



Department for  
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16 November 2021

MC2021/19849/DC

Darren Jones MP  
BEIS Select Committee  
House of Commons  
London  
SW1A 0AA

Dear Darren,

I'm writing to make you aware that I have today written to the Competition and Markets Authority instructing them to carry out an in-depth Phase Two investigation of the proposed acquisition of Arm by NVIDIA on both competition and national security grounds. I have made this decision through my 'quasi-judicial' powers under the Enterprise Act 2002 to intervene in certain mergers on public interest grounds.

Today's decision follows the completion of the Phase One process during which the CMA conducted an initial investigation of the potential competition implications of the transaction. They found that the transaction raises the possibility of a substantial lessening of competition across four key markets: data centres, Internet of Things, automotive and gaming. Their full Phase One report has been published today.

In addition, following the gathering of evidence from stakeholders across Government, I deem that the interest of national security continues to be relevant to the consideration of the proposed acquisition and is therefore worthy of further investigation. Arm's ubiquity and open model towards its licensees makes the security and resilience of an ecosystem of Arm-based devices uniquely important to the national security of the UK. A letter I have sent to the Parties today explaining the reasons for my reference has also been published today.

The CMA will now lead the Phase Two investigation covering both competition and national security. It will have 24 weeks - plus a possible 8 week extension - to conduct this investigation before delivering a final report to me.

I know that this transaction has been, and likely continues to be, of interest to you and your Committee. As such, I will endeavour to keep you updated as the matter progresses.

Yours sincerely,



Rt Hon Nadine Dorries MP  
**Secretary of State for Digital, Culture, Media and Sport**