



## **Final Report of the Hearing Officer<sup>1</sup>**

### **Thales / Gemalto**

### **(COMP/M.8797)**

1. On 18 June 2018, the Commission received a notification of a proposed concentration by which Thales S.A. (“Thales”) would acquire within the meaning of Article 3(1)(b) of Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings<sup>2</sup> (the “Merger Regulation”) sole control of Gemalto N.V. (“Gemalto”) (“Proposed Transaction”).
2. On 23 July 2018, the Commission adopted a decision initiating proceedings pursuant to Article 6(1)(c) of the Merger Regulation in which it indicated that the Proposed Transaction raised serious doubts as to its compatibility with the internal market and the EEA Agreement. On 21 August 2018, Thales submitted written comments on this decision.
3. Thales submitted a first set of proposed commitments on 10 October 2018 to address the competition concerns raised by the Commission. The Commission launched the market test of the proposed commitments on 11 October 2018. On the basis of feedback from the Commission’s market testing of this package, Thales submitted revised commitments on 7 November 2018 (the “Final Commitments”).
4. The Commission did not issue a statement of objections pursuant to Article 13(2) of Commission Regulation (EC) No 802/2004.<sup>3</sup> There was no formal oral hearing in accordance with Article 14 of that regulation.
5. One interested third person was admitted in the present proceedings.
6. The draft decision concludes that the Final Commitments are capable of removing the serious doubts as to the compatibility of the Proposed Transaction with the internal market. It therefore declares the Proposed Transaction compatible with the internal market and the EEA Agreement, subject to certain conditions and obligations that must be complied with.

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<sup>1</sup> Pursuant to Articles 16 and 17 of Decision 2011/695/EU of the President of the European Commission of 13 October 2011 on the function and terms of reference of the hearing officer in certain competition proceedings, OJ L 275, 20.10.2011, p. 29 (“Decision 2011/695/EU”).

<sup>2</sup> OJ L 24, 29.1.2004, p. 1.

<sup>3</sup> Commission Regulation (EC) No 802/2004 implementing Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings (OJ L 133, 30.4.2004, p.1; corrigendum OJ L 172, 6.5.2004, p. 9)

7. Overall, I consider that the effective exercise of procedural rights has been respected during the present proceedings.

Brussels, 29 November 2018

Joos STRAGIER