



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: LM236Jan19

In the matter between

IAM NewCo

Primary Acquiring Firm

And

Investec Asset Management Holdings (Pty) Ltd and
Investec Asset Management Ltd

Primary Target Firms

Panel	: Y Carrim (Presiding Member)
	: M Mazwai (Tribunal Member)
	: A Ndoni (Tribunal Member)
Heard on	: 20 February 2019
Order Issued on	: 20 February 2019
Reasons Issued on	: 11 March 2019

REASONS FOR DECISION

Approval

- [1] On 20 February 2019, the Tribunal unconditionally approved a transaction in terms of which IAM NewCo ("NewCo") acquired sole control of Investec Asset Management Holdings (Pty) Ltd ("IAM SA") and Investec Asset Management Ltd ("IAM UK").
- [2] The reasons for the approval follow.

Parties to the transaction

Primary Acquiring Firm

- [3] NewCo is a newly established entity incorporated and registered in accordance with the laws of the United Kingdom. NewCo was incorporated solely for the purpose of the proposed transaction and conducts no activities pre-transaction.

Primary Target Firm

- [4] The primary target firms are IAM SA and IAM UK, which are controlled by Investec Ltd and Investec PLC respectively. Investec Ltd is listed on the Johannesburg Stock Exchange, whereas Investec PLC is listed on the London Stock Exchange.
- [5] IAM SA and IAM UK are active in the provision of active investment products and services to institutional and advisor clients. Pertinent to this transaction, the firms provide asset management services to personal clients; third party institutions; and intermediated savers.

Proposed transaction and rationale

- [6] In terms of the transaction, NewCo will acquire the Asset Management Businesses of Investec PLC and Investec Ltd.
- [7] In terms of the rationale, the merging parties submit that the decision to reorganise Investec's Asset Management Business is in line with strategic objectives.

Relevant market and impact on competition

- [8] The Commission considered the activities of the merging parties and found that the proposed transaction does not present any horizontal or vertical overlaps as the primary acquiring firm is a newly incorporated entity with no activities.

Public interest

- [9] The parties to the transaction confirmed that the transaction would not have any adverse effects on employment as NewCo has no employees. The employees of IAM SA raised no concerns with the transaction.¹ The transaction raises no other public interest concerns.

Conclusion

- [10] In light of the above, we concluded that the transaction is unlikely to substantially prevent or lessen competition in any relevant market. In addition, no adverse public interest issues arise from the transaction. Accordingly, we unconditionally approved the transaction.



Ms. Yasmin Carrim

11 March 2019

Date

Ms. Mondo Mazwai and Ms. Andiswa Ndoni concurring.

Tribunal Case Manager : Andiswa Nyathi

For the Merging Parties : Mark Garden of Edward Nathan Sonnenbergs Inc

For the Commission : Nolubabalo Myoli and Ratshidaho Maphwanya

¹ The employees of IAM SA are not represented by a trade union or employee representative. Therefore, the head of HR, Mr. Johnathan Shaw, confirmed the satisfaction of employees with the transaction.