CLEARY GOTTLIEB

UK Merger Control & National Security

Year In Review & Outlook

September 2026

Executive Summary

Merger Control

The past year confirmed a UK merger regime recalibrated for growth. Following the Government steer and a change of leadership at the CMA in the first half of 2025, the agency pressed ahead with its '4Ps' programme, embedding improvements to pace, predictability, proportionality and process across its work.

Formal investigations became more targeted. In the past year to 31 August 2026, the number of Phase 1 investigations fell by 17% and their timelines shortened. Where concerns arose, the CMA showed greater openness to behavioural and hybrid remedies.

There were several policy changes, including the CMA's revised guidance on jurisdiction and procedure, revised guidance on remedies, revised guidance on assessing merger efficiencies, and a Government consultation on 'Refining Our Competition Regime', which included a proposal to replace independent Phase 2 panels with CMA Board sub-committees.

National Security

The number of transactions caught by the National Security and Investment Act 2021 (NSIA) continues to increase. In the past year to 31 March 2026, around 1,300 filings were submitted, up by 15% from the previous year. For most transactions the process remains straightforward, with more than 95% of notified acquisitions cleared after an initial screening process that typically takes around 8-9 weeks after filing. Of the 60 transactions called in for full review, eight resulted in behavioural remedies and only one was blocked. Enforcement continues to focus primarily on investment from China, though acquisitions of sensitive targets by US and EU investors have also been subject to remedies.

The Government has emphasised that the NSIA is designed to "support global investment into the UK while safeguarding the most sensitive areas of the economy in a secure, predictable and proportionate way." It has also announced reforms aimed at updating the scope of the mandatory notification regime and reducing unnecessary filing burdens (including for internal reorganisations).

Part One – Merger Control

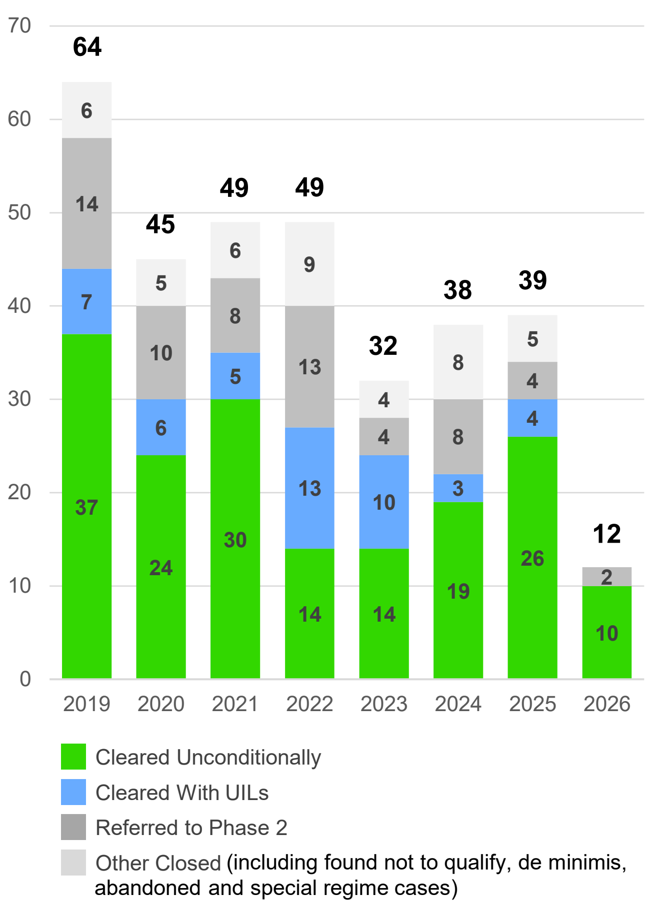
The Year In Numbers

1 September 2025 – 31 August 2026

Phase 1 Decisions	Phase 2 References	Intervention Rate	Median Phase 1 Duration (WD)
30	5	23%	26.5

