

Mergers: Commission to assess proposed acquisition of GRAIL by Illumina

20 April 2021 - The European Commission has accepted the requests submitted by Belgium, France, Greece, Iceland, the Netherlands, and Norway to assess the proposed acquisition of GRAIL by Illumina under the EU Merger Regulation.

Illumina, based in the U.S., is a global genomics company and a leading supplier of next generation sequencing systems for genetic and genomic analysis. GRAIL, also based in the U.S., is a healthcare company, which develops cancer detection tests relying on next generation sequencing systems.

The proposed acquisition does not reach the notification thresholds set out in the EU Merger Regulation, and it was not notified in any Member State. France submitted a referral request to the Commission pursuant to Article 22(1) of the EU Merger Regulation. This provision allows Member States to request the Commission to examine a merger that does not have an EU dimension but affects trade within the single market and threatens to significantly affect competition within the territory of the Member States making the request. Other countries of the European Economic Area had the opportunity to join the original referral request. Subsequently, Belgium, Greece, Iceland, the Netherlands and Norway joined France's referral request. On the basis of the information provided by France and the other countries, and without prejudice to the outcome of its investigation, the Commission considers that the transaction meets the criteria for referral under Article 22. In particular, the combined entity could restrict access to or increase prices of next generation sequencers and reagents to the detriment of GRAIL's rivals active in genomic cancer tests following the transaction.

A referral of this transaction is appropriate because GRAIL's competitive significance is not reflected in its turnover, as notably evidenced by the USD 7.1 billion dollar deal value. Genomic cancer tests, having the potential to identify a wide variety of cancers in asymptomatic patients, are expected to be game-changers in the fight against cancer. It is therefore important to ensure that patients get access to this technology as quickly as possible, from as wide sources as possible, and at a fair price.

As anticipated by Executive Vice-President Margrethe **Vestager** in her speech on [“The Future of merger control”](#), the Commission adopted on [26 March 2021](#) the [Article 22 Guidance](#). This Guidance describes the categories of cases that may constitute suitable candidates for a referral in situations where the transaction is not notifiable under the laws of the

referring Member State(s), and sets out the criteria that the Commission may take into account in exercising its discretion to accept such referrals. The Commission has asked Illumina to notify the transaction. Illumina cannot implement the transaction before notifying and obtaining clearance from the Commission. *(For more information: Arianna Podesta – Tel. +32 229 87024; Maria Tsoni – Tel.: +32 229 90526)*