



EUROPEAN COMMISSION
COMPETITION DG

Directorate R
Unit R.2 COMP-MEETINGS

OPINION

of the ADVISORY COMMITTEE on MERGERS
AT ITS MEETING OF 18 DECEMBER 2020
CONCERNING A PRELIMINARY DRAFT DECISION RELATING TO
CASE M.9564 LSEG / REFINITIV BUSINESS
(Text with EEA relevance)

Rapporteur: Hungary

Jurisdiction

1. The Advisory Committee (11 Member States) agrees with the Commission that the notified transaction constitutes a concentration within the meaning of Article 3(1)(b) of the Council Regulation (EC) No 139/2004 of 20.1.2004 on the control of concentrations between undertakings ("the Merger Regulation")¹.
2. The Advisory Committee (11 Member States) agrees with the Commission that the notified transaction has a Union dimension pursuant to Article 1(2) of the Merger Regulation.

Product Markets

3. The Advisory Committee (11 Member States) agrees with the Commission's definition of the relevant product market(s) for:
 - a. The provision of electronic Trading Services for EGBs;
 - b. The provision of Trading Services for other bonds than EGBs;
 - c. The provision of Clearing Services for Cash Bonds;
 - d. The provision of Clearing Services for Repos;
 - e. The provision of Trading Services for over-the-counter interest-rate derivatives;
 - f. The provision of Trading Services for over-the-counter foreign exchange products;
 - g. The provision of Trading Services for equity index derivatives;
 - h. The provision of Clearing Services for over-the-counter interest-rate derivatives;
 - i. The provision of Clearing Services for Over-the-Counter FX products;

¹ OJ L 24, 29.1.2004, p. 1.

- j. The provision of Clearing Services for Commodity Derivatives;
- k. The provision of Clearing Services for Credit Default Swaps;
- l. The provision of Clearing Services for Equity Derivatives;
- m. The provision of Trading Services for Cash Equities;
- n. The provision of Clearing Services for Cash Equities;
- o. Consolidated Real-Time Datafeeds;
- p. Desktop Services;
- q. Provision of LSE Venue Data;
- r. UK Equities Index Licensing;
- s. FX Benchmark Licensing;
- t. Other Index Licensing;
- u. Security Identifiers;
- v. Sector Classification Schemes;
- w. Tick History Data;
- x. Consolidated Non-Real Time Pricing and Reference Data;
- y. Non-Real Time Datafeeds;
- z. Aftermarket Broker Research Reports;
- aa. Earnings Estimates;
- bb. Fundamentals Data;
- cc. Public Filings;
- dd. Ownership Content Data;
- ee. Funds Data;
- ff. News;
- gg. APA Data;
- hh. Time Series of Economic Data;
- ii. Order management systems;
- jj. Execution management systems;
- kk. Regulatory Information Services.

Geographic markets

- 4. The Advisory Committee (11 Member States) agrees with the Commission's definition of the relevant geographic market(s) for:
 - a. The provision of electronic Trading Services for EGBs as being global or at least EEA-wide;
 - b. The provision of Trading Services for other bonds than EGBs as being global or at least EEA-wide;

- c. The provision of Clearing Services for Cash Bonds as being global or at least EEA-wide;
- d. The provision of Clearing Services for Repos as being EEA-wide;
- e. The provision of Trading Services for over-the-counter interest-rate derivatives as being global or at least EEA-wide;
- f. The provision of Trading Services for over-the-counter foreign exchange products as being global;
- g. The provision of Trading Services for equity index derivatives as being global or at least EEA-wide;
- h. The provision of Clearing Services for over-the-counter interest-rate derivatives as being global or at least EEA-wide;
- i. The provision of Clearing Services for Over-the-Counter FX products as being at least EEA-wide;
- j. The provision of Clearing Services for Commodity Derivatives as being global or at least EEA-wide;
- k. The provision of Clearing Services for Credit Default Swaps as being at least EEA-wide;
- l. The provision of Clearing Services for Equity Derivatives as being global or at least EEA-wide;
- m. The provision of Trading Services for Cash Equities as being at least EEA-wide;
- n. The provision of Clearing Services for Cash Equities as being global or at least EEA-wide;
- o. Consolidated Real-Time Datafeeds as being global;
- p. Desktop Services as being global;
- q. Provision of LSE Venue Data as being global;
- r. UK Equities Index licensing as being global;
- s. FX Benchmark licensing as being global;
- t. Other Index licensing as being global;
- u. Security Identifiers as being global or at least EEA-wide;
- v. Sector Classification Schemes as being global;
- w. Tick History Data as being global;
- x. Consolidated Non-Real Time Pricing and Reference Data as being global;
- y. Non-Real Time Datafeeds as being global;
- z. Aftermarket Broker Research Reports as being global or at least EEA-wide;
- aa. Earnings Estimates as being global or at least EEA-wide;
- bb. Fundamentals Data as being global or at least EEA-wide;
- cc. Public Filings as being global or at least EEA-wide;
- dd. Ownership Content Data as being global or at least EEA-wide;
- ee. Funds Data as being global or at least EEA-wide;
- ff. News as being global or at least EEA-wide;