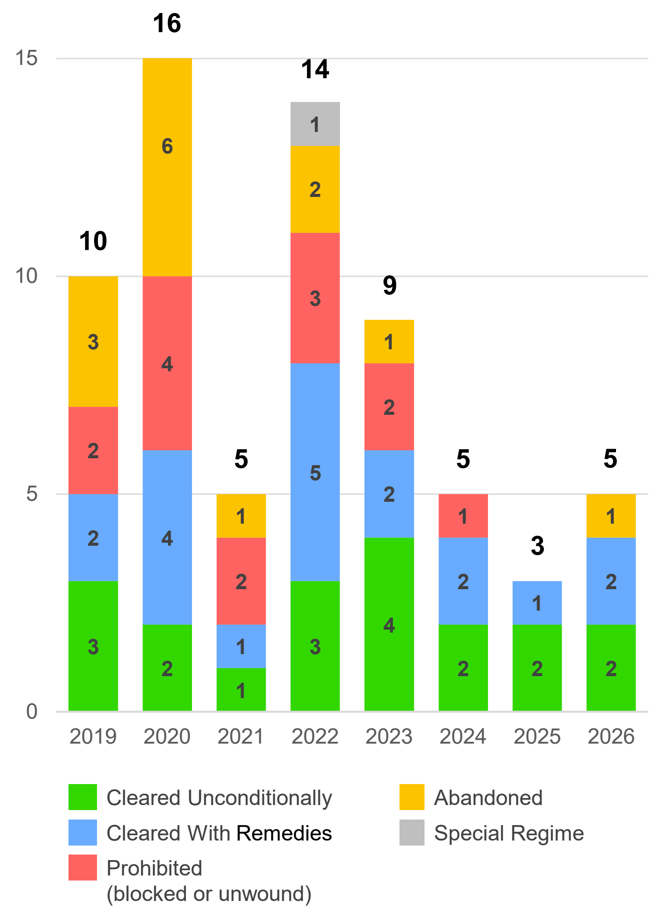
Phase 1 Outcomes By Year

Decisions announced by calendar year, with final outcomes published.*



Phase 2 Outcomes By Year

Final reports and abandonments published by calendar year.



*Data for the 2026 calendar year in this report run to 31 August 2026.

Part One – Merger Control

Enforcement Trends

The year showed a CMA focused on more proportionate and targeted reviews, with increased deference to overseas regulators where their reviews may also address UK concerns.

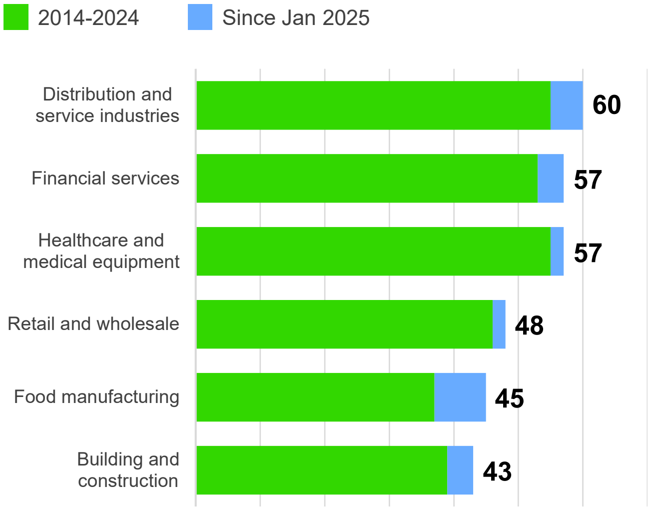
More targeted investigations. Over the past year to 31 August 2026, the number of Phase 1 investigations fell by 17%. The intervention rate increased modestly, with a slightly higher proportion of cases referred to Phase 2 or requiring undertakings in lieu of reference (UILs)—remedies offered to avoid a referral to Phase 2. No merger was blocked or unwound in 2025 or 2026 to date. The CMA's remittal final report in Spreadex/Sporting Index (September 2025) confirmed the divestiture it had originally ordered in November 2024, and in 2026 the CMA has twice cleared completed acquisitions only on condition of significant divestments (Aramark/Entier and Vandemoortele/Délifrance).

Greater focus on national deals. The CMA's recent caseload has placed greater emphasis on UK-focused transactions. The CMA also revised its guidance on jurisdiction and procedure, formalising a "wait-and-see" approach whereby the CMA may decide not to open its own investigation and to instead follow the progress of an investigation in another jurisdiction where a regulator is reviewing the same global transaction. In such cases, the CMA will generally only intervene where overseas remedies fail to address UK concerns. This approach reduces duplicative review but requires careful global coordination to avoid a late UK intervention that could disrupt closing.

> *An effective and targeted merger control regime protects consumers and keeps UK markets competitive, driving innovation and growth.*
>
> **Joel Bamford, January 2026**
> Executive Director for Mergers, CMA

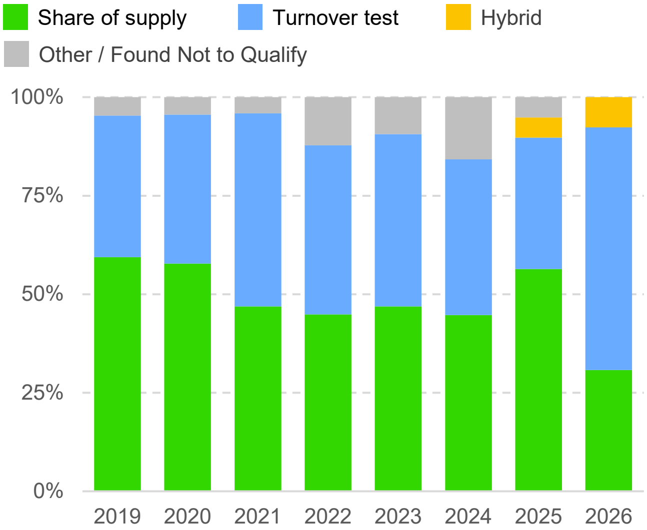
Most-Reviewed Sectors

Phase 1 decisions since 2014. A case can span more than one sector.



