

COMPLETED ACQUISITION BY SPREADEX LIMITED OF THE B2C BUSINESS OF SPORTING INDEX LIMITED

Variation of consent under 72(3C) of the Enterprise Act 2002

On 15 January 2024, the Competition and Markets Authority ('**CMA**') issued an Initial Enforcement Order (the **Initial Order**) in relation to the completed acquisition by SpreadEx Limited (**SpreadEx**) of the business-to-customer (**B2C**) business of Sporting Index Limited (the **Target business**) (the **Transaction**).

On 15 January 2024, the CMA granted six derogations from the Initial Order (each one an '**Initial Derogation**' and together the '**Initial Derogations**').

After due consideration of your further request discussed on 18 January 2024, based on the information received from you and in the particular circumstances of this case, the CMA hereby varies as follows the Initial Derogations pursuant to section 72(3C) of the Enterprise Act 2002 (the **Act**).

1. Initial Derogation (1); last paragraph of page 2:

'SpreadEx therefore requests a derogation from paragraphs 5(a), 5(f), 5(g), and 5(l) of the Initial Order in order to allow:

- (a) members of SpreadEx's Compliance, Client Support, Customer Services and Sports Trading Teams to continue to have access to the Target business' customer information in order to ensure that the Target business can continue to meet its FCA and GC regulatory obligations;
- (b) SpreadEx's directors and senior management to provide operational and regulatory oversight of the Target business while the Initial Order is in force in line with its FCA and GC regulatory responsibilities; and
- (c) SpreadEx to continue to provide risk management services to the Target business in order that the Target business can continue to provide betting services and manage risk in a manner which meets FCA regulatory requirements.'

is replaced with:

'SpreadEx therefore requests a derogation from paragraphs 5(a), 5(f), 5(g), and 5(l) of the Initial Order in order to allow:

- (a) members of SpreadEx's Compliance, Client Support, Customer Services and Sports Trading Teams to continue to have access to the Target business' customer information in order to ensure that the Target business can continue to meet its FCA and GC regulatory obligations;
- (b) SpreadEx's directors and senior management to provide operational and regulatory oversight of the Target business while the Initial Order is in force in line with its FCA and GC regulatory responsibilities;
- (c) SpreadEx to continue to provide risk management services to the Target business in order that the Target business can continue to provide betting services and manage risk in a manner which meets FCA regulatory requirements; and
- (d) members of the Target's Customer Services Team to continue to have access to the SpreadEx business' customer information in order to ensure that the SpreadEx business can continue to meet its FCA and GC regulatory obligations.'

2. Initial Derogation (1); first full paragraph of page 3:

'The CMA consents to SpreadEx's request for a derogation strictly on the basis that:

- (a) this derogation is strictly necessary in the short term to preserve the viability and competitive capability of the Target;
- (b) this derogation is strictly necessary to ensure the Target business can continue to meet its FCA and GC regulatory obligations;
- (c) only certain individuals, as defined in Annex 1 (the '**Regulatory Authorised Individuals**'), continue to have access to the Target business' customer information in order to ensure that the Target business can continue to meet its FCA and GC regulatory obligations;
- (d) it is strictly necessary for all Regulatory Authorised Individuals to have access to the Target business' customer information in order to ensure that the Target business can continue to meet its FCA and GC regulatory obligations;
- (e) the Regulatory Authorised Individuals will enter into non-disclosure agreements in a form agreed with the CMA, with a view to preventing the information they receive as part of their roles from being shared with any unauthorised SpreadEx individuals;
- (f) should remedial action be required by the CMA in relation to the Target business, any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a

confidential or proprietary nature, wherever they may be held, that were received from the Target business for the purposes of this derogation will be returned to the Target business and any copies destroyed, except to the extent that record retention is required by law or regulation;

- (g) all electronic files and emails exchanged in the context of regulatory compliance support will be password protected, adequately ring-fenced, and only accessible to the Regulatory Authorised Individuals; and
- (h) this derogation will not result in any pre-emptive action which might prejudice the outcome of a reference or impede the taking of any action which may be justified by the CMA's decision on a reference.'

is replaced with

'The CMA consents to SpreadEx's request for a derogation strictly on the basis that:

