

**DEROGATION LETTER  
IN RESPECT OF INITIAL ENFORCEMENT ORDERS ISSUED  
PURSUANT TO SECTION 72(2) ENTERPRISE ACT 2002**

**Consent under section 72(3C) of the Enterprise Act 2002 (the ‘Act’) to certain  
actions for the purposes of the Initial Enforcement Orders made by the  
Competition and Markets Authority (‘CMA’) on 31 October 2022**

**COMPLETED ACQUISITIONS BY INDEPENDENT VETCARE LTD**

Dear Bertrand Louveaux,

We refer to your email and accompanying note dated 7 October 2022 (as subsequently amended) requesting that the CMA consents to derogations to the Initial Enforcement Orders (the “**Initial Orders**”) dated 31 October 2022. The terms defined in the Initial Orders have the same meaning in this letter. Further, in this letter:

- **UK Business** means the IVC business save for the Non-UK Business.
- **Non-UK Business** comprises businesses located in the EU, Norway, Switzerland, Canada and the United States.<sup>1</sup>

Under the Initial Orders, save for written consent by the CMA, the Acquirer Group is required to hold separate the Acquirer Group business from the Target Entities and refrain from taking any action which might prejudice a reference under section 22 of the Act or impede the taking of any remedial action following such a reference.

After due consideration of your request for a derogation from the Initial Orders, based on the information received from you and in the particular circumstances of this case, IVC may carry out the following actions, in respect of the specific paragraphs:

**1. Paragraphs 4(b), 5(b), 5(c), 5(e), 5(h), 5(i), 5(k) and 8 of the Initial Orders**

IVC has sought the CMA’s consent to limit the scope of paragraphs 4(b), 5(b), 5(c), 5(e), 5(h), 5(i), 5(k) and 8 of the Initial Orders so that they apply only to the UK Business (thereby excluding the Non-UK Business from the abovementioned provisions of the Initial Orders).

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<sup>1</sup> [X].

IVC submits that there is a clear demarcation between its UK Business and Non-UK Business. IVC submits in particular that:

- A. IVC's Non-UK Business does not provide any input from a commercial, strategic or operational perspective to its UK Business, [X]. IVC submits that this does not involve the exercise of any influence by the businesses concerned over each other's commercial, strategic, or operational affairs.
- B. IVC's Non-UK Business does not engage in [X] or activities in [X] or otherwise support the commercial activities of its UK Business.<sup>2</sup>
- C. Individuals who are employed or engaged by IVC's UK Business do not have a dual role in respect of IVC's Non-UK Business (and vice versa).<sup>3</sup>
- D. [X].
- E. IVC's UK Business does not use, and is not reliant, on any tangible or intangible assets owned by its Non-UK Business in order to: (i) conduct its day-to-day-business in the UK; and/or (ii) ensure its continued operation and ongoing viability.
- F. IVC's UK Business operates on its own IT systems and applications (which are owned and controlled at IVC UK level).<sup>4</sup>
- G. IVC's UK Business has its own financial and operational functions (and, as such, is not reliant on IVC's Non-UK Business for these functions).
- H. The contracts which support the ongoing operation and viability of IVC's UK Business [X].
- I. The viability and competitive capability of IVC's UK Business is not dependent on its Non-UK Business (and vice versa).

On the basis of representations provided by IVC above, the CMA consents to a derogation to limit the scope of paragraphs 4(b), 5(b), 5(c), 5(e), 5(h), 5(i), 5(k) and 8 of the Initial Orders so that they only apply to the UK Business, strictly on the basis that:

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<sup>2</sup> IVC submits that IVIS Ltd (t/a/Fido), a company acquired in 2021, is based in the Republic of Ireland and provides microchipping and registration services for dogs and cats including to one company based in the UK. IVC further submits that Avenue Vets, an IVC small animal clinic based in the Republic of Ireland, [X]. None of the Target Entities are active in Northern Ireland.

<sup>3</sup> [X].

<sup>4</sup> IVC submits that the IVC business (including IVC's UK business) uses certain third-party platforms – for example [X] – for administrative and operational purposes. However, IVC submits that this does not entail the sharing of data or give rise to any other interdependencies between practices in different jurisdictions.

- (i) Notwithstanding that their roles extend to the Non-UK Business, the central management team of IVC who hold management responsibilities in, or otherwise provide commercial, strategic or operational input to the UK Business (including IVC's Group Executive Committee<sup>5</sup>) will remain within the scope of the Initial Orders.
- (ii) This derogation will not cause disruption to the UK Business, nor impact its ongoing operation or viability on a standalone basis.
- (iii) IVC has disclosed all relevant links between the UK Business and the Non-UK Business.
- (iv) This derogation will not lead to pre-emptive action which might prejudice the outcome of a reference or impede the taking of any action which may be justified by the CMA's decisions on a reference.

Sincerely,

Faye Fullalove  
Assistant Director  
Mergers  
31 October 2022

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<sup>5</sup> The Group Executive Committee comprises the following individuals [redacted].