Basis of Jurisdiction Over Time

Share of Phase 1 decisions engaging each test by calendar year.



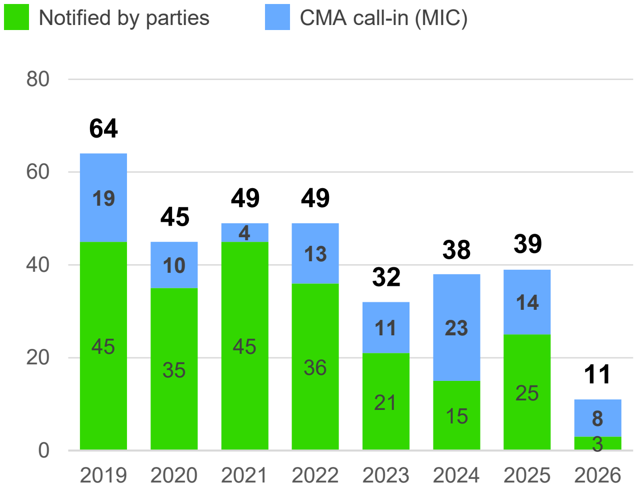
Enforcement Trends (cont'd)

CMA's Mergers Intelligence Committee (MIC) remains active. Call-ins are investigations the CMA opens via MIC based on its own market intelligence or based on briefing papers submitted by merger parties. Call-ins increased sharply in 2024 and remain a significant part of the CMA's caseload. This reflects a trend in recent years by merger parties to submit briefing papers rather than formal notifications across a wider range of mergers.

Failing firm arguments have had more success in recent years. The CMA will normally clear deals where merger parties can show that one of them would exit absent the merger and there would be no less anti-competitive alternative purchaser. Historically, the CMA has been sceptical of these arguments and imposed a high evidentiary bar for accepting them. In recent years, the CMA has shown greater openness to failing firm arguments, accepting them three times in 2026 and over 10 times over the past five years.

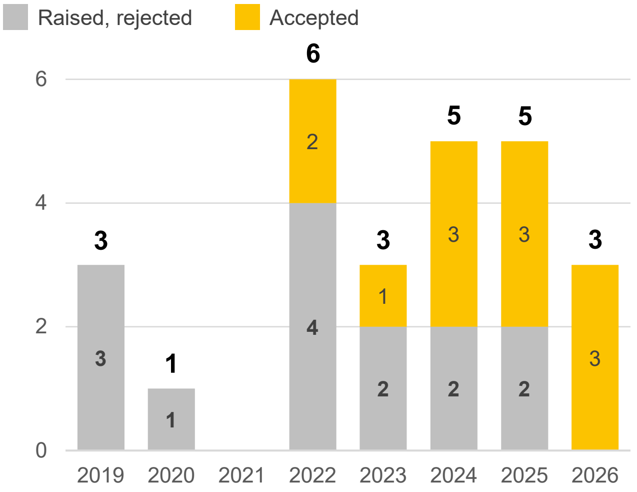
How Cases Reach the CMA

Origin of Phase 1 decisions by calendar year, if reported.



Failing Firm Arguments

Claims resolved at either phase by calendar year.



Remedies

The year saw greater willingness from the CMA to consider behavioural and hybrid remedies in appropriate cases, while structural remedies remain important where required to address competition concerns.

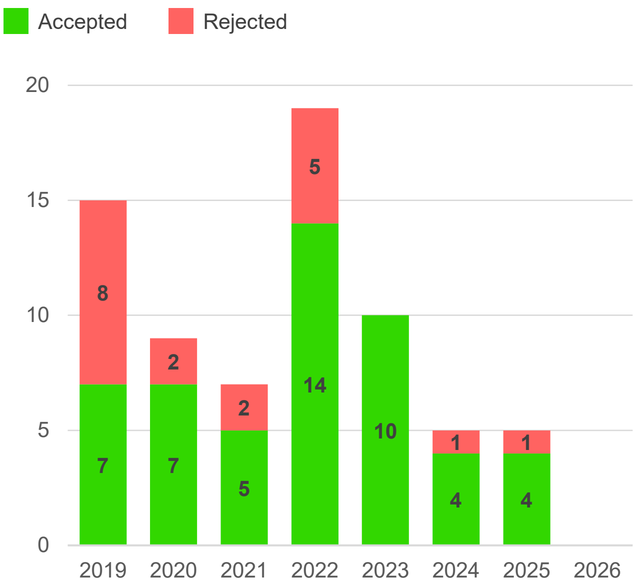
A more flexible remedies framework. Following an October 2025 consultation, the CMA published revised remedies guidance in December, removing the presumption against behavioural remedies at Phase 1. This broadens the range of remedies that the CMA will be open to considering at Phase 1, but it does not lower the overall standard applied—Phase 1 remedies must still be "clear-cut" and capable of ready implementation. The revised guidance also recognised that remedies can be used to lock in relevant customer benefits and rivalry-enhancing efficiencies. Deals raising concerns now have more realistic routes to clearance.

