



## COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No.: LM006Apr21

In the matter between:

M&G FA Limited

**Primary Acquiring Firm**

And

Prudential Portfolio Managers (South Africa) (Pty)  
Ltd

**Primary Target Firm**

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Panel: E Daniels (Presiding Member)  
Y Carrim (Tribunal Panel Member)  
A Ndoni (Tribunal Panel Member)

Heard on: 25 May 2021  
Order Issued on: 25 May 2021  
Reasons Issued on: 25 May 2021

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### ORDER

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Further to the recommendation of the Competition Commission in terms of section 14A(1)(b) of the Competition Act, 1998 ("the Act") the Competition Tribunal orders that—

1. the merger between the abovementioned parties be approved in terms of section 16(2)(a) of the Act; and
2. a Merger Clearance Certificate be issued in terms of Competition Tribunal Rule 35(5)(a).

*Enver Daniels*

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**Presiding Member**  
**Mr Enver Daniels**

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**25 May 2021**  
**Date**

**Concurring: Ms Yasmin Carrim and Ms Andiswa Ndoni**

# Merger Clearance Certificate

**Date** : 25 May 2021

**To** : Fasken Attorneys

Case Number: LM006Apr21

M and G FA Ltd And Prudential Portfolio Managers (South Africa) (Pty) Ltd

## Notice CT 10

### About this Notice

This notice is issued in terms of section 16 of the Competition Act.

You may appeal against this decision to the Competition Appeal Court within 20 business days.

### Contacting the Tribunal

The Competition Tribunal  
Private Bag X24  
Sunnyside  
Pretoria 0132  
Republic of South Africa  
tel: 27 12 394 3300  
fax: 27 12 394 0169  
e-mail: ctsa@comptrib.co.za

You applied to the Competition Commission on **31 March 2021** for merger approval in accordance with Chapter 3 of the Competition Act.

Your merger was referred to the Competition Tribunal in terms of section 14A of the Act, or was the subject of a Request for consideration by the Tribunal in terms of section 16(1) of the Act.

After reviewing all relevant information, and the recommendation or decision of the Competition Commission, the Competition Tribunal approves the merger in terms of section 16(2) of the Act, for the reasons set out in the Reasons for Decision.

This approval is subject to:

no conditions.

the conditions listed on the attached sheet.

The Competition Tribunal has the authority in terms of section 16(3) of the Competition Act to revoke this approval if

- a) it was granted on the basis of incorrect information for which a party to the merger was responsible.
- b) the approval was obtained by deceit.
- c) a firm concerned has breached an obligation attached to this approval.

**The Registrar, Competition Tribunal**

*Tebogo Mphahlele*



## COMPETITION TRIBUNAL OF SOUTH AFRICA

Case no: LM006Apr21

**M&G FA Limited** (Primary Acquiring Firm)

and

**Prudential Portfolio Managers (South Africa) (Pty) Ltd** (Primary Target Firm)

Heard on: 25 May 2021

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### REASONS FOR DECISION

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- [1] On 25 May 2021, the Competition Tribunal unconditionally approved a large merger between M&G FA Limited (“M&G”) and Prudential Portfolio Managers (South Africa) (Pty) Ltd (“PPMSA”).
- [2] M&G is acquiring 0.13% of the shares in PPMSA from Thesele Asset Management No 2 (RF) (Pty) Ltd, such that M&G will increase its shareholding from 49.99% to 50.12% in PPMSA, therefore crossing the bright lines, indicating control under the Act.
- [3] M&G is owned by M&G plc and is a shareholder in PPMSA. The shares in PPMSA are held by M&G, Prudential Staff Investment Company (RF) (Pty) Ltd, Thesele Asset Management (RF) (Pty) Ltd (“TAM 1”) and Thesele Asset Management No.2 (RF) (Pty) Ltd (“TAM 2”).
- [4] M&G is a leading international savings and investment business, responsible for the management of individual and institutional investments, and PPMSA is an investment/asset manager on behalf of retail and institutional investors in South Africa.
- [5] In its competition assessment, the only overlap that was found by the Competition Commission (“Commission”) relates to the fact that M&G holds 49.99% shareholding in PPMSA. In assessing the market shares, the Commission found that post-merger, the merged entity will have less than 3% market share, with no market share accretion. Additionally, the merged entity will still be constrained by larger players such as Old Mutual Investment Group, Stanlib, Sanlam Investments and Coronation, among others.
- [6] The Commission is therefore of the view that the proposed merger is unlikely to substantially prevent or lessen competition.
- [7] The merger raises no public interest concerns.
- [8] No third parties raised any concerns.

- [9] We concluded that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market, or to have a negative impact on public interest.

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**Mr Enver Daniels**

**Ms Yasmin Carrim and Ms Andiswa Ndoni concurring.**

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**25 May 2021**

**Date**

Tribunal Case Manager:

Camilla Mathonsi

For the Merging Parties:

Stuart Strachan

For the Commission:

Zintle Siyo and Mogau Aphone