



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: LM092Aug16

In the matter between:

MAIN STREET 1440 PROPRIETARY LIMITED
and

Primary Acquiring Firm

**MAIN STREET 1444 PROPRIETARY LIMITED AND
SMIT HOLDINGS SA PROPRIETARY LIMITED**

Primary Target Firm(s)

Panel	: Mondo Mazwai (Presiding Member)
	: Yasmin Carrim (Tribunal Member)
	: Prof Imraan Valodia (Tribunal Member)
Heard on	: 12 October 2016
Order Issued on	: 12 October 2016
Reasons Issued on	: 11 November 2016

Reasons for Decision

Approval

- [1] On 12 October 2016, the Competition Tribunal ("Tribunal") approved a proposed transaction between Main Street 1440 Proprietary Limited and Main Street 1444 Proprietary Limited and SMIT Holdings SA Proprietary Limited.
- [2] The reasons for approving the proposed transaction follow.

Parties to proposed transaction

Primary acquiring firm

- [3] The primary acquiring firm is Main Street 1440 Proprietary Limited ("BidCo"), a newly incorporated acquisition vehicle of RMBV Ventures Seven Proprietary Limited ("RMBV").
- [4] BidCo is a newly incorporated acquisition vehicle which does not engage in any operations or business activities. BidCo is controlled by RMBV Ventures Seven Proprietary Limited ("RBMV"). RMBV is a subsidiary of RMB Private Equity Proprietary Limited ("RMB"), which is an indirect subsidiary of FirstRand Investment Holdings Limited ("FRIHL"). FRIHL is a wholly owned subsidiary of FirstRand Limited ("FirstRand"). FirstRand is not controlled by any firm.
- [5] FirstRand and all its subsidiaries will collectively be referred to as the Acquiring Group.

Primary target firm

- [6] The primary target firm is Main Street 14444 Proprietary Limited ("NewCo") and SMIT Holdings SA Proprietary Limited ("SHSA").
- [7] NewCo is a newly incorporated acquisition vehicle which shall be controlled by SHSA prior to the implementation of the proposed transaction.
- [8] SHSA is wholly controlled by SMIT International Overseas B.V. ("SIO"), a company incorporated in accordance with the laws of the Netherlands.
- [9] NewCo, SHSA and their subsidiaries shall be referred to as the "Target Firms".

Proposed transaction

- [10] The Acquiring Group intends to acquire 100% of the issued share capital of the Target Firms. Post-transaction, the Acquiring Group will control the Target Firms.

Impact on competition

- [11] The Acquiring Group operates through a portfolio of business franchises, namely RMB¹, First National Bank and Westbank. It is active in the financial service sector which includes retail banking, broking, asset/investment management, private client management, corporate finance, interest rate management, project finance, risk management, mortgage lending as well as other banking solutions.
- [12] The Target Firms' activities include the provision of offshore maritime services, terminal services and in-port bunker supply services in South Africa.
- [13] The Competition Commission ("Commission") considered the activities of the merging parties and found that there is no product or service overlap, as the Acquiring Group does not have any investments in companies that are active in the provision of offshore maritime services, terminal services and in-port bunker supply services in South Africa.
- [14] Therefore the Commission concluded that the proposed transaction was unlikely to substantially prevent or lessen competition in any market in South Africa.
- [15] We concur with the Commission's conclusion.

Public interest

- [16] The merging parties submitted that the proposed transaction will not have any effect on employment in South Africa, and no job losses including redundancies or retrenchments are expected to arise from the proposed transaction.
- [17] Furthermore, the proposed transaction does not raise any other public interest concerns.

Conclusion

- [18] In light of the above, we conclude that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market. In addition, no

¹ RMB is a diversified financial services brand encompassing investment banking, fund management, corporate banking, private equity and advisory services. All business in the RMB brand stable are part of the wider FirstRand Group.

public interest issues arise from the proposed transaction. Accordingly, we approve the proposed transaction without conditions.

Ms Mondo Mazwai

11 November 2016
DATE

Ms Yasmin Carrim and Prof Imraan Valodia concurring

Tribunal Researcher: Busisiwe Masina

For the merging parties: Mark Garden of Edward Nathan Sonnerberg Inc.

For the Commission: Nolubabalo Myoli