UK Finance

Linklaters

Draft Revised Merger Efficiencies Guidance: CMA Consultation

UK Finance Response

July | 2026

UK Finance

Linklaters

Draft Revised Merger Efficiencies Guidance: CMA Consultation

UK Finance Response

1 Introduction

(1) UK Finance welcomes the opportunity to respond to the CMA's consultation on its draft revised merger efficiencies guidance. We are pleased that the draft guidance reflects recommendations that we and other stakeholders called for. We set out below the key positive developments we see in the draft guidance together with some areas where we think further clarifications could strengthen the draft guidance. As with our earlier response to the CMA's call for evidence, this response was prepared with support from Linklaters.

2 Areas of welcome progress

(2) UK Finance welcomes the CMA's overall shift in tone toward a more open and transparent approach to assessing efficiency claims. The draft guidance represents a meaningful step forward: it provides clearer and more detailed guidance on the situations in which efficiencies can arise, the types of evidence the CMA will consider, and how parties should engage with the CMA during the merger review process. This is consistent with the CMA's 4Ps framework.

(3) We welcome in particular:

(a) **Consistency in the evidential standard for harms and benefits**: The express recognition that the CMA will adopt a consistent approach to assessing evidence of competitive harms and evidence of claimed benefits.

(b) **Greater emphasis on evidence generated by merging parties**: The indication that the CMA will give appropriate weight to merging parties' own documents including transaction materials, such as synergies analyses. As we noted in our earlier response, these materials often offer the best transaction-specific evidence available.

(c) **Receptiveness to dynamic and innovation efficiencies**: The recognition that different types of efficiencies may be realised over different timeframes and uncertainty about the outcome of investment or innovation efforts should not preclude the CMA from assessing those efficiency claims.

(d) **Earlier engagement with merging parties on efficiency claims**: The commitment to engage early with merging parties on efficiency claims including providing feedback on submissions and indicating where further evidence or analysis may be required and the types of evidence the CMA will consider probative.

3 Clarifications to strengthen the draft guidance: synergies assessments

(4) While recognising the importance of transaction materials including synergies analyses, the draft guidance also notes (footnote 2) that the CMA may be likely to attach more weight to documents generated before the merger was in contemplation.

(5) UK Finance members have concerns that this could in practice result in the potential for the relative weight that should be accorded to synergies analyses being discounted or downplayed because they are prepared in contemplation of the transaction. This would be, in our members' view, an unhelpful approach. The merger-specific nature of synergies analyses should not be a mark against their credibility – it is the very reason they are particularly valuable.

(6) Unlike pre-merger strategy documents (which serve a range of purposes and are unlikely to directly inform an assessment of merger-specific efficiencies), synergies analyses are built specifically to assess and quantify the benefits of a proposed combination, and are typically constructed using detailed, bottom-up modelling with input from a broad range of functions, and subject to significant levels of scrutiny.

(7) UK Finance members suggest that para 7 and footnote 2 of the draft guidance could be amended to:

(a) Remove the reference in footnote 2 to the likely greater evidential weight accorded to pre-merger documents given the inherent limitations of such documents in evidencing merger-specific efficiencies.

(b) include a statement that the CMA will consider all relevant materials on their merits and in their proper context including, for example, document author(s), its purpose, the resource and expertise invested, and the extent of internal or external validation and scrutiny.

(8) The draft guidance also recognises that the parties' own documents may not address all aspects of the CMA's efficiencies framework and in "some" cases there may be scope for the merging firms to supplement their evidence with bespoke analysis. As noted previously, our members recognise that the CMA may require further evidence beyond the parties' own synergies assessments and in those circumstances, additional bespoke evidence may offer the appropriate means to supplement or cross-check the parties' own documents. Our members therefore suggest that the guidance should explicitly recognise that bespoke analysis can play an important role in "many", rather than only "some" cases.

4 Conclusion

(9) Our members support the greater openness to efficiency claims in the draft guidance and recognise the significant effort that has gone into the CMA's merger efficiencies review. As highlighted, we have identified a small number of targeted refinements which our members consider would serve to strengthen the draft guidance, consistent with the 4Ps framework. UK Finance remains available to discuss any of the points raised in this response with the CMA.

UK Finance Linklaters

About UK Finance

Representing 300 firms, we are a centre of trust, expertise and collaboration at the heart of financial services. Championing a thriving sector and building a better society. The financial services industry plays a vital and often underappreciated role enabling individuals, families and communities to achieve their ambitions in a safe and sustainable way – through home ownership, starting a new business or saving for retirement. The sector is fundamental to people's lives, and we are proud to promote the work it is doing to support customers and businesses up and down the country. Whether it is through innovating for the future, driving economic growth, helping struggling customers amid increases in the cost of living, fighting economic crime or working to finance the net zero transition – the industry is having an overwhelmingly positive effect on the lives of people across the UK and improving the society we live in. Further information is available at www.ukfinance.org.uk.

Contacts

Julie Shacklady, Director, Primary Markets and Corporate Finance

julie.shacklady@ukfinance.org.uk

Avanthi Weerasinghe, Head of Market Practice and Regulatory Policy

avanthi.weerasinghe@ukfinance.org.uk

Ursula Hall, Analyst, Capital Markets & Wholesale Policy

ursula.hall@ukfinance.org.uk

About Linklaters LLP

Linklaters is a leading international law firm, specialising in innovative, complex work for private and public companies and their owners, private equity houses, investment banks and governments. We offer a full cycle service for our clients, including IPOs, mergers & acquisitions, corporate finance, regulatory work and dispute resolution. We aim to build enduring relationships with our clients and to be their lawyers of choice for their most important mandates. Further information is available at www.linklaters.com

Contacts

Jonathan Ford, Partner, Antitrust & Foreign Investment Group

jonathan.ford@linklaters.com

Verity Egerton-Doyle, Partner, Antitrust & Foreign Investment Group

verity.egerton-doyle@linklaters.com

Rachel Malloch, Managing Associate

rachel.malloch@linklaters.com