

**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 31 October 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(i) and 6(f) of the Interim Order

Meta informed the CMA that it intends to launch two new integrations with Giphy on Meta surfaces. The first involves [X]

[X].

In support of this derogation request, Meta submits that:

- (i) [X] will be available on Meta surfaces by way of an arm’s length agreement with Giphy; and
- (ii) [X] are already available in competitors’ platforms (e.g. [X]) by way of a similar arm’s length integration.

The second integration involves incorporating Giphy’s API on [X], so that Instagram users are able to use Giphy GIFs and GIF stickers across all Instagram features.

In support of this request, Meta submits that:

- (i) this is consistent with Giphy's existing contractual relationship with Meta: Giphy's API integration for GIFs and GIF stickers is currently available on a number of Meta surfaces, [REDACTED]; and
- (ii) within [REDACTED], Giphy's GIFs and GIF stickers are available on [REDACTED].

With respect to both requests for integration, Meta further submits that:

- (i) [REDACTED].
- (ii) Giphy will remain independent from Meta and will continue to act as a third party and on an arm's length basis. [REDACTED].

After due consideration of Meta's request for a derogation, and in the light of the information submitted by it, the CMA consents to this derogation from paragraphs 5(i) and 6(f) of the Interim Order, strictly on the basis that:

- (a) this derogation does not result in any commercial or operational integration between the Meta and Giphy businesses; and
- (b) 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

28 November 2022