

# Government responds to the proposed merger of Impcross Ltd and Gardner Aerospace Holdings Ltd

The government has been made aware of the proposed merger of Impcross Ltd and Gardner Aerospace Holdings Ltd.

Under the [Enterprise Act 2002](#), the Secretary of State for Business, Energy and Industrial Strategy has the power to intervene in certain 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 fair and impartial manner.

On 5 December 2019, acting on official advice, the Secretary of State issued a public interest intervention notice, confirming that she is intervening in the merger on national security grounds. In reaching this decision, she considered the representations received from the Secretary of State for Defence.

The Competition and Markets Authority (CMA) will prepare a report on the jurisdictional, competition and national security aspects of the proposed transaction. The CMA has until midnight on 2 March 2020 to complete and submit this report to the Secretary of State.

In addition, an Order was made pursuant to paragraph 2(2) of schedule 7 to the Enterprise Act 2002 to prevent the parties taking any actions that might raise national security concerns. The comprehensive Order prevents the completion of the transaction and the transfer of material or information between the parties. The Order can be varied by the Secretary of State and she must act reasonably when considering any requests from the parties to amend it.

It was necessary to make and bring this Order into force before it could be laid before Parliament as to do otherwise would have given the parties the opportunity to take actions that might have undermined the purpose and effectiveness of the order. The Secretary of State has written to the Lord Speaker and the Clerks of both Houses to inform them of her decision. The Order will be laid before the new Parliament when it is assembled, and normal Parliamentary scrutiny will then take place.

Business Secretary Andrea Leadsom said:

The Enterprise Act provides the government with the power to intervene in, and, if necessary, block mergers in order to protect national security.

I will not hesitate to use my powers to protect national security, if it is appropriate to do so.

Following careful consideration, I have issued an intervention notice to the Competition and Markets Authority to investigate the national security concerns and competition aspects in this case.

The CMA will now investigate and carry out a review of the national security implications of the transaction. They must report back to me by 2 March 2020.

Additionally, I have placed an Order on the companies while the transaction is being investigated to prevent them taking actions which might raise national security concerns. Beyond what is needed to protect national security, I will ensure that this does not impede the companies when acting in the normal course of business.

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