

**COMPLETED ACQUISITION BY META PLATFORMS, INC.
(FORMERLY KNOWN AS FACEBOOK, INC.) OF GIPHY, INC.**

**Notice of Variation of Final Order by the Competition and Markets
Authority pursuant to section 84(3)(b) of the Enterprise Act 2002
(the Act) and notice of decision to dispense with the requirements
of Schedule 10 to the Act pursuant to paragraph 9 of Schedule 10
to the Act¹**

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 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 **Phase 2 Inquiry Group**).
3. 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.
4. On 30 November 2021 the CMA published a final report pursuant to section 38 of the Act (the **Phase 2 Final Report**) which concluded, among other matters, that the Merger had resulted has resulted, or may be expected to result, in a substantial lessening of competition (**SLC**) and, that Giphy be divested (the **Phase 2 Remedy**).
5. On 23 December 2021 Meta made an application to the Competition Appeal Tribunal (the **Tribunal**) pursuant to [section 120](#) of the Act for a review of the CMA's decision in the Final Report and sought an order quashing the CMA's decisions.

¹ The Decision to dispense with the requirements of Schedule 10 is published pursuant to section 107(2)(r) of the Act.

6. Meta did not offer undertakings implementing the Phase 2 Remedy. On 29 March 2022, the CMA made an order pursuant to [section 84](#) of the Act for the purpose of remedying, mitigating or preventing the SLC identified in the Phase 2 Final Report and any adverse effects which have resulted from, or may be expected to result from it (the '**Phase 2 Final Order**').
7. On 14 June 2022 the Tribunal's judgment was handed down on (the '**Judgment**'). In the Judgment, the Tribunal unanimously dismissed five of six of Meta's grounds of challenge but partially upheld Meta's application on one ground.
8. On 15 July 2022 the Tribunal issued an order (the '**Tribunal Order**') remitting the Reference to the CMA for reconsideration in the light of the Judgment (the '**Remittal**'). On the same day a group consisting of the same CMA panel members who constituted the Phase 2 Inquiry Group was appointed (the '**Inquiry Group**') to investigate the Reference on remittal (the '**Remittal Inquiry**').
9. On 18 July 2022 in light of the Remittal, the CMA made an interim order pursuant to [section 81](#) of the Act to prevent pre-emptive action during the Remittal and revoked the Phase 2 Final Order (the '**Interim Order**').
10. 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**').
11. On 31 October 2022 Meta advised that it did not intend to offer undertakings. On 6 January 2023 the CMA made the Meta Platforms, Inc./Giphy Inc. Final Order (the '**Final Order**') pursuant to section 84 of the Act for the purpose of implementing the Remedy. On 9 January 2023, the CMA appointed a group, consisting of the same CMA panel members who

constituted the Phase 2 Inquiry Group, to implement the remedy (the **'Remedy Group'**).

12. On 22 May 2023 the CMA decided that the Final Order should be varied in order to address practical difficulties identified by Meta and Giphy in certain provisions of the Final Order, so as to ensure effective implementation of the Remedy.
13. The provisions of the Final Order that require variation are confidential and are redacted in this variation order. The entities to whom the Final Order and this variation order apply have been separately consulted on the confidential version of the variation order. The Remedy Group now considers that this constitutes special reasons for dispensing with the procedural requirements in Schedule 10 of the Act.
14. This notice and a non-confidential version of the variation order are published on the case page. The CMA has excluded from the non-confidential version of the variation order information which it considers should be excluded having regard to the considerations set out in section 244 of the Act. These omissions are indicated by [✂].

Signed by authority of the CMA

Stuart McIntosh
CMA Remedy Group Chair
1 June 2023