

Acquisition by Copart, Inc. of Green Parts Specialist Holdings Ltd (Hills Motors)

DECISION TO REFER

ME/7010/22

The CMA's decision to refer under section 22 of the Enterprise Act 2022 given on 9 December 2022. Full text of the decision published on 9 December 2022.

Introduction

1. On 5 July 2022, Copart UK Limited, a wholly owned subsidiary of Copart, Inc. (**Copart**), acquired the entire issued share capital of Green Parts Specialist Holdings Ltd (formerly named ILT Project Limited) (**Hills Motors**) (**the Merger**). Copart and Hills Motors are together referred to as the **Parties** and for statements referring to the future, as the **Merged Entity**.
2. On 28 November 2022, the Competition and Markets Authority (**CMA**) decided under section 22(1) of the Enterprise Act 2002 (the **Act**) that it is or may be the case that the Merger constitutes a relevant merger situation that has resulted or may be expected to result in a substantial lessening of competition (**SLC**) within a market or markets in the United Kingdom (the **SLC Decision**).¹
3. On 28 November 2022, the CMA gave notice pursuant to section 34ZA(1)(b) of the Act to Copart of the SLC Decision. However, in order to allow Copart the opportunity to offer undertakings to the CMA for the purposes of section 73(2) of the Act, the CMA did not refer the Merger for a phase 2 investigation pursuant to section 22(3)(b) on the date of the SLC Decision. On 28 November 2022, the CMA extended the statutory four-month period mentioned in section 24(1) of the Act by notice pursuant to section 25(4) of the Act.
4. Pursuant to section 73A(1) of the Act, if a party wishes to offer undertakings for the purposes of section 73(2) of the Act, it must do so before the end of the five working

¹ See [Copart / Hills Motors merger inquiry - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/copart-hills-motors-merger-inquiry)

day period specified in section 73A(1)(a) of the Act. The SLC Decision stated that the CMA would refer the Merger for a phase 2 investigation pursuant to section 22(1), and in accordance with section 34ZA(2) of the Act, if no undertakings for the purposes of section 73(2) of the Act were offered to the CMA by the end of this period (ie by 5 December 2022); if Copart indicated before this deadline that it did not wish to offer such undertakings; or if the undertakings offered were not accepted.

5. On 5 December 2022, Copart informed the CMA that it would not offer such undertakings to the CMA. Accordingly, pursuant to section 25(5)(b) of the Act the extension to the four-month period mentioned in section 24(1) of the Act ends on 19 December 2022.

Decision

6. Therefore, pursuant to section 22(1) and in accordance with section 34ZA(2) of the Act, the CMA has decided to refer the Merger to its chair for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 to conduct a phase 2 investigation.

Sorcha O'Carroll
Senior Director, Mergers
Competition and Markets Authority
9 December 2022