

OFFICE FOR COMPETITION

30th June 2016

COMP-MCCAA/14/2016- Acquisition by Argus Group Holdings Limited

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 3 June 2016 pursuant to regulation 5 of the Control of Concentrations Regulations,

Having considered the provisions of the Control of Concentrations Regulations

Facts

1. On 3 June 2016, 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 a Sale and Purchase Agreement (hereinafter referred to as “the Agreement”), Argus Group Holdings Limited, a company based in Bermuda (hereinafter referred to as “the Notifying Party”) will acquire sole control of Island Insurance Brokers Limited (C 10536) (hereinafter referred to as the “Acquired Party”).
2. The notification was filed and accepted as a complete notification on 3 June 2016. It was notified to the public through a notice that appeared in a daily newspaper on 17 June 2016 and a notice that appeared in the Government Gazette No. 19,594 of 17 June 2016.

Parties

3. The Notifying Party, Argus Group Holdings Limited, is a limited liability company incorporated under the laws of Bermuda with company registration number 36868 and registered office at ‘The Argus Building’, 14, Wesley Street, Hamilton, HM 11, Bermuda. The Notifying Party is present in Malta through Argus Insurance Agencies Limited (C 597) with registered office at ‘La Concorde’, Triq l-Abate Rigord, Ta’ Xbiex XBX 1121, Malta . The Notifying Party and its subsidiaries (hereinafter referred to as

“Argus Group”) operate predominantly in Bermuda, Gibraltar and Malta underwriting life, health, property and casualty insurance. Argus Group also provides investment, savings and retirement products and administrative services.

4. The Acquired Party, Island Insurance Brokers Limited is a limited liability company incorporated under the laws of Malta, with company registration number C 10536, and registered office at Insurance House, Psaila Street, Birkirkara, Malta. The Acquired Party is an insurance broker in all classes of insurance business in terms of the Insurance Intermediaries Act, 2006. Apart from insurance broking and risk management services, the Acquired Party is also involved in personal lines insurance.

Transaction

5. Pursuant to a Sale and Purchase Agreement dated 31st May 2016, the Notifying Party, will acquire all the issued shares of Island Insurance Brokers Limited with effect from completion, free from all encumbrances and with all rights attaching to them. Completion of the proposed concentration is conditional upon, *inter alia*, receipt of the necessary regulatory approvals.

Notifiable Concentration

6. 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.
7. The proposed transaction brings about the acquisition by the Notifying Party of sole control on the Acquired Party in the form of purchase of shares.
8. Therefore the proposed transaction constitutes a concentration within the meaning of Regulation 2 of the Regulations.

Threshold for Notification

9. 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.

10. The notified concentration, therefore, meets the notification threshold as set out in Regulation 2 of the Regulations.

Simplified Procedure

11. Following the examination of the notification, it is considered that the notified concentration falls within the scope of regulation 12(1) 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 therefore 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.


Godwin Mangion
Director General