**Coca-Cola Europacific Partners Great Britain Limited**
**Response to CMA's strategic review of markets remedies**

## 1. Introduction

1.1 This is the response of Coca-Cola Europacific Partners Great Britain Limited ("**CCEP**") to the CMA's 19 January 2026 decision to launch a strategic review of 33 markets remedies.[1] CCEP welcomes the opportunity to engage with the CMA on its strategic review given that CCEP remains subject to the 1993 Carbonated Drinks undertakings, originally applicable to Coca-Cola & Schweppes Beverages,[2] imposed by the Monopolies and Mergers Commission (the "**MMC**") under the Fair Trading Act 1973 (the "**Undertakings**").[3] We value a regulatory framework that is proportionate, effective, evidence based and aims to enhance confidence in the UK's competition and consumer regimes.

1.2 CCEP makes, moves and sells some of the most loved brands in Great Britain ("**GB**"), combining the strength and scale of a multi-national business with expert, local knowledge of the customers we serve and communities we support. In GB we employ some 3,600 people across England, Scotland and Wales across our 8 manufacturing sites, offices and depots. We make 97% of our products in GB.[4]

1.3 CCEP's strong view is that, consistent with the CMA's motivation for commencing its strategic review, there have been clear and straightforward changes of circumstance since 1993 such that the Undertakings are no longer appropriate in dealing with the concerns that they were designed to address.

1.4 In particular, the CMA's consultation document expressly recognises that alternative regulatory and legislative solutions can supersede legacy remedies, and this is precisely the position that has arisen in relation to the Undertakings. The UK's modern competition law regime now comprehensively addresses the circumstances the Undertakings were imposed to prevent: the Competition Act 1998 ("**CA98**") and the Enterprise Act 2002 ("**EA02**") provide robust mechanisms for addressing anticompetitive conduct and reviewing potentially harmful transactions.

1.5 As a result, CCEP respectfully requests that the CMA terminates the Undertakings, which have become little more than an administrative burden for both the CMA and CCEP without providing any corresponding competition benefit.

1.6 Unless otherwise stated, defined terms in this response have the meaning ascribed to them in the Undertakings, and clause references in this response refer to clauses in the Undertakings.

## 2. Undertakings relating to the supply of Dispense Products (Clauses 1-3)

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1 See CMA, "*Strategic review of CMA markets remedies" (the "**Consultation Document**")*, available ([here](here)).

2 Throughout this response, CCEP is used to refer to CCEP and its relevant predecessor companies (including Coca-Cola & Schweppes Beverages Limited).

3 *Carbonated Drinks: a report on the supply by manufacturers of carbonated drinks in the United Kingdom* (MMC - Cmnd 1625) (the "**MMC Report**").

4 For more information about CCEP, see https://www.cocacolaep.com/gb/

2.1 Clauses 1-3 of the Undertakings require CCEP to give prior notice to the CMA of proposed acquisitions of interests in businesses or assets supplying Dispense Products (with exceptions for acquisitions involving fewer than 100 Dispense Installations or where CCEP is awarded the relevant dispense contract) and to report biannually on 1 January and 1 July acquisitions that fall within the exception. Where notice is given, the CMA must give approval before the transaction completes.

2.2 The Undertakings were imposed as a result of the MMC concluding that CCEP's practice of acquiring dispense operations was likely to lead to reduced choice and higher prices for consumers,[5] and that therefore the Director General of Fair Trading (today the CMA) ought to have the power to review and prevent such transactions.

2.3 However, the UK's merger control regime has comprehensively superseded the need for the CMA to review every transaction of the kind captured by Clauses 1-3. The statutory framework now provides a principled and proportionate basis for merger review that renders the Undertakings obsolete.

2.4 In particular, the EA02 fundamentally modernised UK merger control, establishing the CMA's predecessors (the Office of Fair Trading and the Competition Commission) as independent authorities with wide-ranging powers to review mergers that may substantially lessen competition. The UK's voluntary notification regime, combined with the CMA's power to 'call in' completed or anticipated mergers meeting the jurisdictional thresholds, captures the very transactions that Clauses 1-3 were designed to address.[6]

2.5 Furthermore, the 100 Dispense Installations threshold in the Undertakings is arbitrary by modern standards and lacks economic justification. By contrast, the CMA's share of supply test and turnover thresholds under the EA02 provide a more economically rational and calibrated basis for determining which transactions warrant scrutiny. These thresholds are designed to identify transactions that may give rise to competition concerns based on actual market impact rather than absolute numbers of installations. The 100 Dispense Installations threshold therefore leads to notification and standstill obligations being imposed on CCEP, and review and approval obligations on the CMA, even where transactions cannot reasonably be expected to result in a substantial lessening of competition.

2.6 Accordingly, the notification, standstill and reporting obligations in Clauses 1-3 are no longer necessary and impose an unnecessary administrative burden on both CCEP and the CMA without any countervailing competition benefit.

## 3. Undertakings relating to Distributors and Leisure Trade Purchasers (Clauses 4-6)

3.1 Clauses 4-6 of the Undertakings impose the following obligations on CCEP:

(i) **Clause 4 (Distributor agreements (Products))**. Precludes CCEP entering (or enforcing) any agreement with a Distributor of Products which prevents the

5 MMC Report, paragraph 10.79.

6 Subsequent amendments to the EA02, including through the Enterprise and Regulatory Reform Act 2013 and the Digital Markets, Competition and Consumers Act 2024, have further expanded the CMA's powers, including enhanced information-gathering capabilities and the ability to impose interim measures pending investigation.

