

Anticipated acquisition by Cochlear Limited of Demant A/S

Notice of proposal to accept Final Undertakings pursuant to sections 41, 82 and 90 of and Schedule 10 to the Enterprise Act 2002 and public consultation on the proposed Final Undertakings

Background

1. On 20 December 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 Cochlear Limited (**Cochlear**) of the hearing implants division (**Oticon Medical**) of Demant A/S (**Demant**) (the **Merger**) for further investigation and report by a group of CMA panel members (the **Inquiry Group**).
2. On 22 June 2023, the CMA published its Final Report pursuant to [section 38](#) of the Act (the **Report**) which concluded that:
 - (a) arrangements are 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 relation to the supply of BCS products in the UK; and
 - (c) the CMA should take action to remedy the SLC found and any adverse effects resulting from it.
3. As set out in the Report, the CMA has decided that a partial prohibition of the Merger, preventing the sale of the BCS business to Cochlear, with the separation overseen by the CMA to address the risks the CMA has identified, would be effective and proportionate to address the SLC and the resulting adverse effects.
4. The CMA has reached agreement with Cochlear and Demant as to the terms of Final Undertakings for the purpose of remedying, mitigating or preventing the SLC it has identified in the Report and any adverse effects resulting from the SLC. The proposed Final Undertakings are attached to this Notice.

Notice of proposal to accept undertakings

5. The CMA now hereby gives notice under paragraph 2 of Schedule 10 to the Act that:
 - (a) the CMA proposes to accept the attached proposed Final Undertakings; and
 - (b) the proposed Final Undertakings seek to address the SLC identified in the Report and any adverse effects resulting from the SLC.
6. The CMA invites written representations on the proposed Final Undertakings from any person or persons who wish to comment.
7. Representations should reach the CMA via email by **5pm on 16 August 2023** and be emailed to: Cochlear.Oticon@cma.gov.uk.
8. The CMA will consider any written representations made in accordance with this Notice and may make modifications to the proposed Final Undertakings as a result. In the absence of any written representations, or in the event that the CMA decides, on consideration of representations made and not withdrawn, not to amend the proposed Final Undertakings, the CMA proposes to accept the proposed Final Undertakings in their present form pursuant to [section 82](#) of the Act. If the CMA considers that any representation necessitates any material change to the proposed Final Undertakings, the CMA will give notice of the proposed modifications.
9. Once accepted, the Final Undertakings may be varied, superseded or released by the CMA under [section 82\(2\)](#) of the Act.
10. This Notice and a non-confidential version of the proposed Final Undertakings will be published on the CMA website.

Kip Meek
Inquiry Group Chair

2 August 2023