

## COMPETITION &amp; REGULATORY NEWSLETTER

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## Getty/Shutterstock receives conditional clearance from the CMA

On 15 May 2026, the CMA conditionally cleared the merger of Getty and Shutterstock, concluding an in-depth Phase 2 investigation that began 3 November 2025. Clearance is conditioned on the divestment of Shutterstock's global editorial business to a purchaser approved by the CMA – the final report is available [here](#).

### Overview of the transaction

Getty and Shutterstock announced their proposed \$3.7 billion merger in January 2025. The CMA launched its investigation in August 2025 and delivered its Phase 1 decision on 20 October 2025. Following Phase 1, the CMA concluded that the transaction could be expected to produce a substantial lessening of competition (SLC) in both the editorial and stock content markets. Stock content includes pre-produced imagery and footage licensed for use in advertising, publishing, etc. Editing content refers to photographs and videos capturing celebrity appearances, sporting events and breaking news.

The merging parties offered a remedy package combining behavioural undertakings for UK stock content (price caps and product range commitments) with a structural divestiture of Shutterstock's entire editorial operation. However, on 3 November 2025, the CMA referred the transaction for an in-depth Phase 2 investigation.

### The Phase 2 investigation and final remedies

Following the referral, the Phase 2 Inquiry Group produced an interim report on 19 February 2026. The interim report disagreed with the conclusion at Phase 1 that the transaction raised competition concerns for stock content globally, citing robust competition in the market, particularly due to the growing impact of generative AI on the production of creative imagery and the presence of well-resourced competitors such as Adobe and Canva. This conclusion aligned with that reached by the US Department of Justice, who unconditionally cleared the transaction a few days later, on 23 February 2026.

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However, with respect to editorial content, the Inquiry Group held that competition concerns remained for the UK market. In response, the parties proposed to divest Shutterstock's Backgrid and Splash – its "paparazzi" businesses focused on entertainment images – but sought to retain Shutterstock's standard Editorial operation. This was a narrower offer than what had been proposed following Phase 1. The final report, published on 15 May 2026, which confirmed the provisional findings that the merger would lead to a lessening of competition in the supply of editorial content to UK media outlets, stated that a full divestiture of Shutterstock's Editorial business would be required to clear the transaction. The CMA found sufficient overlap between the content offered by Shutterstock's standard and paparazzi businesses such that a sale of the paparazzi businesses alone would not replicate the breadth of competition that Shutterstock currently provides.

The CMA must approve of the purchaser before the divestment – and the transaction – can proceed. The final decision on undertakings is due on 14 June.

## Other developments

### Merger control

#### **SAMR conditionally clears Tencent's acquisition of audio platform Ximalaya**

On 12 May 2026, the Chinese competition regulator, the State Administration for Market Regulation (SAMR), conditionally approved Tencent's proposed acquisition of Ximalaya, one of China's leading online audio platforms, through Tencent Music Entertainment Group. Following a review of around 11 months, SAMR cleared the deal subject to a number of conditions due to concerns on the effect on competition in the online audio platform market and the online music platform market in China.

SAMR found that Tencent and Ximalaya were both active in the online audio platform market, which comprises platforms that provide non-music audio content such as podcasts and audiobooks to consumers through apps or websites on desktop or smart devices. It found that this was a separate, but related market, to online music platforms, which provide music content to consumers through apps or websites on desktop or smart devices.

While SAMR found that recent developments in the online audio platform market regarding AI, which is leading to increased automation and lowering costs, mitigated the anticompetitive effects of the deal to some extent, it still had significant horizontal concerns. It said the transaction would enhance the merged entity's market power, given the combined market share of approximately 45–55 per cent, and pointed to the market already being highly concentrated with the number of close competitors being reduced from four to three, reducing competitive pressure between the parties and strengthening the merged entity's position. SAMR also raised concerns with Ximalaya's exclusive licensing of certain high quality audio content – as the transaction would strengthen the parties' bargaining power with upstream audio content copyright holders, it said there was a risk it would lead to further exclusive licensing arrangements, raising barriers to entry in the market.

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SAMR found the online music platforms market to be an adjacent market to online audio platforms and pointed out that online audio platforms and online music platforms were important parts of smart in-car entertainment systems – a space in which Tencent is already a major player and which is a key growth area for online music and audio platforms. SAMR had concerns that this meant the merged entity would have both the ability and incentive to bundle its audio and music services when supplying digital content to car manufacturers, leading to the risk its competitors would be foreclosed. SAMR considered that such conduct would raise rivals' costs, weaken competitive constraints, and ultimately reduce consumer choice.