Distributor from supplying other distributors/wholesalers. Clause 4 also prevents CCEP requiring Distributors to stock a specific range of CCEP products.

(ii) **Clause 5 (Distributor agreements (Dispense Products))**. Precludes CCEP entering (or enforcing) any agreement with a Distributor of Dispense Products which: (i) prevents the Distributor manufacturing other Dispense Products or fruit-based drinks not supplied by CCEP; and/or (ii) offers privileges or benefits that depend on the Distributor limiting the quantity or proportion of non-CCEP Products it supplies (or punishing a Distributor who does supply non-CCEP Products).

(iii) **Clause 6 (Leisure Trade Purchasers)**. Precludes CCEP entering (or enforcing) any agreement with a Leisure Trade Purchaser preventing the Leisure Trade Purchaser acquiring or supplying competing (non-CCEP) products.

3.2 These Clauses are now superfluous given the development of general UK competition law. In particular, the CA98 provides a sufficient and highly robust legal framework to govern and prevent anticompetitive conduct, including exclusivity arrangements that could lead to the foreclosure of competitors such as those envisaged in the Undertakings.

3.3 The following developments in the UK competition law regime that took place after the Undertakings were imposed support this conclusion:

(i) The Chapter I prohibition under the CA98 prohibits agreements between undertakings that have as their object or effect the prevention, restriction, or distortion of competition within the UK. Exclusivity arrangements and foreclosure practices of the type contemplated by Clauses 4-6 (such as preventing Distributors from supplying competitors' products or requiring Leisure Trade Purchasers to deal exclusively with CCEP) fall squarely within the scope of the Chapter I prohibition where they have an appreciable effect on competition. The Undertakings are therefore no longer required considering the protections now afforded by general UK competition law.

(ii) The Vertical Agreements Block Exemption Order 2022 ("**VABEO**") provides a more nuanced, effects-based framework for assessing when vertical agreements (including distribution agreements) are permissible and when they are not. Under VABEO, vertical agreements benefit from a block exemption where the supplier's market share does not exceed 30%, subject to the exclusion of 'hardcore' restrictions such as resale price maintenance and certain territorial or customer restrictions. This framework permits pro-competitive vertical arrangements while prohibiting those that cause genuine competitive harm, thereby providing a balanced approach that renders the blanket prohibitions in Clauses 4-6 disproportionate and unnecessary.

(iii) The CMA possesses significantly enhanced investigatory and enforcement powers under the CA98 and EA02 that did not exist when the Undertakings were imposed. These include the power to conduct dawn raids under warrant, to impose civil penalties of up to 10% of worldwide turnover for infringements, to seek director disqualification orders, and to impose interim measures where there is a risk of significant damage to competition. The CMA's enforcement toolkit is therefore substantially more robust than the regulatory framework available to the MMC in 1993, providing effective deterrence and remedial capability without the need for the Undertakings.

3.4 In light of the foregoing, CCEP submits that Clauses 4-6 of the Undertakings should be terminated. The conduct these Clauses were designed to prevent is now comprehensively addressed by the UK's general competition law regime. Maintaining these provisions would serve only to impose duplicative regulatory obligations on CCEP without any corresponding benefit to competition or consumers.

## 4. General monitoring and ancillary provisions (Clauses 7 and 8)

4.1 Clause 7 relates to monitoring and information provision in relation to the Undertakings. The obligations placed on CCEP in this Clause would be rendered irrelevant if the CMA terminated the obligations in Clauses 1 to 6.

4.2 In any event, the CMA's general information-gathering powers under the CA98 and relevant sections of the EA02 are sufficient for any ongoing monitoring needs that may arise in relation to the dispense products market. The principle of proportionality, as reflected in the CMA's remedies guidance and the Better Regulation Framework,[7] favours removing regulatory burdens where alternative mechanisms exist and where the original rationale for the remedy no longer applies. CCEP tends to agree with the CMA's suggestion that monitoring and enforcing compliance with market remedies can impose a significant burden on both businesses subject to the remedies and the CMA and welcomes the CMA's commitment to keeping remedies under review to avoid such unnecessary burden.[8]

4.3 Clause 8 requires CCEP to ensure that all its subsidiaries comply with the Undertakings as though each Undertaking applied to them directly. This Clause would lose its purpose if the CMA terminated the obligations in Clauses 1 to 6.

## 5. Conclusion

5.1 For the reasons set out above, CCEP submits that the Undertakings are no longer appropriate and should be terminated in full. We value a regulatory framework that is proportionate, effective, evidence based and aims to enhance business and investor confidence in the UK's competition and consumer regimes and we believe the modern UK competition law framework achieves just that, The concerns the Undertakings were intended to address in 1993 are now comprehensively governed by the modern UK competition law framework, which has evolved significantly since the Undertakings' introduction – in other words, legislative reforms have overtaken the Undertakings, rendering them obsolete. In line with the principle of proportionality, outdated regulatory obligations should be removed where they no longer provide a meaningful benefit. CCEP therefore respectfully requests that the CMA exercise its powers to bring them to an end.

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7 See the Department for Trade and Business "Better Regulation Framework Guidance, September 2023" (available here)

**8** The Consultation Document, paragraph 4.