

OFFICE FOR COMPETITION

21 August 2019

COMP-MCCAA/09/2019- Acquisition by CKV Central 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 19 July 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 16 July 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 CKV Central Limited (hereinafter referred to as “the Notifying Party”) will acquire sole control of CKV Marketing (hereinafter referred to as “the Acquired Party”).
2. The notification was filed on 16 July 2019 and accepted as a complete notification on 25 July 2019. The proposed acquisition was notified to the public through a notice that appeared in a daily newspaper on 30 July 2019 and a notice that appeared in the Government Gazette No.20,241 on 30 July 2019. No third-party objections were submitted.

Parties

3. CKV Central Limited is a limited liability company having its registration number C 41316 with registered address at Hard Rocks Business Park, Burmarrad Road,

Naxxar. The Notifying Party is a limited liability company wholly owned by Good Earth Distributors Limited, having registration number C 6370, which acts as an importer, wholesaler, exporter and retailer of raw materials, partly processed and processed materials relating to foodstuffs, beverages and allied products.

4. CKV Marketing with registered address at 12/a Hard Rocks Business Park, Burmarrad Road, Naxxar is a brand under which a sole trader, conducts the business of food importation and distribution in Malta.

Transaction

5. Pursuant to an Agreement dated 25 June 2019, the Notifying Party proposes to acquire the whole business of the Acquired Party.

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 whole business of the Acquired Party.
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