

Clients & Friends Alert

U.K. COMPETITION AND MARKETS AUTHORITY SEEKS CONSULTATIONS AND COMMENTS ON REMOVING BARRIERS TO THE CREATION OF SUPERSTAR FIRMS

September 18, 2025

“U.K. scale-ups – particularly fast-growing, superstar firms with the potential to become global leaders – are critical to [the U.K.’s] economic future.”¹ “Effective competition policy will complement and enhance the effectiveness of other policy levers and market interventions to support firm growth.”² “In an economy where there are barriers to scaling-up – because capital is tight or regulation is restrictive – incumbents can rest easy; stale firms get staler, productivity stagnates, and consumers lose out.”³ [So says Sarah Cardell](#), the Chief Executive of the U.K.’s Competition and Markets Authority (“CMA”) and the CMA.

“Determined” that it promote competition and consumer protection “in a way which maximizes [its] contribution to growth and investment”⁴ and aware of the “pressing need to consider how potential barriers” to the creation of superstar firms “might be removed,” the [CMA is seeking comment](#) on how regulation and the U.K. government’s competition enforcement policy affects or might encourage “scale-ups.”⁵

The CMA seeks comment from and consultations with the business and investment community on (among other topics):⁶

¹ Sarah Cardell, Chief Executive, Competition and Markets Authority, [Harnessing Competition to Drive Investment](#) (“Harnessing Competition”) (Sept. 10, 2025).

² Competition and Markets Authority, [Scale-Ups and Competition Policy](#), Discussion Paper (Sept. 11, 2025) at 4.

³ [Scale-Ups and Competition Policy](#) at 7.

⁴ [Harnessing Competition](#).

⁵ [Scale-Ups and Competition Policy](#) at 3-4. A scale-up is a firm growing by 20% or more for several years in a row. A superstar firm is a firm “capable [of] growing rapidly from challengers to world-leaders.” Id. See also U.K. Government, [THE UK’S MODERN INDUSTRIAL STRATEGY](#) (June 2025).

⁶ This series of topics is drawn from the [Harnessing Competition](#) speech by Sarah Cardell, the [Scale-Ups and Competition Policy](#) Discussion Paper, and the Competition and Markets Authority, CMA Microeconomics Unit, [INVESTMENT COMPETITION OVER THE BUSINESS LIFECYCLE](#) (Discussion Paper) (Sept. 11, 2025). A review of these materials will identify many more topics for comment and consultation.

- Competition and investment, including the effect of regulation on access to capital in financial markets and on competition in the market for venture capital, and the effect of market structure and concentration on investment.
- The “lost potential” from or associated with financial constraints facing start-up companies.
- The role of private equity in competition and investment, and whether private equity funds generally enter markets that are more or less competitive than average.
- The role of government policy in shaping the investment decisions and sector or geographic focus of venture capital investing.
- Regulatory burdens that disproportionately affect smaller firms, and reforms that could help support scaling-up in high-growth sectors.
- Public procurement practices that are holding back scale-ups.
- Competition, market structure and innovation, including the theoretical and empirical relationship between innovation and competition.
- How acquisitions and mergers impact whether innovative firms continue their scale-up in the U.K.
- Innovation and future investment effects of horizontal mergers, vertical mergers (and other non-horizontal mergers) and mergers among or involving platforms.
- Market structures that will strengthen the ability of U.K. scale-ups to improve domestic resilience in critical areas.
- The role of domestic consolidation in supporting U.K. scale-ups’ ability to obtain and maintain strategic positions in global markets, and how this should be considered within the U.K. merger regime.
- The procompetitive effects of different “exit routes” for entrepreneurs.
- Legal, compliance, and other regulatory barriers to partnerships and joint ventures that may otherwise support scale-ups.

- Sector-specific competition issues preventing firms from scaling up and/or where there are the clearest opportunities for pro-competitive regulatory reforms, within the “Industrial Strategy 8” (IS-8).⁷
- The trade-off (if any) between easier access to public and private data and innovation, growth, and investment.
- Balancing open access requirements and protecting proprietary investment.
- The types of foreign direct investment most likely to contribute to raising long-run investment.
- How and whether corporate governance and norms (some tending towards “short-termism”) impact and interact with competition, competitive markets, and competitive pressures.

Comments are due November 21, 2025, and can be submitted to publicpolicy@cma.gov.uk. Requests to consult with the CMA should be emailed to the same email address. “In particular, [the CMA] would like to hear from high-growth sectors in the U.K. government’s industrial strategy (the IS-8) and their investors.”⁸ Case or merger-specific submissions on post-merger innovation and investment decisions, successes, and failures may be of particular interest and may not otherwise be available to the CMA.⁹

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If you are interested in commenting to the Competition and Markets Authority, the following Cadwalader attorneys have experience in matters before the CMA, and are available to help with comments and consultations:

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⁷ The IS-8 are: (i) [Advanced Manufacturing](#); (ii) [Clean Energy Industries](#); (iii) [Creative Industries](#); (iv) Defense; (v) [Digital and Technologies](#); (vi) Financial Services; (vii) Life Sciences; and (viii) [Professional and Business Services](#). For additional identification of industries within these categories, see the [Industrial Strategy Sector Definition List](#) (June 23, 2025) and the individual sector plans. (Defense, Financial Services, and Life Sciences are not yet published by the U.K. government.)

⁸ See Scale-Ups and Competition Policy [page](#).

⁹ The literature review prepared by the CMA Microeconomics Unit and which is likely to influence the CMA’s consideration of these questions, looks at publicly available studies, some of which are quite large and thus somewhat aggregated, and which are also not generally firm specific.