY, INC.

Notice of intention to make an Order pursuant to sections 41 and 84 of and schedule 10 to the Enterprise Act 2002 and public consultation on the proposed Order

Background

1. On 15 May 2020, Facebook, Inc. through its subsidiary, Tabby Acquisition Sub, Inc., (together “**Facebook**”) completed its acquisition of Giphy, Inc. (“**Giphy**”) (the “**Merger**”).
2. On 9 June 2020 the Competition and Markets Authority (the “**CMA**”) made an Interim Enforcement Order (the “**IEO**”) pursuant to section 72 of the Enterprise Act 2002 (the “**Act**”) requiring Facebook and Giphy to remain independent and to prevent pre-emptive action.
3. On 19 June 2020, the CMA issued directions under the IEO for the appointment of a monitoring trustee in order to monitor and ensure compliance with the IEO. On 30 July 2020, the CMA issued directions under the IEO for the appointment of a Hold Separate Manager in order to ensure compliance with the IEO.
4. On 1 April 2021, the CMA in exercise of its duty under section 22(1) of the Act, referred the Merger, for further investigation and report (the “**Reference**”) by a group of CMA panel members (the “**Inquiry Group**”).
5. On 29 June 2021, a variation order was made to the IEO. Any derogations already granted by the CMA pursuant to the IEO shall remain applicable.
6. On 28 October 2021 Facebook changed its corporate name to Meta Platforms, Inc. (“**Meta**”) pursuant to an amended and restated certificate of incorporation filed with the Delaware Secretary of State on October 28, 2021. The only change to the company’s Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws was the change of the company’s corporate name from Facebook, Inc. to Meta Platforms, Inc..
7. On 30 November 2021 the CMA published a final report pursuant to section 38 of the Act (the “**Final Report**”) which concluded that:
 - a) the Merger had resulted in the creation of a relevant merger situation;

- b) the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition (the “**SLC**”) in the following respects:
- (i) in the supply of display advertising in the UK due to horizontal unilateral effects arising from a loss of dynamic competition; and
 - (ii) in the supply of social media services worldwide due to vertical effects resulting from input foreclosure;
- c) the CMA should take action to remedy the SLCs identified and any adverse effects likely to arise; and,
- d) undertakings should be given to the CMA or where undertakings are not agreed, an order made to give effect to the remedy identified in Chapter 11 of the Final Report.
8. The CMA, having regard to its findings in the Final Report, requires the divestiture of Giphy by Meta (the “**Remedy**”).
9. The IEO will cease to be in force on the date on which this Order is made, pursuant to section 81(8) of the Act.
10. On 20 December 2021 Meta informed the CMA that it did not intend to offer undertakings. The CMA now proposes to make an Order to give effect to the Remedy.
11. On 23 December 2021 Meta 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 Final Report.
12. The proposed Order is annexed to this Notice.

Notice of proposal to accept undertakings

13. The CMA now hereby gives notice pursuant to paragraph 2 of [Schedule 10](#) to the Act that the CMA proposes to make the attached proposed Order and invites written representations on the proposed Order from any person or persons who wish to comment.
14. 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.
15. Representations should reach the CMA via email by 5pm on 2 March 2022, and should be addressed to: joanne.webb@cma.gov.uk
16. The CMA will consider any written representations made in accordance with this Notice and may make modifications to the proposed Order as a result. In the absence of any written representations, or in the event that the CMA decides, on consideration of representations made, not to make

material amendments to the Order, the CMA proposes to make the Order pursuant to section 84 of the Act. If the CMA considers that any representation necessitates any material change to the proposed Order, the CMA will give notice of the proposed modifications.

17. The Order may be varied or revoked by the CMA in accordance with sections 84(3) and 162 of the Act.
18. This Notice and a non-confidential version of the Order will be published on the CMA website.

Signed by authority of the CMA

Stuart McIntosh
Inquiry Group Chair
1 February 2022