

Anticipated acquisition by Microsoft Corporation of Activision Blizzard, Inc.

Decision to refer

ME/6983/22

The CMA's decision to refer under section 33 of the Enterprise Act 2002 given on 15 September 2022. Full text of the decision published on 15 September 2022.

Please note that [X] indicates figures or text which have been deleted or replaced in ranges at the request of the parties for reasons of commercial confidentiality.

Introduction

1. Microsoft Corporation (**Microsoft**) has agreed to acquire Activision Blizzard, Inc. (**ABK**) (the **Merger**). Microsoft and ABK are together referred to as the **Parties**.
2. On 1 September 2022, the Competition and Markets Authority (**CMA**) decided under section 33(1) of the Enterprise Act 2002 (the **Act**) that it is or may be the case that the Merger consists of arrangements that are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation, and that this may be expected to result in a substantial lessening of competition (**SLC**) within a market or markets in the United Kingdom (the **SLC Decision**).¹
3. On the date of the SLC Decision, the CMA gave notice pursuant to section 34ZA(1)(b) of the Act to the Parties of the SLC Decision. However, in order to allow the Parties the opportunity to offer undertakings to the CMA for the purposes of section 73(2) of the Act, the CMA did not refer the Merger for a phase 2 investigation pursuant to section 33(3)(b) on the date of the SLC Decision.

¹ See <https://www.gov.uk/cma-cases/microsoft-slash-activision-blizzard-merger-inquiry>.

4. Pursuant to section 73A(1) of the Act, if a party wishes to offer undertakings for the purposes of section 73(2) of the Act, it must do so before the end of the five working day period specified in section 73A(1)(a) of the Act. The SLC Decision stated that the CMA would refer the Merger for a phase 2 investigation pursuant to section 33(1), and in accordance with section 34ZA(2) of the Act, if no undertakings for the purposes of section 73(2) of the Act were offered to the CMA by the end of this period (ie by 8 September 2022); if the Parties indicated before this deadline that they did not wish to offer such undertakings; or if the undertakings offered were not accepted.
5. On 6 September 2022, Microsoft informed the CMA that it would not offer such undertakings to the CMA.

Decision

6. Therefore, pursuant to sections 33(1) and in accordance with section 34ZA(2) of the Act, the CMA has decided to refer the Merger to its chair for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 to conduct a phase 2 investigation.

Sorcha O'Carroll
Senior Director, Mergers
Competition and Markets Authority
15 September 2022