

ANTICIPATED ACQUISITION BY MICROSOFT CORPORATION OF ACTIVISION BLIZZARD, INC.

Notice of extension under section 41A(2) of the Enterprise Act 2002 of the period for the discharge of the duty under s41(2) of the Enterprise Act 2002

Introduction

1. On 15 September 2022 the Competition and Markets Authority (**CMA**), in exercise of its duties under [section 33](#) of the Enterprise Act 2002 (the **Act**), referred the anticipated acquisition by Microsoft Corporation (**Microsoft**) of Activision Blizzard, Inc. (**Activision**) (the **Merger**) for further investigation and report by a group of CMA panel members.
2. The CMA published '[Anticipated acquisition by Microsoft of Activision Blizzard, Inc. Final report](#)' (the **Report**) on 26 April 2023. In the Report, the CMA decided, in accordance with [section 36](#) of the Act, that:
 - (a) the anticipated acquisition of Activision by Microsoft constitutes arrangements in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation;
 - (b) the creation of that situation may be expected to result in a substantial lessening of competition (**SLC**) in the supply of cloud gaming services in the UK, due to vertical effects resulting from input foreclosure;
 - (c) the CMA should take action for the purpose of remedying, mitigating or preventing the SLC or any adverse effect which has resulted from, or may be expected to result from, the SLC; and
 - (d) the prohibition of the Merger would be the only effective and proportionate remedy to the SLC and any adverse effects which have resulted from, or may be expected to result from, the SLC.
3. On 18 May 2023, in accordance with paragraph 2(1)(a) of [Schedule 10](#) to the Act, the CMA gave notice of the proposed Order to remedy, mitigate or prevent

the SLC and any resulting adverse effect, which it identified in the Report. The [Notice](#) and the [proposed Order](#) were published on the CMA website.

4. The CMA invited written representations on the proposed Order from any interested person or persons with a deadline of 17:00 UK time on 19 June 2023. The CMA received written representations on the proposed Order from interested persons which are currently under consideration. In particular, the CMA received a detailed and complex submission from Microsoft claiming that there are material changes in circumstance and special reasons under [section 41\(3\)](#) of the Act which mean that the CMA should not adopt the proposed Order.
5. The statutory period for the CMA either to accept final Undertakings or make a final Order currently ends on 18 July 2023.
6. The CMA considers that there is insufficient time remaining in the statutory period for full and proper consideration of Microsoft's submission on the proposed Order. As such, the Inquiry Group considers that there are special reasons to extend by six weeks under [section 41A\(2\)](#) of the Act the period for the discharge of its duty under [section 41\(2\) of the Act](#). The revised period will therefore end on 29 August 2023. However, the Inquiry Group aims to discharge its duty as soon as possible and in advance of this date.

Signed by authority of the CMA

Martin Coleman
Group Chair
14 July 2023