Earlier engagement in the Phase 1 remedies process. The CMA is engaging on remedies sooner and seeking to resolve Phase 1 remedy discussions more quickly, making it easier to clear deals when parties come forward early with workable proposals.

But behavioural remedies are not always enough. Where a partial or behavioural fix would be ineffective, the CMA will still require structural divestments, including for anticipated acquisitions (Getty Images/ Shutterstock) and completed acquisitions (Aramark/Entier and Vandemoortele/Délifrance). It is therefore important to allocate remedy risk carefully in transaction documents, including defining required efforts, acceptable remedies, materiality thresholds and termination rights before signing.

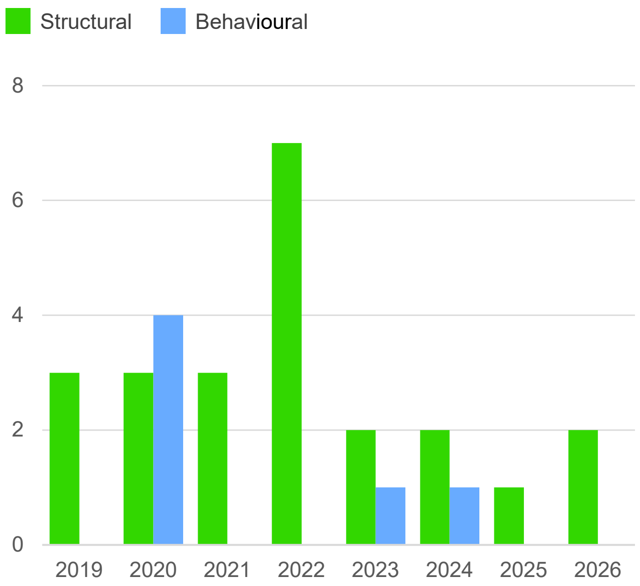
Undertakings in Lieu of a Reference

Phase 1 remedies offered by calendar year.



Remedy Types in Phase 2 Outcomes

Decisions involving each remedy type by calendar year. A decision can involve both structural and behavioural elements.



Jurisdiction, Procedure and Timing

The year was defined by the CMA's implementation of its March 2025 Mergers Charter, which set out the '4Ps': pace, predictability, proportionality, and process.

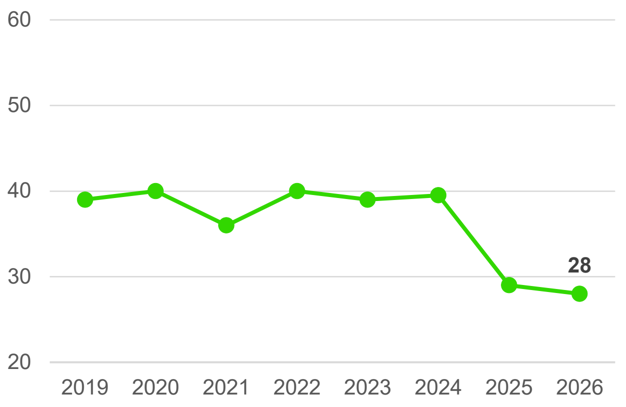
Faster clearances for complete filings. The median Phase 1 timeline over the past 12 months (through August 2026) was 26.5 working days, down from 36 a year earlier, although the CMA has flagged that incomplete or inaccurate submissions still cause delays.

Clearer jurisdictional signals. The CMA's updated guidance on jurisdiction and procedure clarified its approach to applying the material influence and share of supply tests, which are relevant to determining whether the CMA has jurisdiction to review a merger.

Building on recent decisional practice, the updated guidance elaborates on the circumstances that may confer material influence, including where shareholdings are below 15%. It also clarifies that, when applying the share of supply test, the CMA will select a description of goods or services by reference to any potential competition concerns arising from the merger. These updates aim to provide a clearer basis for evaluating CMA jurisdiction, although both tests remain flexible and fact-dependent.

Phase 1 Review Length

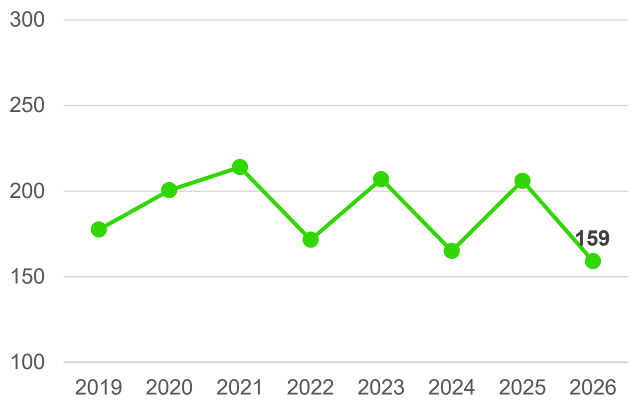
Median working days from launch to decision by calendar year.*