- (a) this derogation is strictly necessary in the short term to preserve the viability and competitive capability of the Target;
- (b) this derogation is strictly necessary to ensure the Target business and the SpreadEx business can continue to meet their FCA and GC regulatory obligations;
- (c) only certain SpreadEx individuals, as defined in Annex 1 (the '**Regulatory Authorised Individuals**'), continue to have access to the Target business' customer information in order to ensure that the Target business can continue to meet its FCA and GC regulatory obligations;
- (d) only certain Target individuals, as defined in Annex 1 (the '**Regulatory Authorised Individuals**'), continue to have access to the SpreadEx business' customer information in order to ensure that the SpreadEx business can continue to meet its FCA and GC regulatory obligations;
- (e) the identity of the Regulatory Authorised Individuals cannot be changed except through written consent by the CMA (which can be given via email);
- (f) it is strictly necessary for all Regulatory Authorised Individuals to have access to the Target business' customer information and the SpreadEx' business' customer information (as relevant) in order to ensure that the Target business and the SpreadEx business can continue to meet their FCA and GC regulatory obligations;
- (g) the Regulatory Authorised Individuals will enter into non-disclosure agreements in a form agreed with the CMA, with a view to preventing the information they receive as

part of their roles from being shared with any unauthorised SpreadEx or Target individuals (as relevant);

- (h) should remedial action be required by the CMA in relation to the Target business, any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from the Target business for the purposes of this derogation will be returned to the Target business and any copies destroyed, except to the extent that record retention is required by law or regulation;
- (i) should remedial action be required by the CMA in relation to the SpreadEx business, any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from the SpreadEx business for the purposes of this derogation will be returned to the SpreadEx business and any copies destroyed, except to the extent that record retention is required by law or regulation;
- (j) all electronic files and emails exchanged in the context of regulatory compliance support will be password protected, adequately ring-fenced, and only accessible to the Regulatory Authorised Individuals; and
- (k) this derogation will not result in any pre-emptive action which might prejudice the outcome of a reference or impede the taking of any action which may be justified by the CMA's decision on a reference.'

3. Initial Derogation (2); final paragraph of page 4:

'The CMA consents to SpreadEx's request for a derogation strictly on the basis that:

- (a) the Detailed Financial Information Request is strictly necessary to allow SpreadEx to meet its regulatory reporting requirements to the FCA;
- (b) the Financial Overview Request is strictly necessary to ensure appropriate financial oversight at board level;
- (c) the Detailed Financial Information is shared only with certain individuals, as defined in Annex 2 (the '**Financial Information Authorised Individuals**');
- (d) it is strictly necessary for all Financial Information Authorised Individuals to have access to the Detailed Financial Information for the purpose of SpreadEx complying with its regulatory requirements and obligations;

- (e) the Financial Information Authorised Individuals will enter into non-disclosure agreements in a form agreed with the CMA, with a view to preventing the Detailed Financial Information from being shared with any unauthorised SpreadEx individuals;
- (f) the Financial Information Overview is shared only using the templates as agreed with the CMA;
- (g) should remedial action be required by the CMA in relation to the Target business, any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from the Target business for the purposes of this derogation will be returned to the Target business and any copies destroyed, except to the extent that record retention is required by law or regulation;
- (h) all electronic files and emails exchanged in the context of the Detailed Financial Information Request will be password protected, adequately ring-fenced, and only accessible to the Financial Information Authorised Individuals; and
- (i) this derogation will not result in any pre-emptive action which might prejudice the outcome of a reference or impede the taking of any action which may be justified by the CMA's decision on a reference.'

is replaced with

'The CMA consents to SpreadEx's request for a derogation strictly on the basis that:

- (a) the Detailed Financial Information Request is strictly necessary to allow SpreadEx to meet its regulatory reporting requirements to the FCA;
- (b) the Financial Overview Request is strictly necessary to ensure appropriate financial oversight at board level;
- (c) the Detailed Financial Information is shared only with certain individuals, as defined in Annex 2 (the '**Financial Information Authorised Individuals**');
- (d) the identity of the Financial Information Authorised Individuals cannot be changed except through written consent by the CMA (which can be given via email);
- (e) it is strictly necessary for all Financial Information Authorised Individuals to have access to the Detailed Financial Information for the purpose of SpreadEx complying with its regulatory requirements and obligations;

- (f) the Financial Information Authorised Individuals will enter into non-disclosure agreements in a form agreed with the CMA, with a view to preventing the Detailed Financial Information from being shared with any unauthorised SpreadEx individuals;
- (g) the Financial Information Overview is shared only using the templates as agreed with the CMA;
- (h) should remedial action be required by the CMA in relation to the Target business, any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from the Target business for the purposes of this derogation will be returned to the Target business and any copies destroyed, except to the extent that record retention is required by law or regulation;
- (i) all electronic files and emails exchanged in the context of the Detailed Financial Information Request will be password protected, adequately ring-fenced, and only accessible to the Financial Information Authorised Individuals; and
- (j) this derogation will not result in any pre-emptive action which might prejudice the outcome of a reference or impede the taking of any action which may be justified by the CMA's decision on a reference.'

