

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 29 June 2021, a variation order was made to the IEO. Any derogations already granted by the CMA pursuant to the IEO remained applicable. 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 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.
6. On 30 November 2021, the CMA published a final report pursuant to section 38 of the Act (the ‘**Phase 2 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 (‘**SLC**’) in the following respects:

made, pursuant to section 72(6)(a)(ii) of the Act. Any derogations already granted by the CMA pursuant to the IEO, the Phase 2 Final Order or Interim Order remain applicable.

14. On 19 October 2022, the CMA issued a final report on the Remittal Inquiry (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 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) that Giphy be divested (the '**Remedy**').
15. The implementation of the Remedy will be subject to among others the following safeguards:
 - (a) The CMA will need to satisfy itself of the suitability of the Potential Purchaser of the Divestment Business (see Schedule 1);
 - (b) Provisions are included in this Order for the CMA's ability to appoint a Divestiture Trustee (see Article 8).
16. On 31 October 2022, Meta advised that it did not intend to offer undertakings.
17. The CMA, having regard to its findings in the Final Report, requires the divestiture of Giphy by Meta (the "**Remedy**").
18. The Interim Order will cease to be in force on the date on which this Order is made, pursuant to [section 81\(8\)](#) of the Act.
19. On 9 November 2022 a Notice of intention to make an Order and the proposed Order were published but the incorrect Notice was published.
20. The CMA now hereby gives notice pursuant to paragraph 2 of [Schedule 10](#) to the Act that the CMA proposes to make the linked [proposed Order](#) (unchanged from the one published on 9 November 2022) and invites

written representations on the proposed Order from any person or persons who wish to comment.

21. Representations should reach the CMA via email by 5pm on 30th December 2022, and should be addressed to: adam.cooper@cma.gov.uk
22. 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.
23. The Order may be varied or revoked by the CMA in accordance with sections [84\(3\)](#) and [162](#) of the Act.
24. 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 December 2022