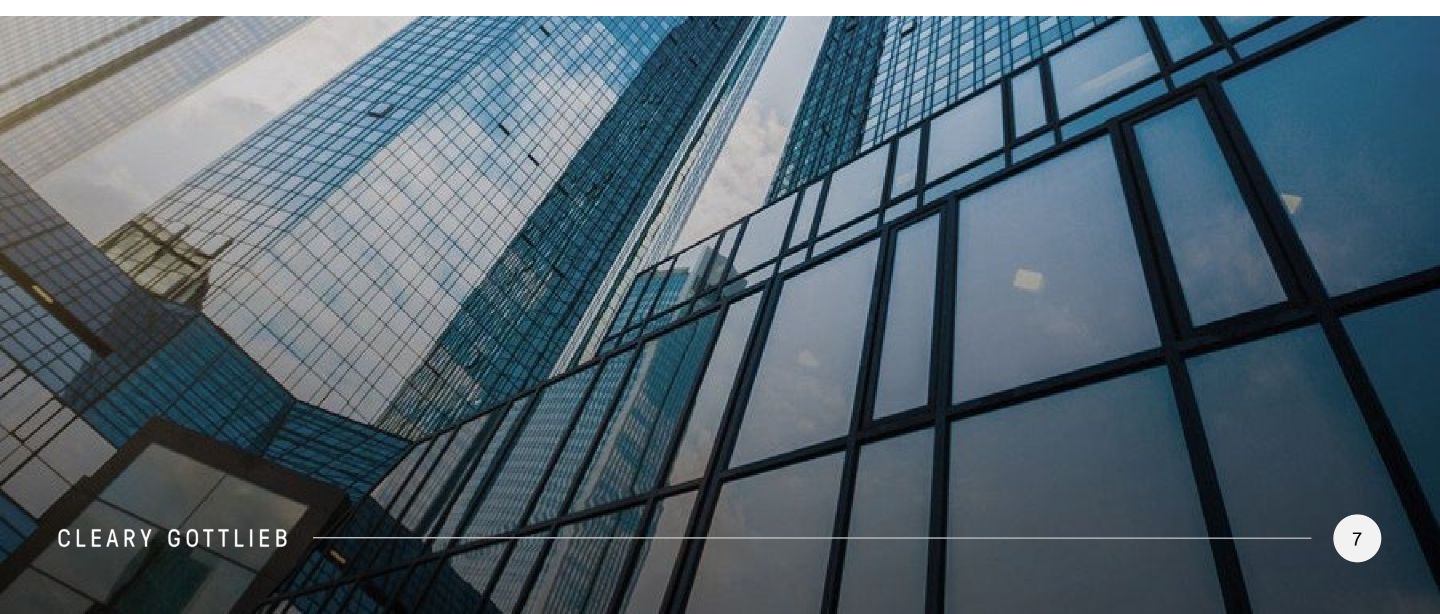


*Working days counted from the first working day after launch to the decision, as the statutory initial period is counted; 40 is the full statutory period.

Phase 2 Review Length

Median calendar days from reference to final report, or abandonment if earlier, by calendar year.





Cases in Focus

Getty Images / Shutterstock

Deal abandoned over Phase 2 remedy.

In its final report on 15 May 2026, the CMA concluded that Getty's proposed acquisition of Shutterstock raised competition concerns in the supply of editorial content in the UK. The CMA held that a full divestiture of Shutterstock's editorial business would be required for clearance, even though the merger had been cleared unconditionally in the US. Getty subsequently abandoned the transaction. The case demonstrates that UK intervention and remedy risk persist even where other regulators clear a deal.

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A structural remedy the parties would not accept can collapse a global deal.

Spreadex / Sporting Index

The CAT confirms high bar for rationality challenges.

On 19 September 2025, the CMA concluded in its final report (following remittal) that Spreadex's acquisition of Sporting Index raised competition concerns in the supply of online sports spread betting. Spreadex challenged the CMA's counterfactual analysis, claiming that it had failed to "stand back" and take adequate account of uncertainties. On 19 March 2026, the Competition Appeal Tribunal (CAT) dismissed Spreadex's application, finding that the CMA had correctly assessed the evidence in the round and that its reasoning was rational. The judgment reaffirms that CMA merger decisions are reviewed on judicial review principles and are not subject to a full merits reconsideration, giving the CMA considerable latitude.

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Reminder of high threshold for rationality challenges.

Aramark / Entier

Divestiture ordered on a completed acquisition.

Aramark acquired 90% of the shares in Entier Limited in January 2025, several months before the CMA opened its investigation. The CMA referred the deal for a Phase 2 investigation in August 2025 and found competition concerns in the supply of offshore catering and ancillary facilities management services for UK Continental Shelf infrastructure. The CMA required Aramark to sell its entire shareholding in Entier Limited, while permitting it to carve out and retain an Australian subsidiary. Aramark's subsequent application to the CAT was refused because it was filed out of time. The case shows that completing before obtaining clearance risks significant divestitures, and that CAT deadlines are enforced strictly.

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Completing early exposes buyers to forced divestiture and strict appeal deadlines.

Associated British Foods (ABF) / Hovis

Unconditional clearance after Phase 2 referral.

