

# Anticipated acquisition by Broadcom Inc. of VMware, Inc.

## DECISION TO REFER

**ME/7011/22**

The CMA's decision to refer under section 33 of the Enterprise Act 2002 given on 29 March 2023. Full text of the decision published on 29 March 2023.

### Introduction

1. Broadcom Inc. (**Broadcom**) has agreed to acquire VMware, Inc. (**VMware**) (the **Merger**). Broadcom and VMware are together referred to as the **Parties**.
2. On 22 March 2023, 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**).<sup>1</sup>
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.
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 29 March 2023); if the Parties indicated before this deadline that they

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<sup>1</sup> See [Broadcom / VMware merger inquiry - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/broadcom-vmware-merger-inquiry).

did not wish to offer such undertakings; or if the undertakings offered were not accepted.

5. On 22 March 2023, Broadcom informed the CMA that it would not offer such undertakings to the CMA.

## **Decision**

6. Therefore, pursuant to section 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.

**David Stewart**  
**Executive Director, Markets and Mergers**  
**Competition and Markets Authority**  
**29 March 2023**