

## **OFFICE FOR COMPETITION**

14<sup>th</sup> June 2018

### **COMP-MCCAA/07/2018- Joint Venture between V.J. Salomone Marketing Limited and Vivian Corporation 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 16 May 2018 pursuant to Regulation 5 of the Control of Concentrations Regulations,**

**Having considered the provisions of the Control of Concentrations Regulations**

#### **Facts**

1. On the 16 May 2018, V.J. Salomone Marketing Limited and Vivian Corporation Limited (hereinafter referred to as “the Notifying Parties”) notified the Office for Competition (hereinafter referred to as “the Office”) with a Joint Venture Agreement (hereinafter referred to as “the Agreement”), whereby the Notifying Parties intend to establish a new entity, with the main aim to act as the sole Maltese representative of a number of products (hereinafter referred to as “The Transaction”).
2. The notification was filed on 16 May 2018 and was accepted as a complete notification on 17 May 2018 and was notified to the public through a notice that appeared in a daily newspaper on 22 May 2018 and a notice that appeared in the Government Gazette No.19, 994 on 22 May 2018.

#### **Parties**

3. i. The Notifying Parties are both importers and distributors of various brands in the cosmetics and perfumery market in Malta. V.J.Salamone Marketing Limited is a registered company having registration number C 1287 with registered address Upper Cross Road, Marsa. V.J. Salamone Marketing Limited is a company that forms part of a group of companies, which has its core operation in the importation and distribution of various products ranging from, inter alia, fragrances, colour cosmetics, skin care products and hair care products amongst other products.
- ii. Vivian Corporation Limited is a registered company having a registration number C 68, with registered address Sanitas Buildings, Tower Street, Msida. Vivian Corporation Limited is also an importer and distributor of various products ranging from healthcare,

baby care, cosmetics and toiletries. Furthermore, Vivian is also a distributor of surgical spirit, nail polish removed products and hair accessories products.

### **Transaction**

4. Pursuant to the Agreement, the Notifying Party proposes to create a new entity, which entity shall take the form of a limited liability company to be incorporated under the laws of Malta and having both Notifying Parties as its shareholders.
5. The new entity shall act as the sole Maltese representative of the Coty Consumer Beauty Product Range, Coty Prestige Brands, together with other beauty product brands which are currently imported by the Notifying Parties. The new entity will specifically be involved in the perfumery, cosmetics and toiletry market in Malta.
6. The Notifying Parties shall each transfer their representative stock and merchandise to the joint venture.
7. The Notifying Parties will in all cases hold jointly the shareholding of the joint venture.

### **Notifiable Concentration**

8. The proposed transaction brings about the acquisition of joint control by the Notifying Parties of a fully functioning joint venture within the meaning of regulation 2(ii) of the Regulations.
9. The Office considers that the proposed transaction constitutes a concentration within the meaning of Regulation 2 of the Regulations.

### **Threshold for Notification**

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

### **Simplified Procedure**

12. 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% or in a product market which is upstream or downstream of a product market in which any other party to the concentration is engaged and their combined market share is less than 25%.”.*

### **Conclusion**

In view of the above 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