

OFFICE FOR COMPETITION

22 December 2014

COMP-MCCAA/24/2014 – Acquisition by KPMG International and Crimsonwing plc

Decision on acquisition in terms of regulations 6 (1) (ii) and 12(4) of the Control of Concentrations Regulations (LN 294 of 2002 as subsequently amended)

The Office for Competition,

Having considered the notification dated 5 December, 2014 pursuant to regulation 5 of the Control of Concentrations Regulations,

Having considered the provisions of the Control of Concentrations Regulations,

Having considered Commission Notice on a simplified procedure for treatment of certain concentrations under Council Regulation (EC) No. 139/2004

Facts

1. On the 5 December 2014, the Office for Competition received a notification of a proposed concentration pursuant to regulation 5 of the Control of Concentrations Regulations (hereinafter referred to as “the Regulations”) whereby, pursuant to an announcement of a public bid (hereinafter referred to as “the Bid”), KPMG International (hereinafter referred to as KPMG) will acquire sole control of Crimsonwing p.l.c (hereinafter referred to as “Seller”) through KPMG Investments Malta Limited (hereinafter referred to as “Buyer”).
2. The notification was filed on the 5 December 2014, and accepted on the 5 December 2014 as a complete notification and was notified to the public through a notice that appeared in a newspaper on the 9 December 2014 and a public notice in the Government Gazette number 13,813 on the 12 December 2014.

Parties

3. The Notifying Party with registered office at KPMG Investments Malta Limited, Portico Building, Marina Street, Pieta’ ; PTA 9044

Transaction

4. Pursuant to the Bid, it is proposed that the Notifying Party acquires from the Seller sole control of the target (Crimsonwing plc) in accordance with the terms of the Listing Rules issued by the Malta Financial Services Authority.

Notifiable Concentration

5. In terms of regulation 2 of the Regulations, a concentration refers to the acquisition by one or more undertakings or by one or more persons already controlling at least one undertaking, whether by purchase of securities or assets, by contract or by any other means, of direct or indirect control of the whole or parts of one or more undertakings.
6. The proposed transaction brings about the acquisition of sole control in the form of transfer of shares.
7. Therefore the proposed transaction constitutes a concentration within the meaning of regulation 2 of the Regulations.

Threshold for Notification

8. The aggregate turnover of the undertakings concerned in the preceding financial year exceeds €2,329,373.40 and each of the parties concerned had a turnover in Malta equivalent to at least 10% of the combined aggregate turnover of the undertakings concerned.
9. The notified concentration, therefore, meets the notification threshold as set out in regulation 2 of the Regulations.

Simplified Procedure

10. Following the examination of the notification, it is considered that the notified concentration falls within the scope of regulation 12(1)(iii) of the Regulations, whereby it is provided that:

“The simplified procedure will apply to the following categories of concentrations that are deemed not to raise serious doubts as to their legality in terms of the provisions of these regulations...”

(iii) two or more undertakings merge, or one or more undertakings acquire sole or joint control of another undertaking and two or more of the parties to the concentration are engaged in business activities either in the same product and geographical market and their combined market share is less than 15%...”

Conclusion

For the above mentioned reasons and in terms of regulations 6 (1) (ii) and 12(4) of the Regulations, it is decided:

- (1) that the Concentration falls within the scope of the Regulations on Control of Concentrations;
- (2) that the Concentration does not raise serious doubts as to its lawfulness;
- (3) not to oppose the notified Concentration and to declare it a lawful Concentration.



Marcel Pizzuto
Acting Director General