



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: LM007Apr15 (021220)

In the matter between:

Friedshelf 1577 Proprietary Limited

Primary Acquiring Firm

and

River Lily Investments Proprietary Limited

Newshelf 702 Proprietary Limited

Primary Target Firms

Panel	: Norman Manoim (Presiding Member)
	: Andiswa Ndoni (Tribunal Member)
	: Imraan I Valodia (Tribunal Member)
Heard on	: 17 June 2015
Order Issued on	: 17 June 2015
Reasons Issued on	: 7 July 2015

Reasons for Decision

Approval

- [1] On 17 May 2015, the Competition Tribunal ("Tribunal") unconditionally approved the merger between Friedshelf 1577 Proprietary Limited ("Friedshelf") and River Lily Investments Proprietary Limited ("River Lily") and Newshelf 1167 ("Newshelf").
- [2] The reasons for approving the proposed transaction follow.

Parties to transaction

Primary acquiring firm

- [3] The primary acquiring firm Friedshelf is a private company incorporated in accordance with the laws of South Africa. Friedshelf is controlled by CapClient Holdings SARL which is in turn controlled by L Perlman SECS.
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- [4] L Perlman SECS is an investment holding company. It controls subsidiaries which hold interests in South African insurance companies for the provision of long and short term insurance as well as unsecured personal loans.

Primary target firm

- [5] The primary target firms are River Lily and Newshelf. Both the target firms are jointly controlled by Capclient and Hollard Holdings.
- [6] Both target firms are private companies registered in South Africa that do not conduct any activities.

Proposed transaction and rationale

- [7] In terms of the proposed transaction Friedshelf a subsidiary of the L. Perlman SECS group will acquire from a fellow subsidiary the voting rights in River Lily and Newshelf from Hollard Holdings. On completion of the proposed transaction Friedshelf will acquire direct control of the target firms. The proposed transaction will also result in Friedshelf acquiring indirect control over Clientele Ltd due to the fact that both the target firms hold shares in Clientele Ltd.
- [8] The proposed transaction is designed to bring the structure of the Group's operating companies in line with the requirements of the Insurance Bill of 2015, the aim of which is to prevent operating companies from owning shares in one another.

Impact on competition

- [9] According to the Competition Commission's ("the Commission") findings the proposed transaction does not result in any overlap between the activities of the primary acquiring group and the target firms. Further, the proposed transaction does not alter the insurance market in South Africa as it is a reorganization of control within the same economic entity.

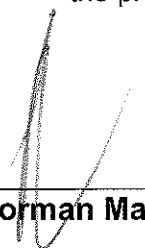
- [10] We concur with the Commission's competition assessment, i.e. that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market.

Public interest

- [11] The merging parties confirmed that the proposed transaction will not result in an adverse impact on employment.¹ The proposed transaction further raises no other public interest concerns.

Conclusion

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


Norman Manoim

07 July 2015
DATE

Andiswa Ndoni and Imraan I Valodia concurring

Tribunal Researcher: Aneesa Ravat

For the merging parties: Kirsty van den Bergh and Justin Balkin of ENS Africa

For the Commission: Daniela Bove and Grashum Mutizwa

¹ *Inter alia* merger record page 12.