- gg. APA Data as being global or at least EEA-wide;
- hh. Time Series of Economic Data as being global or at least EEA-wide;
- ii. Order management systems as being global or at least EEA-wide;
- jj. Execution management systems as being global or at least EEA-wide;
- kk. Regulatory Information Services as being global or at least EEA-wide.

Competitive Assessment

5. The Advisory Committee (11 Member States) agrees with the Commission's assessment that the Transaction, as notified, would significantly impede effective competition with regard to horizontal non-coordinated effects in the market for the provision of Electronic Trading Services for European Government Bonds.
6. The Advisory Committee (11 Member States) agrees with the Commission's assessment that the Transaction, as notified, would not significantly impede effective competition with regard to horizontal non-coordinated effects in all other horizontally affected markets.
7. The Advisory Committee (11 Member States) agrees with the Commission's assessment that the Transaction, as notified, would significantly impede effective competition as a consequence of non-horizontal effects, as:
 - a. The combined entity would have the ability and the incentive to engage in total/partial input foreclosure relating to LSE venue data (upstream) and CRTDs (downstream), resulting from its strengthened dominant position;
 - b. The combined entity would have the ability and the incentive to engage in total/partial input foreclosure relating to LSE venue data (upstream) and desktop services (downstream);
 - c. The combined entity would have the ability and the incentive to engage in total/partial input foreclosure relating to UK equity indices (upstream) and CRTDs (downstream), resulting from its strengthened dominant position;
 - d. The combined entity would have the ability and the incentive to engage in total customer foreclosure relating to UK equity indices (upstream) and CRTDs (downstream);
 - e. The combined entity would have the ability and the incentive to abuse Customer Information to the detriment of competing providers of CRTDs and desktop services, aggravating the identified significant impediments to effective competition under items a-d above;
 - f. The combined entity would have the ability and the incentive to foreclose third party access to WM/R FX benchmark licensing;
 - g. The combined entity would have the ability and the incentive to engage in customer foreclosure relating to the provision of trading (upstream) and clearing (downstream) services for over-the-counter interest-rate derivatives.
8. The Advisory Committee (11 Member States) agrees with the Commission's assessment that the Transaction, as notified, would not significantly impede effective competition as a consequence of non-horizontal effects in all other vertically affected markets.

9. The Advisory Committee (11 Member States) agrees with the Commission's assessment that the Transaction, as notified, would not significantly impede effective competition as a result of conglomerate effects arising from the bundling of FTSE Russell and Refinitiv indices.

Commitments

10. The Advisory Committee agrees with the Commission that the final commitments offered by the Parties on 26 November 2020 remove the competition concerns identified in the draft Decision. 10 Member States voted in favour. One Member State abstained.
11. The Advisory Committee agrees with the Commission that, subject to the full compliance with the final commitments offered by the Parties on 26 November 2020, the notified transaction would not significantly impede effective competition in the internal market or in a substantial part of it. 10 Member States voted in favour. One Member State abstained.

Compatibility with the Internal Market

12. The Advisory Committee agrees with the Commission that the notified transaction should therefore be declared compatible with the internal market and the functioning of the EEA Agreement in accordance with Article 2(2) and 8(2) of the Merger Regulation and Article 57 of the EEA Agreement. 10 Member States voted in favour. One Member State abstained.