



# News Release

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## **CC PUBLISHES NEW DIVESTITURE GUIDELINES**

Guidance on how the Competition Commission (CC) may apply divestiture remedies in merger cases is published today, following a public consultation exercise.

The new guidelines explain the CC's approach to applying divestiture remedies in merger inquiries. Divesting a business or set of assets to strengthen or create competition is an important means by which merging companies may remedy competitive concerns identified by the CC. The guidelines set out the relevant factors and measures that would be considered by the CC to ensure that divestiture remedies are effective, proportionate and appropriately tailored to the circumstances of each case in which they are relevant.

Chairman of the CC, Professor Paul Geroski, said:

We would like to thank respondents for the quality and thoughtfulness of their submissions. There was general support for our proposed approach and the submissions contained many helpful suggestions and queries that have enabled us to improve the clarity and content of our guidelines.

The CC launched the consultation in June 2004 and received 16 submissions from competition authorities, law firms, trade bodies, individuals and regulators which are reproduced in full on our web site:

[http://www.competition-commission.org.uk/rep\\_pub/consultations/past/divestiture\\_guidance\\_submissions.htm](http://www.competition-commission.org.uk/rep_pub/consultations/past/divestiture_guidance_submissions.htm)

## Notes for editors

1. If a CC inquiry concludes that a merger has resulted (or may be expected to result) in a substantial lessening of competition (SLC), then the CC has to decide what actions it or other bodies should take to remedy, mitigate or prevent the SLC or any adverse effects resulting from it. These actions can take the form of behavioural remedies (which seek to regulate the behaviour of firms through measures such as price control) or structural remedies, which could include prohibition of the merger or divestment. When choosing its remedies, the CC will base its choice on what would be the most appropriate and effective solution, also taking into account proportionality and the effect on any relevant customer benefits resulting from the merger itself.
2. Application of Divestiture Remedies in Merger Inquiries: Competition Commission Guidelines can be found at:  
  
[http://www.competition-commission.org.uk/rep\\_pub/rules\\_and\\_guide/index.htm](http://www.competition-commission.org.uk/rep_pub/rules_and_guide/index.htm)
3. The guidelines are complimentary to other advice and information produced under section 206 of the Enterprise Act 2002 and are closely associated with the CC's existing guidance document *Merger References: Competition Commission Guidelines* (CC2).
4. Enquiries should be directed to Francis Royle on 020 7271 0242 or Rory Taylor on 020 7271 0398 ([rory.taylor@competition-commission.gsi.gov.uk](mailto:rory.taylor@competition-commission.gsi.gov.uk)).