

COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No.: LM097Oct21

In the matter between:

Societe De Promotion Et De Participation Pour La
Cooperation

Primary Acquiring Firm

And

Respublica Group (Pty) Ltd

Primary Target Firm

Panel: Y Carrim (Presiding Member)
M Mazwai (Tribunal Member)
AW Wessels (Tribunal Member)

Heard on: 13 December 2021

Order Issued on: 13 December 2021

ORDER

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).

Yasmin Tayeb Carrim

**Presiding Member
Ms Yasmin Carrim**

13 December 2021

Date

Concurring: Ms Mondo Mazwai and Mr Andreas Wessels



competitiontribunal
SOUTH AFRICA

Merger Clearance Certificate

Date : 13 December 2021

To : DLA Piper Attorneys

Case Number: LM097Oct21

Societe De Promotion Et De Participation Pour La Cooperation and Economique S.A (PROPARCO) And Republica Group (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.

You applied to the Competition Commission on **08 October 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.

Contacting the Tribunal

The Competition Tribunal
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Republic of South Africa
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The Registrar, Competition Tribunal



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case no: LM097Oct21

Societe De Promotion et De Participation Pour La Cooperation Economique SA
(Primary Acquiring Firm)

and

Respublica Group (Pty) Ltd (Primary Target Firm)

REASONS FOR DECISION

- [1] On 13 December 2021, the Competition Tribunal unconditionally approved a large merger between Société de Promotion Et De Participation Pour La Coopération Economique S.A. ("Proparco") and a firm to be incorporated and jointly controlled by Bopa Moruo Fund II Proprietary Limited and RMB Ventures Four Proprietary Limited ("InvestCo"), and the Respublica Group Proprietary Limited ("RG").
- [2] In terms of this transaction, Proparco and InvestCo will be subscribing for newly issued shares of RG and will each hold between [REDACTED] of the issued shares of RG upon completion of the transaction. Thus, both Proparco and InvestCo will exercise control over RG.
- [3] The International Finance Corporation ("IFC") will also subscribe for shares in RG and will also hold between [REDACTED] of the issued shares of RG upon completion of the proposed transaction. We note that while the IFC is acquiring similar shareholding in the Target Firm as Proparco and InvestCo (the other acquiring firms), the IFC is not listed as an acquiring firm. In this regard, the merging parties submitted that based on the IFC's Articles of Agreement referenced in the Article III Notice, the IFC is not required to seek approval in its acquisitions within South Africa. This is an agreement that the IFC has with the South African Government, governed by National Treasury.

- [4] The Competition Commission (“the Commission”) did not find any overlaps between the activities of the merging parties as the Acquiring Firm does not sell any products or render any services that are functionally substitutable with those offered by RG.
- [5] Therefore, the Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in any of the relevant markets.
- [6] The transaction does not have any adverse effect on employment.
- [7] The current shareholding of historically disadvantaged persons (“HDPs”) in the Target Firm is negligible. However, InvestCo, which will be one of the joint controllers of RG, is jointly controlled by the Bopa Moruo Group which is █████ owned by HDPs and the RMBV Group, which is ultimately controlled by the FirstRand Group. The FirstRand Group is 27.83% owned by HDPs. The proposed transaction will therefore result in an increase of the ownership of HDPs in the Target Firm from a █████ percentage to above █████ and will have a substantial positive impact on the public interest grounds set out in section 12A(3) of the Competition Act.
- [8] There are no other public interest 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 the public interest.

13 December 2021

Ms Yasmin Carrim

Date

Ms Mondo Mazwai and Mr Andreas Wessels concurring

Tribunal Case Manager:

Kameel Pancham

For the Merging Parties:

Werner Rysbergen of DLA Piper Advisory Services

For the Commission:

Nolubabalo Myoli and Grashum Mutizwa