

OFFICE FOR COMPETITION

27 August, 2014

COMP-MCCAA/25/2014 – HCS Limited/SSL 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 of 1 August, 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 1st August, 2014, the Office for Competition received a notification of a proposed concentration pursuant to regulation 5 of the Control of Concentrations Regulations, 2002 (hereinafter referred to as “the Regulations”) whereby, pursuant to an Agreement to Subscribe for Shares dated 17th July, 2014 (hereinafter referred to as “Agreement”), HCS Limited (hereinafter referred to as “Notifying Party”), will acquire sole control of SSL Holdings Limited.
2. The notification was filed and accepted on 1st August, 2014 and was notified to the public through a notice that appeared in a local newspaper on 8th August 2014 and in the Government Gazette number 19,294 on 8th August 2014. No third party objections were submitted.

Parties

3. The Notifying Party, with registered office at James Caterers Limited, Velleran Street, Fgura, having registration number C 61650, has as its main purpose the acquisition of control of SSL Holdings Limited. All of the issued share capital in the Notifying Party, except for two shares, is held by Malta Healthcare Caterers Limited, with registered address at James Caterers Limited, Velleran Street, Fgura, and having registration number C 39636. Malta Healthcare Caterers Limited operates in the provision of contract food services in the health industry by engaging in the supply of catering services to hospitals and homes for the elderly. Malta Healthcare Caterers Limited is a company jointly owned by Seabank Hotel and Catering Limited and James Caterers Limited.

4. SSL Holdings Limited, with registered office at 9, Old Railway Road, Santa Venera, having registration number C 65119, has as its main purpose the holding of shares in Support Services Limited. Support Services Limited, with registered address at 9, Old Railway Road, Santa Venera, having registration number C 30778, operates in the recruitment and supply of assistant care workers who assist patients in their needs under the guidance and supervision of a nurse and carry out general domestic duties in the respective ward or section.
5. Pursuant to the Agreement, it is proposed that the Notifying Party acquires 60% of the issued share capital in SSL Holdings Limited. This shall confer upon the Notifying Party decisive influence on a lasting basis over strategic issues of SSL Holdings Limited.

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 is a concentration within the meaning of regulation 2 of the Regulations whereby the Notifying Party acquires sole control of SSL Holdings Limited.

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

(ii) two or more undertakings merge, or one or more undertakings acquire sole or joint control of another undertaking, provided that none of the parties to the concentration are engaged in business activities in the same product or geographical market, or in a product

market which is upstream or downstream of a product market in which any other party to the concentration is engaged.”

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.



Marcel Pizzuto
Acting Director General