

OFFICE FOR COMPETITION

27th March 2015

COMP-MCCAA/2/2015 – Merger between Grant Thornton International through Grant Thornton and EMCS Holdings Limited

Decision on merger 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 6th March, 2015 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 6th of March 2015, 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”), of the merger between Grant Thornton International through Grant Thornton and EMCS Holdings Limited.
2. The notification was filed and accepted on the 6th March 2015, as a complete notification and was notified to the public through a notice that appeared in a newspaper on 13th March 2015 and a public notice in the Government Gazette number 19,392 on 13th March 2015.

Parties

3. The Notifying Parties are Grant Thornton with registered office at Suite 3, Tower Business Centre, Tower Street, Swatar BKR 4013, Malta and EMCS, with registered office at Level 2, Regional Business Centre, University Heights, Msida MSD 1751

Transaction

4. It is proposed that Grant Thornton International through Grant Thornton and EMCS Holdings Limited, two previously independent undertakings, merge to form one single entity, through a lateral hire involving the combination of the EMCS business with Grant Thornton. The business of all entities shall be amalgamated and it will be directly or indirectly held by the civil partnership Grant Thornton (Malta).

Notifiable Concentration

5. In terms of regulation 2 of the Regulations, a concentration refers to the merging of two or more undertakings that were previously independent from each other.
6. The proposed transaction brings about the merging of two or more undertakings that were previously independent from each other.
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) that the Office does not oppose the notified Concentration and to declare it a lawful Concentration.



Godwin Mangion
Acting Director General