



## COMPETITION TRIBUNAL OF SOUTH AFRICA

Case no: LM013Apr21

In the large merger between:

**IQ Business (Pty) Ltd** (Primary Acquiring Firm)

And

**Tamirox (Pty) Ltd** (Primary Target Firm)

Heard on: 21 May 2021

Order Issued on: 21 May 2021

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### REASONS FOR DECISION

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- [1] On 21 May 2021, the Competition Tribunal (“Tribunal”) unconditionally approved the large merger involving IQ Business Proprietary Limited (“IQ Business”) and Tamirox Proprietary Limited (“Tamirox”).
- [2] The proposed transaction entails IQ Business acquiring a ██████% shareholding in Tamirox. Post-merger, IQ Business will control Tamirox and its subsidiaries.
- [3] IQ Business is a management consulting firm in South Africa which provides solutions to businesses facing challenges through assisting teams to design and implement solutions (“consulting”), deploying its employees to fill a skills gap (“contracting”) and leveraging methodologies, best practices and benchmarks developed internally or from its partners (“research”). These solutions are provided through various practices, namely, process innovation, technology enablement, regulatory, analytics, sustainability, human performance and strategic advisory.
- [4] Tamirox is a holding entity and does not have any business activities. Tamirox controls IQT Business Solutions (Pty) Ltd (“IQTBS”), a niche consulting and software development ICT company. IQTBS provides support to its clients through the provision of custom build software solutions and outsourced/co-sourced development services. ITQBS provides its services to various clients that range from leading banks to insurance companies and healthcare administrators.
- [5] The Competition Commission (“Commission”) considered the activities of the merging parties and found that the proposed transaction does not result in any horizontal or vertical overlaps. IQ Business is active in the provision of IT

consulting services whereas the services offered by the target firm are categorised as IT software services.

- [6] However, the services rendered by the merging parties were found to be complementary. The Commission therefore assessed whether the proposed transaction could result in anticompetitive portfolio effects. It concluded that significant portfolio effects are unlikely to result from the proposed transaction since the merging parties do not have market power in any of the affected markets and will continue to face competition from other firms that can offer a complete suite of IT services.
- [7] Furthermore, no competition concerns were raised by any third parties.
- [8] We conclude that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market.
- [9] With respect to public interest considerations, the proposed merger does not give rise to negative employment effects and raises no other public interest concerns.
- [10] Given the above, we approve the proposed transaction unconditionally.

*Andreas Wessel Wessels*

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**Mr Andreas Wessels  
Ms Yasmin Carrim and Dr Thando Vilakazi concurring**

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**27 May 2021**

**Date**

Tribunal Case Manager: Lumkisa Jordan  
For the Merging Parties: Ahmore Burger-Smidt of Werksmans Attorneys  
For the Commission: Yolanda Okharedia and Themba Mahlangu