

Photoshop-maker Adobe scraps rival buyout after EU, UK pushback

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Photoshop giant Adobe has scrapped its plans to buy up software company Figma after encountering opposition to the deal by regulators in the EU and Britain, the company said on Monday.

The two California-based tech companies had announced the \$20 billion transaction in September 2022, but Adobe immediately faced criticism from regulators that it was trying to remove a promising rival from the market.

"Adobe and Figma strongly disagree with the recent regulatory findings, but we believe it is in our respective best interests to move forward independently," said Shantanu Narayen, Adobe's chair and CEO.

In the [space](#) of ten years, Figma, which today employs around 850 people, had established itself as a benchmark tool for a large number of companies to the point of competing with established players such as Adobe.

Regulators are eager to avoid repeating past acquisition approvals such as Facebook's purchase of Instagram—a move that seemed potentially minor at the time, but later proved to cement Facebook as a social media juggernaut.

In a statement to the US Securities and Exchange Commission, the companies said that under the terms of their termination agreement reached on Sunday, Adobe will pay Figma \$1 billion in compensation.

"It is important in digital markets, as well as in more traditional industries, to not only look at current overlaps but to also protect future competition," said the EU's competition commissioner Margrethe Vestager.

"This applies in particular to transactions by which large, established companies acquire successful disruptive innovators," she added.

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