



## Mergers: Commission refers acquisition of newly created joint venture by Telefónica and Liberty Global to the UK competition authority

Brussels, 19 November 2020

The European Commission has referred the proposed acquisition by Telefónica S.A. and Liberty Global PLC of a newly created joint venture to the Consumers and Market Authority ("CMA") of the UK, at its request. The proposed joint venture will combine Telefónica's UK Limited business ("O2") and Liberty Global's Virgin Media business ("Virgin Media"). Both companies are active in the telecommunications sector in the UK.

On 30 September 2020, Telefónica and Liberty Global notified the proposed transaction to the Commission. On 8 October 2020, the CMA requested that the Commission refer to it the assessment of the proposed transaction. The CMA put forward competition concerns in a number of telecommunications markets in the UK, namely the markets for retail and wholesale mobile services, and the market for leased lines. In addition, the CMA claimed that it would be well placed to review the transaction in view of the upcoming expiry of the transition period.

The evidence gathered by the Commission confirmed that the proposed transaction threatens to affect competition in the telecommunications sector in the UK, where Telefonica and Liberty Global are currently two large market players.

Based on an overall assessment, the Commission decided to refer the proposed transaction to the CMA which will deal with the case under UK national law.

As a result of the close cooperation between the CMA and the Commission during the procedure, the CMA is already well informed on the elements of this case and the investigation will continue uninterrupted.

### Companies and products

**Telefónica**, based in Spain, is a global telecommunications company. Its O2 business offers mobile telecommunications services in the UK, such as voice, SMS, MMS, mobile internet, mobile broadband, roaming and call termination services.

**Liberty Global**, based in the UK, is an international video, broadband and communications company. Its Virgin Media business provides fixed-line broadband, telephony and pay-TV services in the UK as well as mobile communications services as a Mobile Virtual Network Operator ("MVNO") under the Virgin Mobile brand.

### Background

According to Article 9(2)(a) of the EU Merger Regulation, the Commission may refer a transaction notified to it to the competent national competition authority (NCA), when a Member State requests such a referral because a transaction would threaten to significantly affect competition in a market within that Member State and that market presents all the characteristics of a distinct market.

According to the Withdrawal Agreement, the transition period will expire on 31 December 2020 and the UK will no longer be part of the internal market.

A non-confidential version of today's decision will be available on the [competition](#) website, in the Commission's [public case register](#) under the case number [M.9871](#).

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