

## REFERENCE RELATING TO THE ANTICIPATED ACQUISITION BY ADOBE INC. OF FIGMA, INC.

### Notice of extension of inquiry period under section 39(3) of the Enterprise Act 2002<sup>1</sup>

1. On 13 July 2023, in exercise of its duty under section 33(1) of the Enterprise Act 2002 (the **Act**), the Competition and Markets Authority (**CMA**), made a reference to its Chair for the constitution of a Group of CMA Panel Members (the **Inquiry Group**) to investigate and report on the anticipated acquisition of Adobe Inc. (**Adobe**) of Figma, Inc. (**Figma**). The period within which the report on this reference was to be prepared and published (the **original reference period**) was due to expire on 27 December 2023.
2. The CMA published a notice of extension to the original reference period on 17 August 2023, made pursuant to section 39(4) of the Act, as a result of the failure by Figma to comply with the requirements of a notice under section 109 of the Act (**the section 109 notice**) issued on 1 August 2023, requiring it to provide documents and information specified in the section 109 notice.
3. The notice of extension was cancelled on 21 August 2023 following compliance by Figma with the section 109 notice and the original reference period was extended by 4 days (the **revised reference period**) due to expire on 31 December 2023.
4. The Inquiry Group considers that completion of its investigation and the publication of its final report will not be possible within the revised reference period.
5. The Inquiry Group has decided to extend the revised reference period by eight weeks under section 39(3) of the Act to 25 February 2024 (the **extended reference period**) as it considers that there are special reasons to do so. However, the Inquiry Group aims to complete the inquiry as soon as possible and in advance of this date.
6. In taking this decision, the Inquiry Group had regard to the complexity of this case and the need to carefully consider the merger parties' detailed submissions received in response to the Annotated Issues Statement and working papers. As noted in our Issues Statement, an important aspect of

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<sup>1</sup> Published pursuant to section 107(2)(c) of the Enterprise Act 2002

competition in this case is competition in innovation, specifically competition in product development between firms. This dynamic competition involves efforts or investments aimed at protecting or expanding a firm's market position and profits in the future. As such, the competitive assessment needs to consider, amongst other matters, the merger parties' growth strategies, including innovations, investments and product development and how such matters impact the parties' abilities and incentives to enter or expand in the relevant markets.

7. The merger parties have made a number of detailed arguments on these points (including technical submissions and additional econometric analysis). It is now necessary to allow sufficient time for the Inquiry Group to take full and proper account of these submissions (in addition to all other relevant evidence) in order to reach a fully reasoned final decision in the statutory timeframe.
8. Finally, the Inquiry Group also had regard to the need to fully consider the merger parties' responses to the Annotated Issues Statement and Working Papers which were of considerable length, scope and complexity.

Margot Daly  
*Inquiry Group Chair*  
23 October 2023