

1. INTRODUCTION

1. As the UK's competition and consumer protection authority, the Competition and Markets Authority (**CMA**) helps people, businesses and the UK economy by promoting competitive markets and tackling unfair behaviour.¹ The CMA's merger control function is part of its general duty to seek to promote competition for the benefit of consumers.²
2. We have heard and are responding to feedback from stakeholders that will help us improve the way UK merger control operates - improving pace, predictability, proportionality and process (the way we engage with businesses), ie the '**4Ps**'.³ We want to ensure our approach to merger remedies embodies the 4Ps and that's why we are launching a formal review of our approach, seeking input from all interested parties (the **Merger Remedies Review**).⁴
3. This public consultation (the **Call for Evidence**) is designed to help us gather as much input as possible from interested stakeholders, so we are in the best possible position to improve our approach. The Call for Evidence will run from March until May 2025, alongside various outreach and roundtable sessions to gather input.
4. We will then review that input and develop specific proposals for consultation in the early autumn with a view to implementing changes by the end of the calendar year. In the meantime, we will continue to apply the 4Ps to the way we work on individual cases. The CMA's core purpose of promoting competitive markets and tackling unfair behaviour will not change, and this review does not consider any change in the CMA's existing legal framework.
5. The CMA is seeking evidence on three broad remedy themes:
 - (a) Remedy Theme 1: the CMA's approach to remedies (see Section 2)
 - (b) Remedy Theme 2: preserving pro-competitive merger efficiencies and merger benefits (see Section 3)
 - (c) Remedy Theme 3: running an efficient process (see Section 4)
6. This document provides a summary of the key areas within these three themes upon which we are seeking evidence. Further detail, including the

¹ <https://www.gov.uk/government/organisations/competition-and-markets-authority>

² Section 25(3) of the Enterprise and Regulatory Reform Act 2013 (the ERRA13).

³ [New CMA proposals to drive growth, investment and business confidence – Competition and Markets Authority](#)

⁴ [Driving growth: how the CMA is rising to the challenge - GOV.UK.](#)

specific questions which we are asking for input on, is available in the full Call for Evidence document set out on the Merger Remedies Review website.⁵

2. REMEDY THEME 1: CMA'S APPROACH TO REMEDIES

7. Theme 1 considers broad principles that the CMA currently adopts in our consideration of remedies, and in particular their composition and assessment.
8. Within this theme we are considering:
 - (a) Our current approach to assessing remedy offers in our initial, quicker and less detailed 'phase 1' review process (as opposed to our in-depth 'phase 2' review process), including if there is more the CMA can do within its current legal framework to create opportunities for more complex remedies to be accepted;
 - (b) Our overall approach to determining the effectiveness and proportionality of merger remedies, including both how the CMA can best reflect the need for proportionality and the factors that could be relevant to this;
 - (c) The distinction we currently draw between so called 'structural' and 'behavioural' remedies, including whether that distinction remains helpful and if so, the circumstances in which 'behavioural' remedies short of prohibiting a deal or requiring a divestment may be effective; and
 - (d) How we can reduce the risks of so called 'carve out' remedies comprising a divestiture of something less than an existing 'standalone' business (e.g. a package of business assets).

3. REMEDY THEME 2: PRESERVING PRO-COMPETITIVE MERGER EFFICIENCIES AND MERGER BENEFITS

9. Theme 2 focuses on how remedies can be used to preserve two types of potential benefits from mergers. The first is locking in pro-competitive efficiencies in the markets where the competition concern arises (like the pro-competitive investment benefits in Vodafone/Three).⁶ The second is what the Enterprise Act 2002 describes as 'Relevant Customer Benefits' (**RCBs**), which are certain legislatively defined benefits resulting from a merger that, in contrast to pro-competitive efficiencies, need not be achieved through increased competition in the market related to the SLC finding. For example, in one case the CMA cleared a merger involving two NHS hospital trusts

⁵ <https://connect.cma.gov.uk/merger-remedies-review>

⁶ <https://www.gov.uk/cma-cases/vodafone-slash-ck-hutchison-jv-merger-inquiry>

despite its adverse impact on competition on the basis that it would result in reductions in patient mortality, clinical complications and infection rates.⁷

10. Within this we are considering:
 - (a) The types of cases in which we can use remedies to ensure that potential pro-competitive efficiencies from mergers can be maximised and, in line with the Government's strategic steer, how we can ensure we are discharging our functions in a way that supports growth and investment; and
 - (b) Our approach to RCBs, so as to ensure that merger benefits can be preserved wherever possible.

4. REMEDY THEME 3: RUNNING AN EFFICIENT PROCESS

11. In line with the CMA's ongoing commitment to the continuous improvement of our processes, our recently announced 4Ps proposals, and following on from the reform of our phase 2 processes in 2023-2024, Theme 3 focuses on whether our engagement on remedies is currently working well and how the CMA's remedies processes can be further improved.
12. Within this, we are considering:
 - (a) Whether our current Phase 1 remedies process can be improved to give the greatest possibility of avoiding the time and cost of a phase 2 investigation;
 - (b) How the new phase 2 process and recent legislative amendments can be used to reach well-reasoned and evidence-based decisions on remedies, and at pace, and whether any further refinements to this revised process are necessary or appropriate as practical experience of it develops;
 - (c) In light of the CMA's 4Ps commitment to increased proportionality, how the CMA's remedies process can effectively take account of the parallel actions of competition authorities in other countries; and
 - (d) Any procedural improvements that can be made to the remedies implementation phase.

⁷ <https://www.gov.uk/cma-cases/central-manchester-university-hospitals-university-hospital-of-south-manchester-merger-inquiry>

5. RESPONDING TO THE CALL FOR EVIDENCE

13. For more information on the themes above and how to respond to the Call for Evidence, please refer to the full Call for Evidence document on the Merger Remedies Review website. Any queries can also be sent to by email to: mergerremediesreview@cma.gov.uk
14. In addition to the Call for Evidence, the CMA will be directly reaching out to particularly interested parties, such as business and industry groups (including those with direct experience of our remedies process), other competition regulators, and advisor firms.