

Government responds to the proposed acquisition of Cobham plc by Advent International

On 25 July 2019, Cobham, a UK defence company, announced that it had agreed an arrangement to be taken over by a subsidiary of Advent International, a US private equity firm, in a deal worth approximately £4 billion.

Under the [Enterprise Act 2002](#), the Secretary of State for Business, Energy and Industrial Strategy has the power to intervene in mergers on public interest grounds relating to national security. This responsibility is discharged in a quasi-judicial capacity, which means that the Secretary of State must act, and be seen to act, in a scrupulously fair and impartial manner.

On 17 September 2019, acting on official advice, the Secretary of State issued a European intervention notice to intervene in the proposed sale on national security grounds.

She has written to the Competition and Markets Authority (CMA) to inform them of her decision to intervene and instructed them to investigate. The CMA will now prepare a report on the national security aspects of the proposed transaction. This is a statutory process to ensure national security implications of a proposed sale are fully assessed. The CMA has until midnight at the end of 29 October 2019 to complete and submit this report to the Secretary of State.

Business Secretary Andrea Leadsom said:

Following careful consideration of the proposed takeover of Cobham, I have issued an intervention notice on the grounds of national security.

As part of the statutory process, the Competition and Markets Authority will now investigate and carry out a review on the national security implications of the transaction. They must report back to me by 29 October 2019.

The government's goals are to support private sector innovation whilst safeguarding the public interest.

For more information about the intervention powers, see the [guidance on mergers](#) and on [CMAs jurisdiction and procedure](#).