To address these concerns, SAMR approved the transaction subject to a package of behavioural remedies:

1. Pricing and service conditions: not to increase prices, degrade service quality, or impose unreasonable trading terms in relation to online audio platform services, without legitimate justification.
2. Free content safeguards: not to reduce the proportion of free content or popular free content available on online audio platforms, without legitimate justification.
3. Prohibition of exclusive licensing: not to enter into new exclusive licensing arrangements with audio content copyright holders, and to terminate existing exclusivity arrangements within a prescribed timeframe.
4. Restrictions on bundling and tying: not to bundle or tie online audio and online music services in agreements with car manufacturers, and not to impose restrictions on car manufacturers using the parties' rivals, without legitimate justification.
5. Multi-homing for content providers: not to restrict audio content creators from distributing their works across multiple platforms.

The remedies include a requirement to report to SAMR every six months and will remain in force for five years, after which the parties may apply for them to be lifted. The decision marks SAMR's second conditional clearance in 2026 and further illustrates its increasingly sophisticated approach to platforms as it moved beyond a traditional structural analysis to assess anti-competitive effects across the value chain, including upstream copyright holders' ability to supply content freely, downstream users' access to free content, and competition in emerging smart car entertainment distribution channel.

## General competition

### The King's Speech confirms the government's intention to solidify proposed competition revisions through the Competition Reform Bill

On 13 May 2026, the King's Speech outlined the UK government's legislative programme for the upcoming year, which included a Competition Reform Bill (the Bill). The envisioned Bill draws from the Department of Business and Trade's (DBT) consultation released earlier this year in January and aims to build on significant operational changes already made by the CMA over the past 18 months to improve

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pace, predictability, proportionality and process across its competition and consumer tools. It promises to deliver at least three key changes:

1. First, it will give the CMA board a role in decisions on mergers and market investigations, replacing the current independent panel model for Phase 2 cases. The government considers the existing model can make it difficult to ensure consistency and accountability, and that the panel structure is both unique to the UK and not easily explained to international businesses. Granting the CMA board a role in these decisions is therefore intended to address these concerns.
2. Second, the Bill aims to shorten the duration of market reviews. At present, these reviews can last more than three years; the government intends to reduce this to 18 to 24 months in most cases. Remedies will be periodically reassessed to confirm they are still warranted, and where appropriate, responsibility for monitoring them may be handed to the relevant sector regulator to reduce the number of regulators with which businesses need to engage.
3. Third, the Bill seeks to give businesses greater clarity on whether a proposed transaction is likely to attract CMA scrutiny by refining the jurisdictional tests for merger investigations. It will also allow for more engagement between businesses and the CMA at the preliminary stages of a review, with a view to resolving competition concerns earlier in the process and reducing the need for lengthy and costly in-depth investigations.

We previously reflected on DBT's [consultation](#) and also shared our [official response](#). In our response, we expressed serious concerns regarding some proposals, particularly the dissolution of the independent panel, which we considered was not properly counterbalanced with procedural safeguards for parties during the merger review process. The King's Speech makes clear that the precise scope of the Bill will be informed by the consultation responses DBT received. We will be monitoring closely to see how the government proposes to protect businesses going through the process.

## **New EU foreign investment rules receive approval**

On 19 May 2026, the European Parliament formally [adopted](#) the revised regulation on the screening of foreign investments in the EU. The European Commission first [proposed](#) the revision on 24 January 2024, and a provisional political agreement between Parliament and the Council of the European Union was reached on 11 December 2025 following trilogue negotiations.

The revised regulation replaces the existing framework under [Regulation \(EU\) 2019/452](#), which has been in force since 11 October 2020. Under the current regime, Member States are not required to operate a screening mechanism, and those that do apply varying rules. The revised regulation includes [several provisions](#) intended to harmonise foreign investment screening across the EU:

1. All Member States are required to establish a national screening mechanism covering a shared minimum list of sectors, including dual-use items, military equipment, semiconductors, artificial intelligence, critical raw materials, and key critical infrastructure;
2. Initial review periods will be limited to a maximum 45 calendar days;

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3. The creation of a common EU-level shared database intended to make information sharing between Member States easier; and
4. The existing regime is extended to cover investments by EU-based entities ultimately controlled by non-EU investors.

All Member States will also be required to have call-in powers for non-notified transactions, exercisable between 15 months and five years after completion. Screening decisions will, however, continue to rest with the Member State in which the investment takes place.

The regulation must still be formally approved by the Council of the European Union before it can enter into force, following which it will be implemented 18 months later.

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