

OFFICE FOR COMPETITION

05 November 2021

COMP-MCCAA/17/2021- Acquisition of Scavolini Brand from Aplan Limited by onepercent 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 11 October 2021 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 11 October 2021, the Office for Competition (hereinafter referred to as “the Office”) received a notification of a proposed acquisition pursuant to Regulation 5 of the Control of Concentrations Regulations (hereinafter referred to as “the Regulations”), whereby onepercent Limited (hereinafter referred to as “the Notifying Party”) will acquire the importation and selling rights of Scavolini Brand from Aplan Limited (hereinafter referred to as “the Acquired Party”).
2. The proposed acquisition was notified to the public through a notice that appeared in a daily newspaper and on the Malta Competition and Consumer Affairs Authority’s website on 19 October 2021 and a notice that appeared in the Government Gazette No.20,721 on 19 October 2021. No third-party objections were received.

Parties

3. The Notifying Party, onepercent Limited having company registration number C 65256, with its registered address at onepercent Valley Road Msida, operates a furniture and furnishings supply and installation business. The business involves the design and sale of kitchens, sofas, cabinetry, beds, wardrobes, doors, bathrooms, apertures, wallpaper and fabrics. The Notifying Party also provide some related interior design services and represent a number of brands in Malta amongst them Poliform, Pianca and Calligaris.
4. The Acquired Party, Aplan Limited having company registration number C 2450, with its registered address at Scavolini Store Malta, Aplan Centre, Birkirkara Bypass, is currently the authorised re-seller of Scavolini brand products in Malta, primarily kitchens, but Scavolini also manufactures living room furniture, dining room furniture and bathroom fixtures and fittings. The Acquired Party is also involved in the importation of Morphy Richards and Siemens appliances.

Transaction

5. Pursuant to an Asset Transfer Agreement signed on 30 September 2021, the Notifying Party will become the authorised re-seller of Scavolini brand in Malta.
6. As part of the proposed transaction, the Notifying Party will be taking over a number of pending customer orders for Scavolini products and will also be acquiring the current stocks of Scavolini product currently held by Aplan Limited. Furthermore, it will itself rent out the building which houses the Scavolini showroom from the owner of the showroom.
7. To run the transition smoothly, the Notifying Party will also employ on a full-time basis one salesperson that currently works in the Scavolini Section and will be engaging another employee who works in the technical section, on a secondment basis for one year, on a renewable basis.
8. Aplan Limited will retain the operation of its other business, namely the importation and re-sale of the appliances mentioned above.

Notifiable Concentration

9. 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.

10. The proposed transaction brings about of a permanent change of control over the assets transferred from the Acquired Party to the Notifying Party. The assets to be transferred constitute a business to which a market turnover can be attributed.
11. Therefore, the proposed transaction constitutes a concentration within the meaning of regulation 2 of the Control of Concentrations Regulations.

Threshold for Notification

12. The aggregate turnover of the 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 in Malta of the undertakings concerned.
13. The notified concentration, therefore, meets the notification threshold as set out in Regulation 2 of the Regulations.

Simplified Procedure

14. 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