On 16 June 2026, the CMA unconditionally cleared ABF's proposed acquisition of the bread maker Hovis, notwithstanding the overlap between two established suppliers in the UK bread sector. The CMA concluded that the deal did not give rise to competition concerns as, absent the merger, ABF's UK bakery business would have exited the market. The CMA had adopted the fast-track process, allowing the parties to move directly to a Phase 2 investigation. For merging parties, the outcome illustrates that a Phase 2 reference does not predetermine an adverse result, and that a well-evidenced case can secure clearance without remedies even in a concentrated consumer-facing market.

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Fast-track procedure can shorten review timelines without jeopardising the outcome.

Policy and Reform

The past year has set the direction of travel for the UK's merger regime, with the CMA and Government advancing a coordinated programme of guidance and legislative reform aimed at supporting growth.

Greater emphasis on clearing deals. Launching its 2026-2029 strategy in November 2025, the CMA reaffirmed its view that every deal capable of being cleared unconditionally or with effective remedies should be. This signals a continued commitment to proportionate merger control, supporting investment and economic growth while maintaining effective protection for consumers.

A more receptive approach to merger efficiencies. In September 2026, the CMA published revised guidance on how it assesses merger efficiencies and the consumer benefits they can deliver—lower prices, more innovation, better products—the next step in embedding the '4Ps'. Greater recognition of efficiencies could allow more pro-competitive deals to clear, subject to how the revised guidance is applied in practice.

But governance reform also creates uncertainty. In January 2026 the Government consulted on 'Refining Our Competition Regime', proposing to narrow the share of supply and material influence tests; to extend the Phase 1 remedy window from 10 to 20 working days; and to abolish the independent Panel deciding Phase 2 cases and transfer decision-making to sub-committees of the CMA Board. The CMA welcomed the proposed new decision-making model, stressing that operational independence would be preserved. The model may improve pace and consistency, but it will reduce the institutional separation between Phase 1 and Phase 2 decision-making, potentially weakening the independent check provided under the current model.

> *Equally, the vast majority of mergers do not raise competition concerns, and every deal capable of being cleared unconditionally or with effective remedies should be.*
>
> **Sarah Cardell, November 2025**
> Chief Executive, CMA

Part Two – National Security

The Year In Numbers

1 April 2025 – 31 March 2026

NSI Notifications Received	Call-in Notices	Final Orders	Prohibition
1,324	**60**	**9**	**1**

The Regime in Operation

The National Security and Investment Act 2021 (NSIA) is an increasingly important feature of UK deal-making. The regime can even capture investments in targets without a local UK presence, particularly if the target has contracts with the UK Government.

According to the UK Government's latest report on the NSIA, the Government received a total of 1,324 notifications in the year ending 31 March 2026. It accepted and reviewed 1,220 notified acquisitions, representing a 13% increase from the previous year.

54 notified transactions were called in for full review, representing c. 4% of the total number of filings (broadly consistent with the call-in rate in previous years). In addition, six non-notified acquisitions were called in for review, bringing the total number of call-in notices for the reporting period to 60, up from 56 in 2024/25.

The areas of the economy that triggered the highest proportion of mandatory filings and were subject to in-depth review remained consistent and largely predictable.

- The 'Defence' sector (which applies to Government contractors and sub-contractors supplying products or services used for defence or national security purposes) accounted for 58% of notifications and 47% of the transactions called in for in-depth review.
- The 'Military and Dual-Use' sector (which concerns the development or production of export-controlled technology) was implicated in 23% of filings and 33% of called-in transactions.
- The 'Critical Suppliers to Government' sector (which captures Government contractors with security clearance or access to high-level classified information) accounted for 20% of notifications and 33% of in-depth reviews.

Enforcement Trends

Enforcement remained largely predictable. Nine final orders were made during the reporting period: eight orders imposing behavioural obligations and only one prohibition (concerning the acquisition by BIMT of Versarien's graphene technology).

The number of final orders was substantially lower than the previous year (17), but the type of transaction subject to intervention remained consistent.

NSIA remedies have generally been imposed either where the target's activities are inherently sensitive, irrespective of the nationality of the acquirer, or where there is concern about the identity of the investor (and particularly links to potentially problematic states).

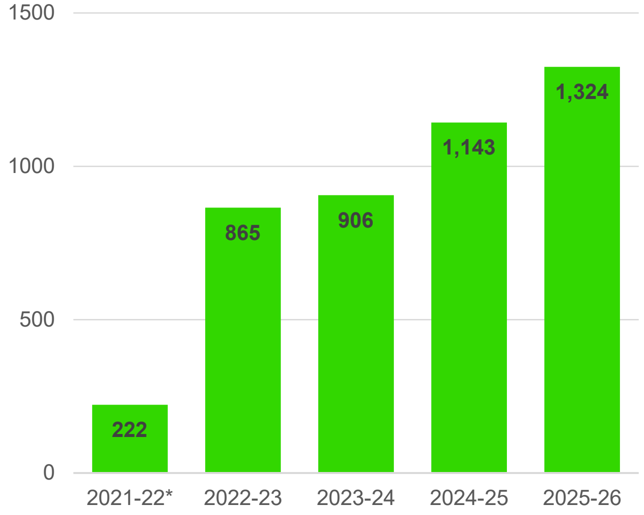
Five final orders were associated with the 'Advanced Materials' sector (which includes semiconductors), three related to 'Data Infrastructure' (which captures companies providing physical or virtual infrastructure to Government customers), and two related to the 'Military and Dual-Use' sectors.

