

## **ANTICIPATED ACQUISITION BY MICROSOFT CORPORATION OF ACTIVISION BLIZZARD, INC.**

### **Interim Order made by the Competition and Markets Authority pursuant to section 81 of the Enterprise Act 2002**

Whereas:

- (a) On 15 September 2022 the Competition and Markets Authority (**CMA**), in exercise of its duty under section 33(1) of the Enterprise Act 2002 (the **Act**) referred the anticipated acquisition by Microsoft Corporation (**Microsoft**) of Activision Blizzard, Inc. (**Activision**) (the **Merger**) for further investigation and report by a group of CMA panel members (the **Reference**).
- (b) The CMA published '[Anticipated acquisition by Microsoft of Activision Blizzard, Inc. Final report](#)' (the **Report**) on 26 April 2023. In the Report, the CMA decided, in accordance with [section 36](#) of the Act, that:
  - a. the anticipated acquisition of Activision by Microsoft constitutes arrangements in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation;
  - b. the creation of that situation may be expected to result in a substantial lessening of competition (**SLC**) in the supply of cloud gaming services in the UK, due to vertical effects resulting from input foreclosure;
  - c. the CMA should take action for the purpose of remedying, mitigating or preventing the SLC or any adverse effect which has resulted from, or may be expected to result from, the SLC; and
  - d. the prohibition of the merger would be the only effective and proportionate remedy to the SLC and any adverse effects which have resulted from, or may be expected to result from, the SLC.
- (c) The CMA wishes to ensure that no action is taken pending final determination of the Reference which might prejudice the Reference or impede the taking of any action by the CMA under Part 3 of the Act which might be justified by the CMA's decisions on the Reference.
- (d) The Reference has not yet been finally determined in accordance with section 79 of the Act.

- (e) Now for the purpose of preventing pre-emptive action in accordance with section 81 of the Act, the CMA makes the following order (**Order**).

### **Commencement, application and scope**

1. This Order commences on the commencement date: 05 May 2023.
2. This Order applies to Microsoft and Activision and all members of their Groups of Interconnected Bodies Corporate.
3. This Order will cease to have effect once the Reference is finally determined in accordance with section 79 of the Act.
4. Notwithstanding any other provision of this Order, no act or omission shall constitute a breach of this Order, and nothing in this Order shall oblige Microsoft or Activision to reverse any act or omission, in each case to the extent that it occurred or was completed prior to the commencement date.

### **Restrictions on acquiring an Interest**

5. Except with the prior written consent of the CMA, Microsoft and all members of the Group of Interconnected Bodies Corporate to which it may belong must not:
  - (a) acquire an Interest in Activision or any of its Subsidiaries;
  - (b) acquire an Interest in an Enterprise holding an Interest in Activision or carrying on the business of Activision from time to time; or
  - (c) hold an option to acquire an Interest referred to in subparagraphs (a) and (b) above.
6. Except with the prior written consent of the CMA, Activision and all members of the Group of Interconnected Bodies Corporate to which it may belong must not:
  - (a) acquire an Interest in Microsoft or any of its Subsidiaries;
  - (b) acquire an Interest in an Enterprise holding an Interest in Microsoft or carrying on the business of Microsoft from time to time; or
  - (c) hold an option to acquire an Interest referred to in subparagraphs (a) and (b) above.

## Compliance

7. Each of Microsoft and Activision shall procure that each of their Subsidiaries complies with this Order.
8. If Microsoft or Activision has any reason to suspect that this Order might have been breached it shall immediately notify the CMA.
9. The CMA may give directions to a specified person or to a holder of a specified office in any body of persons (corporate or unincorporated) to take specified steps for the purpose of carrying out, or ensuring compliance with, this Order, or do or refrain from doing any specified action in order to ensure compliance with the Order. The CMA may vary or revoke any directions so given.
10. Microsoft and Activision shall comply in so far as they are able with such directions as the CMA may from time to time give to take such steps as may be specified or described in the directions for the purpose of carrying out or securing compliance with this Order.

## Governing law

11. This Order shall be governed and construed in all respects in accordance with English law.
12. Any dispute arising concerning this Order shall be subject to the jurisdiction of the courts of England and Wales.
13. Any contractual obligations arising out of or in connection with this Order shall be governed and construed in all respects in accordance with English law.

## Interpretation

14. The Interpretation Act 1978 shall apply to this Order as it does to Acts of Parliament.
15. For the purposes of this Order:

**'Act'** means the Enterprise Act 2002;

**'Activision'** means Activision Blizzard, Inc., a company incorporated under the State of Delaware and having its principal executive offices at 2701 Olympic Boulevard, Building B, Santa Monica, California;

**'business'** has the meaning given by section 129(1) and (3) of the Act;

**'CMA'** means the Competition and Markets Authority;

**'Group of Interconnected Bodies Corporate'** means a group consisting of two or more bodies corporate all of whom are interconnected with each other within the meaning of section 129(2) of the Act, where any two bodies corporate are interconnected if (a) one of them is a body corporate of which the other is a Subsidiary; or (b) both of them are Subsidiaries of one and the same body corporate;

**'Interest'** means any interest conferring control within the meaning of section 26 of the Act which includes the ability, directly or indirectly, de jure or de facto, to control or materially influence the policy of a body corporate, or the policy of any person in carrying on an Enterprise but without having a controlling interest in that body corporate or that Enterprise;

**'Microsoft'** means Microsoft Corporation, a company incorporated under the State of Washington with registered number 600413485 and having its registered office at One Microsoft Way, Redmond, Washington 98052-6399;

**'Report'** means the report entitled 'Anticipated acquisition by Microsoft Corporation of Activision Blizzard, Inc., Final Report', published on 26 April 2023;

**'Subsidiary'**, unless otherwise stated, has the meaning given by section 1159 of the Companies Act 2006;

unless the context requires otherwise, the singular shall include the plural and vice versa.

**Martin Coleman**

**Inquiry Chair**

**05 May 2023**