

**DEROGATION LETTER
IN RESPECT OF INITIAL ENFORCEMENT ORDERS ISSUED
PURSUANT TO SECTION 72(2) ENTERPRISE ACT 2002
COMPLETED ACQUISITION**

Dear [X]

Consent under section 72(3C) of the Enterprise Act 2002 to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority (CMA) on 13 May 2025

Completed acquisition by Constellation Developments Limited of ABVR Holdings Limited

We refer to your email dated 28 October 2025 requesting that the CMA consents to a derogation to the Initial Enforcement Order of 13 May 2025 (the 'Initial Order'). The terms defined in the Initial Order have the same meaning in this letter.

Under the Initial Order, save for written consent by the CMA, Constellation Automotive Holdings Limited (**Constellation**), Constellation Developments Limited (**Constellation Developments**) and ABVR Holdings Limited (**ABVR**) are required to hold separate the ABVR business from the Constellation business 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 Initial Order, based on the information received from you and in the particular circumstances of this case, Constellation and ABVR may carry out the following actions, in respect of the specific paragraphs:

1. Paragraph 5(I) of the Initial Order

Prior to completion of Constellation's acquisition of ABVR, ABVR made a number of disclosures to HMRC relating to [X] (**the Disclosures**). Those disclosures arose as a result of [X].

HMRC has raised a number of questions with ABVR in respect of the Disclosures. [X] assisted ABVR with the Disclosures and prepared the initial submissions to HMRC. However, as [X] acts as the auditor of both ABVR and Constellation, it has informed ABVR that following the transaction it is unable to assist in responding to the follow up questions from HMRC.

[X]in Constellation's group tax team, which is at group level and separate from all operating entities within the Constellation Group, has the required expertise to assist ABVR in responding to HMRC's questions in respect of the Disclosures. [X] is a specialist in [X] in the used vehicle auction industry, and was involved in Constellation's due diligence of ABVR, including the matters that led to the Disclosures. As a result of his involvement in due diligence, [X] already has access to much of the information that would be required to respond to HMRC's questions.

The parties have therefore requested a limited derogation from the Initial Order to allow ABVR to work with [X] to prepare responses to HMRC's questions in relation to the Disclosures.

During the Specified Period (as defined in the Initial Order), [X] is permitted to receive information from, and work with, ABVR's finance function for the limited purpose of assisting in the preparation of responses to HMRC's questions in respect of the Disclosures (**HMRC Response Preparation**).

The CMA consents to the derogation strictly on the basis that:

- 1) [X] is not involved in the day-to-day commercial operations of Constellation, and would not receive any commercial or competitively sensitive information relating to ABVR other than insofar as that information is strictly necessary for the HMRC Response Preparation.
- 2) [X] will take all reasonable steps to ensure that any information received under this derogation is kept secure and in such a way to as to prevent unauthorised individuals within Constellation from accessing the information shared with the [X] for the purposes of this derogation.
- 3) The information to be shared by ABVR with [X] under this derogation is limited to information that is strictly necessary for the HMRC Response Preparation.
- 4) 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 decisions on a reference.

Maria Duarte Director, Mergers

ANNEX 1

Penalties for the provision of false or misleading information

1. Imposition of civil penalties

1.1 Under section 110(1A) of the Act, the CMA may impose a penalty on a person in accordance with section 111 of the Act where the CMA considers that

(a) The person has, without reasonable excuse, supplied information that is false or misleading in a material respect to the CMA in connection of any of the CMA's functions under Part 3 of the Act;

(b) The person has without reasonable excuse, supplied information that is false or misleading in a material respect to another person knowing that the information was to be used for the purpose of supplying information to the CMA in connection with any function of the CMA under part 3 of the Act.

1.2 Under section 110(1C) of the Act, the CMA may not impose such a penalty in relation to an act or omission which constitutes an offence under section 117 of the Act if the person has, by reason of the act or omission, been found guilty of that offence.

2. Amount of penalty

2.1 Under section 111(4), a penalty imposed under section 110(1A) shall be of such amount as the CMA considers appropriate.

2.2 A penalty imposed under section 110(1A) on a person who does not own or control an enterprise shall be a fixed amount that must not exceed £30,000.

2.3 Under section 111(4A) a penalty imposed under section 110(1A) on any other person shall be a fixed amount that must not exceed 1% of the total value of the turnover (both in and outside the United Kingdom) of the enterprises owned or controlled by the person.

2.4 In deciding whether and, if so, how to proceed under section 110(1A), the CMA must have regard to the statement of policy which was most recently published under section 116 at the time when the act of omission occurred.