Non-notified acquisitions came under increasing scrutiny. Three of the transactions that were subject to remedies had not been notified, demonstrating the Government's active review of deal news to identify potentially problematic transactions (including asset deals, which are not subject to mandatory notification). Remedies were also imposed on two deals that were subject to retrospective validation, indicating that the transactions should have been notified prior to closing but were not.

Changes to the scope of the mandatory notification regime are expected. The Government has announced plans to update the scope of the sensitive sectors that are subject to mandatory notification (including by adding a 'water' sector definition and and moving 'semiconductors' and 'critical minerals' into their own categories with revised definitions), exempt internal restructurings, and improve the filing forms used by businesses to notify acquisitions. These changes are advertised as reducing the burden of low-risk filings in the context of rising notification volumes, but the changes are likely to increase the scope of the regime in some areas as well as narrowing it in other areas.

NSI Notifications

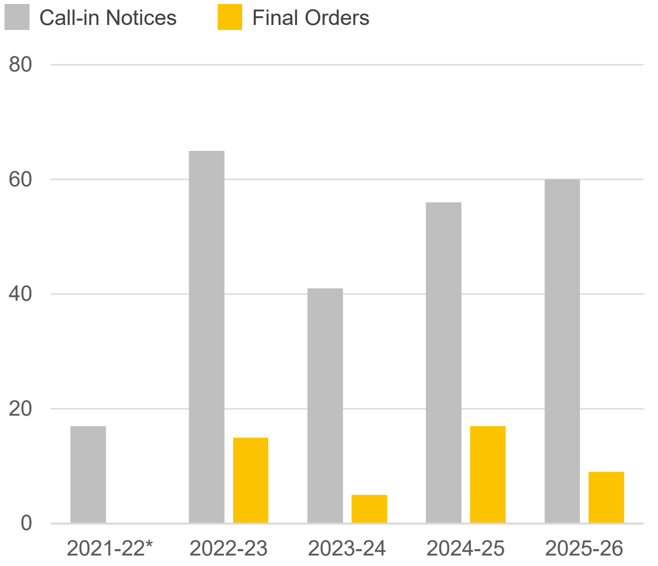
Notifications received by the Investment Security Unit by reporting year (1 April to 31 March).



*The data for 2021-22 covers the period from 4 January to 31 March 2022 only—the regime's first months.

Call-Ins and Final Orders

Acquisitions called in for full assessment and final orders imposing remedies by reporting year (1 April to 31 March).



Cases in Focus

Boundary Innovative Materials Technology (BIMT) / Versarien plc

Prohibition of Chinese acquisition of graphene technology.

China-based BIMT proposed a joint venture with Versarien plc to acquire tangible and intangible assets relating to the production and use of graphene. In August 2025, the Government used its powers under the NSIA to prohibit BIMT and the joint venture from acquiring or using the relevant Versarien assets. Prohibition was deemed necessary and proportionate to address UK national security risks relating to the security of know-how and IP relating to the production and use of graphene with dual-use applications.

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Prohibitions are rare but can be imposed where the Government assesses that national security risk cannot be adequately mitigated through behavioural remedies.

Maple Armor / Fireblitz Extinguisher

Remedies addressing concerns relating to IoT-connected alarms.

Maple Armor (a Chinese-owned Canadian company) acquired a 75% shareholding in UK-based fire safety group Fireblitz in 2024. The deal was subsequently called in for review and subjected to conditions in May 2025, barring Fireblitz from developing and marketing its own Internet of Things (IoT) technology or sourcing key components from specified jurisdictions. Remedies also limited Maple Armor's access to data generated in future from IoT-networked devices. In April 2026, the Government amended the remedies, including to change data definitions and introduce a mechanism for the retention of permitted data and the list of designated jurisdictions to be amended.

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The Government has identified national security risks relating to access to sensitive data. Remedies may be refined to reflect practicalities and changes in sensitivity.

Career International / Investigo

Restrictions imposed on access to sensitive personal data.

Hong Kong-based Career International, a global HR provider, increased to >75% its shareholding of Investigo Limited, a UK-based recruitment agency with contracts that include security-cleared personnel for UK Government. In December 2025, the Government approved the transaction under the NSIA, subject to conditions requiring the parties to comply with comprehensive security requirements and restrictions on data handling. These measures were intended to address national security risks relating to the collection of, and access to, sensitive personally identifiable information held by Investigo (including through its government contracts).

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Remedies may be required in sectors (like HR services) that might not initially seem sensitive, particularly if there are government contracts.

IonQ / Oxford Ionics

US buyer to maintain UK presence of quantum computing target.