4. Initial Derogation (3); first full paragraph of page 6:

'The CMA consents to SpreadEx's request for a derogation strictly on the basis that:

- (a) this derogation is strictly necessary in the short term to preserve the viability and competitive capability of the Target business;
- (b) no joint negotiations will be undertaken, and all contracts will be signed on a statutory entity (and not Group) basis;
- (c) SpreadEx will not enter into any new contracts to offer additional services and products to the Target business customer base that are not available as at the date the CMA imposes the Initial Order;
- (d) the Negotiations Support Authorised Individuals will enter into non-disclosure agreements in a form agreed with the CMA, with a view to preventing the information they receive as part of any negotiations from being shared with any unauthorised SpreadEx individuals;
- (e) should remedial action be required by the CMA in relation to the Target business, any records or copies (electronic or otherwise) of business secrets, know-how,

commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from the Target business for the purposes of this derogation will be returned to the Target business and any copies destroyed, except to the extent that record retention is required by law or regulation;

- (f) all electronic files and emails exchanged in the context of negotiations will be password protected, adequately ring-fenced, and only accessible to the Negotiations Support Authorised Individuals; and
- (g) this derogation will not result in any pre-emptive action which might prejudice the outcome of a reference or impede the taking of any action which may be justified by the CMA's decision on a reference'

is replaced with

'The CMA consents to SpreadEx's request for a derogation strictly on the basis that:

- (a) this derogation is strictly necessary in the short term to preserve the viability and competitive capability of the Target business;
- (b) no joint negotiations will be undertaken, and all contracts will be signed on a statutory entity (and not Group) basis;
- (c) SpreadEx will not enter into any new contracts to offer additional services and products to the Target business customer base that are not available as at the date the CMA imposes the Initial Order;
- (d) the identity of the Negotiations Support Authorised Individuals cannot be changed except through written consent by the CMA (which can be given via email);
- (e) the Negotiations Support Authorised Individuals will enter into non-disclosure agreements in a form agreed with the CMA, with a view to preventing the information they receive as part of any negotiations from being shared with any unauthorised SpreadEx individuals;
- (f) should remedial action be required by the CMA in relation to the Target business, any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from the Target business for the purposes of this derogation will be returned to the Target business and any copies destroyed, except to the extent that record retention is required by law or regulation;

- (g) all electronic files and emails exchanged in the context of negotiations will be password protected, adequately ring-fenced, and only accessible to the Negotiations Support Authorised Individuals; and
- (h) this derogation will not result in any pre-emptive action which might prejudice the outcome of a reference or impede the taking of any action which may be justified by the CMA's decision on a reference.'

5. Initial Derogation (6); final paragraph of page 9:

'The CMA consents to SpreadEx's request for a derogation strictly on the basis that:

- (a) this derogation is strictly necessary in order to preserve the viability and competitive capability of the Target business;
- (b) no contracts will be signed without prior consent from the CMA (which can be given via email);
- (c) the [~~3~~] Authorised Individuals will enter into non-disclosure agreements in a form agreed with the CMA, with a view to preventing the information they receive as part of any negotiations from being shared with any unauthorised SpreadEx individuals;
- (d) should remedial action be required by the CMA in relation to the Target business, any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from the Target business for the purposes of this derogation will be returned to the Target business and any copies destroyed, except to the extent that record retention is required by law or regulation;
- (e) all electronic files and emails exchanged in the context of negotiations will be password protected, adequately ring-fenced, and only accessible to the [~~3~~] Authorised Individuals; and
- (f) this derogation will not result in any pre-emptive action which might prejudice the outcome of a reference or impede the taking of any action which may be justified by the CMA's decision on a reference.'

is replaced with

'The CMA consents to SpreadEx's request for a derogation strictly on the basis that:

- (a) this derogation is strictly necessary in order to preserve the viability and competitive capability of the Target business;

- (b) no contracts will be signed without prior consent from the CMA (which can be given via email);
- (c) the identity of the [X] Authorised Individuals cannot be changed except through written consent from the CMA (which can be given via email);
- (d) the [X] Authorised Individuals will enter into non-disclosure agreements in a form agreed with the CMA, with a view to preventing the information they receive as part of any negotiations from being shared with any unauthorised SpreadEx individuals;
- (e) should remedial action be required by the CMA in relation to the Target business, any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from the Target business for the purposes of this derogation will be returned to the Target business and any copies destroyed, except to the extent that record retention is required by law or regulation;
- (f) all electronic files and emails exchanged in the context of negotiations will be password protected, adequately ring-fenced, and only accessible to the [X] Authorised Individuals; and
- (g) this derogation will not result in any pre-emptive action which might prejudice the outcome of a reference or impede the taking of any action which may be justified by the CMA's decision on a reference.'

Yours sincerely,

Matteo Alchini

Assistant Director, Remedies Business and Financial Analysis

19 January 2024