

OFFICE FOR COMPETITION

25 July 2019

COMP-MCCAA/09/2019- Acquisition by HID 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 filed on 28 June 2019 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 Regulation (EC) No 139/2004

Facts

1. On 28 June 2019, the Office for Competition received a notification of a proposed acquisition pursuant to Regulation 5 of the Control of Concentrations Regulations (hereinafter referred to as “the Regulations”), whereby HID Corporation Limited (hereinafter referred to as “the Notifying Party”) will acquire sole control of De La Rue Identity Solutions Limited (hereinafter referred to as “the Acquired Party”).
2. The notification was filed on 28 June 2019 and accepted as a complete notification on 3 July 2019. The proposed acquisition was notified to the public through a notice that appeared in a daily newspaper on 9 July 2019 and a notice that appeared in the Government Gazette No.20,228 on 9 July 2019.

Parties

3. HID Corporation Limited, a wholly owned subsidiary of Assa Abloy Group, is a company having registration number 03568985 and with its registered address

at Phoenix Road, Haverhill, Suffolk. The Notifying Party is a secure identity solutions provider which offers solutions primarily in identity and access management, such as contactless smart cards, wall mount readers for physical access control and software for secure login. The Notifying Party is also actively involved in identification technology solutions, including animal and inventory ID tags, contactless payment cards and Government ID solutions. ✂....
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4. De La Rue Identity Solutions Limited, is a company having registration number 12027509 and with its registered address at De La Rue House, Jays Close, Basingstoke, Hampshire. The Acquired Party is a wholly owned subsidiary of De La Rue International Limited and is active in the provision of identity solutions for government identity programmes. These solutions include national identity cards, travel documents and driving licenses, amongst others. The Acquired generates its turnover in Malta through the provision of electronic identity solutions to the Maltese government, supplying both electronic Passports and electronic ID cards.

Transaction

5. Pursuant to a Share and Purchase Agreement (hereinafter referred to as “the Agreement”) dated 12 June 2019, the Notifying Party proposes to acquire the entire issued share capital of the Acquired Party. The completion of this transaction is conditional upon, *inter alia*, clearance of the proposed concentration by the Office for Competition in Malta within the Malta Competition and Consumer Affairs Authority.

Notifiable Concentration

6. In terms of regulation 2 of the Control of Concentrations Regulations, a concentration, *inter alia*, 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 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 control on the Acquired Party in the form of shares.
8. Therefore, the proposed transaction constitutes a concentration within the meaning of regulation 2 of the Control of Concentrations Regulations.

Threshold for Notification

9. The aggregate turnover of the concerned undertakings concerned in the preceding financial year exceeds €2,329,373.40 and each of the parties 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...:

(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

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