IonQ Inc., a NYSE-listed quantum computing company, agreed to acquire 100% of Oxford Ionics Limited, a UK-based developer of trapped-ion quantum computing technology. In September 2025, the Government cleared the transaction subject to remedies requiring the parties to continue to host Oxford Ionics' hardware in the UK to allow for independent assessment and validation as part of government programmes, and to maintain the target's core science, engineering, manufacturing, and infrastructure functions in the UK. These measures reflected Oxford Ionics' leading role in developing the UK's cutting-edge quantum computing capabilities.

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Retaining high-tech activities in the UK is a priority of NSIA enforcement.

Practice Points for Investors

The requirement to secure NSIA clearance before closing can have a significant impact on deal timing and certainty.

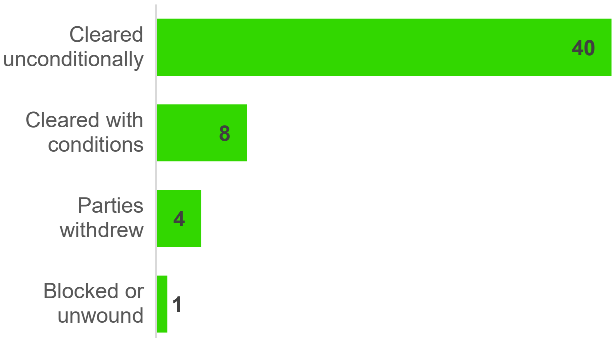
More than 95% of notified transactions are cleared after the initial screening period, typically around 8-9 weeks after filing. NSIA decisions are, however, inherently subjective and political (like all FDI decisions). The risk of extended review and remedies therefore cannot be entirely excluded even for targets that do not seem superficially sensitive.

The formal NSIA review process operates largely as a black box. After submitting the filing, there is frequently no interaction with the Investment Security Unit before the "call in" decision is made. Other Government departments can be reluctant to discuss transactions while formal NSIA review is underway.

It can therefore be helpful, particularly for transactions that are likely to be sensitive, to engage proactively with Government in advance of formal notification.

Outcomes of Full Assessments

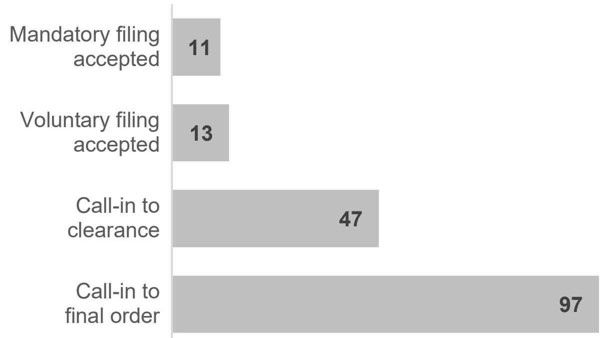
The 53 called-in acquisitions that were decided in the year from 1 April 2025 to 31 March 2026.



Only c. 4% of notified deals were called in; the remainder were cleared within the 30-working-day review period.

How Long Screening Takes

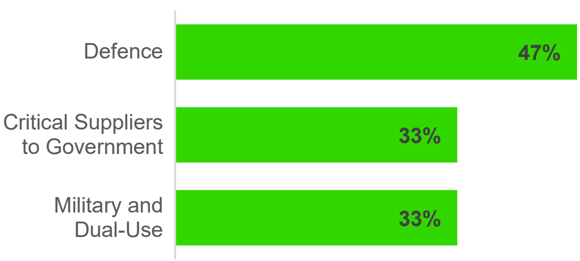
Median days at each stage; filing acceptance in working days, call-in stages in calendar days.



Acceptance starts the statutory 30-working-day review period, within which every call-in decision was taken. Call-in figures run to the final decision and include non-notified acquisitions.

Call-ins by Area of the Economy

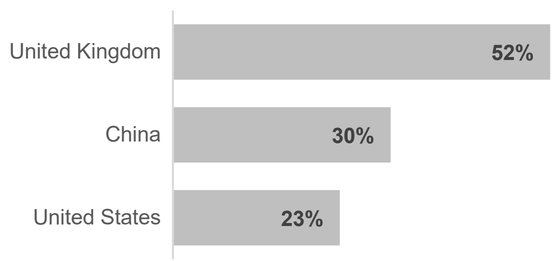
Share of the 60 call-in notices associated with the top three areas.



An acquisition can involve more than one area of the economy, so percentages add up to more than 100%.

Call-ins by Origin of Investment

Share of the 60 call-in notices, by acquirer origin for the top three countries.



An acquisition can be associated with more than one origin of investment, so percentages add up to more than 100%. This also explains why UK investors account for more than 50% of deals called in for in-depth review.

Outlook

On merger control, we expect the revised efficiencies guidance and the governance reforms to shape the rest of the year, with faster, more predictable outcomes for cooperative parties but continued willingness to require structural divestment where UK concerns demand it. As for national security, we expect that the scope of the mandatory notification regime will remain broad (despite anticipated revisions) but the proportion of deals subject to extended review and remedies will remain low. Parties should assess both regimes early and reflect the resulting regulatory risk appropriately in transaction documents.

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