

**DEROGATION LETTER  
IN RESPECT OF INTERIM ORDER ISSUED  
PURSUANT TO SECTION 81 OF ENTERPRISE ACT 2002**

**Consent under section 81 of the Enterprise Act (the ‘Act’) to certain actions for the purposes of the Interim Order made by the Competition and Markets Authority (‘CMA’) on 18 July 2022**

**Completed acquisition by Meta Platforms, Inc. (formerly Facebook, Inc.) of Giphy, Inc (the ‘Merger’)**

Dear Mr. Little,

We refer to your submission dated 26 August 2022 requesting that the CMA consent to derogations from the Interim Order of 18 July 2022 (the ‘**Interim Order**’). Unless otherwise stated, the terms defined in the Interim Order have the same meaning in this letter.

Under the Interim Order, save for prior written consent by the CMA, Meta Platforms, Inc. (‘**Meta**’) and its subsidiaries, and Giphy, Inc. (‘**Giphy**’) are required to hold separate the Meta business from the business of Giphy 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 derogations from the Interim Order, based on the information received from you and in the particular circumstances of this case, the CMA consents to Meta and Giphy carrying out the following actions, in respect of the specific paragraphs:

**1. Paragraph 5(iii) of the Interim Order**

Meta informs the CMA that it has identified a pipeline advertising product – [X] – which it would like to publicly launch outside of the UK on the following Meta [X] and applications:

	[X]	[X]
1.	[X]	[X]
2.	[X]	[X]
3.	[X]	[X]
4.	[X]	[X]
5.	[X]	[X]
6.	[X]	[X]

In support of its derogation request, Meta submits that:

- the launch of [X] is part of Meta’s [X];

- [X] are the product evolution of the [X];
- [X];
- there is clear differentiation in the use case between [X] and Giphy's paid alignment product.

Meta further submits that the public launch of [X] cannot prejudice Giphy's ability to re-launch and compete with its paid alignments advertising product in the event the CMA sustains its provisional decision (as set out in the Final Report dated 30 November 2022) to require Meta to divest Giphy.

After due consideration of Meta's request for a derogation, and in the light of the information submitted by it, the CMA consents to a derogation from paragraph 5(iii) of the Interim Order permitting the launch of [X] outside of the UK, strictly on the basis that:

- (i) [X] are defined by the following features:
  - (a) [X] do not include any form of animated sticker, including GIFs or GIF-stickers;
  - (b) [X] are interruptive, and will not overlay on top of existing video content;
  - (c) [X];
  - (d) the option to include [X] in [X] will not be made available to users generally;
  - (e) there is no ability for [X] to determine what [X] appear on their [X], nor can [X] determine which [X]. For the avoidance of doubt, [X];

Should Meta wish to adapt or develop any of these characteristics of [X], Meta shall seek the prior written consent of the CMA (which can be provided by email);

- (ii) this derogation does not result in any integration with the Giphy business; and
- (iii) this derogation will not result in any prejudice to the reference or impede the taking of any action which may be justified by the CMA's decisions on the reference.

Yours sincerely,

**Stuart McIntosh**

**Chair, Remittal Group**

**12 September 2022**