

EU clears LSE's \$27bn takeover of Refinitiv with conditions

13 January 2021, by Marc Burleigh



The London Stock Exchange believes the acquisition of financial market data provider Refinitiv will help it triple revenues

EU regulators on Wednesday authorised the London Stock Exchange's \$27-billion (22-billion-euro) takeover of US financial data provider Refinitiv with certain conditions.

The transaction is permitted on condition that the parties involved make "commitments that will ensure that the markets will remain open and competitive," European Union antitrust commissioner Margrethe Vestager said in a statement.

The [merger](#), announced in August 2019, aims to create a market information giant that would rival Bloomberg.

New York-headquartered Refinitiv is one of the main financial markets data providers, with 40,000 institutional clients in almost all countries on the planet.

It was formerly the financial and risk business of Canadian group Thomson Reuters, which went on

to share ownership with the majority stakeholder, private equity firm Blackstone.

The deal will see the Thomson Reuter-Blackstone consortium take 37 percent in the London Stock Exchange Group (LSEG) but hold less than 30 percent of voting rights.

The LSEG forecasts it will triple revenues after the merger and become one of the world's top players across a range of financial services, including trading in shares and bonds as well as clearing and data.

US authorities have already approved the merger. EU regulators launched their in-depth investigation of the deal in June last year.

Borsa Italiana

To win EU regulatory approval, the LSEG agreed to divest itself of Borsa Italiana, the Italian stock exchange in Milan, and for 10 years to continue offering over-the-counter interest rate derivative clearing services on an "open access basis" and supply London Stock Exchange trading data to competitors, the statement said.

"The Commission therefore concluded that the transaction, as modified by the commitments, would no longer raise competition concerns. This decision is conditional on full compliance with the commitments," it said.

The LSEG said in its own statement it "confirms that the European Commission has conditionally approved, under the EU Merger Regulation, its proposed all share acquisition of Refinitiv".

It added that the merger "remains subject to a small number of merger control and financial regulatory authority approvals" and expected the transaction to be completed before the end of March.

LSEG shares jumped on the news and were trading 1.7 percent higher in mid-afternoon on the London Stock Exchange.

Euronext, Europe's biggest [stock](#) exchange, acknowledged the EU's decision. In October it entered a binding agreement to take Borsa Italiana off Refinitiv's hands for 4.3 billion euros (\$5.2 billion).

It noted that its purchase of Borsa Italiana was still subject to regulatory approval but expected to complete it within the next five months.

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