



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF []% SHAREHOLDING OF M/S.
WEMSOL (PVT) LIMITED BY M/S. H CAPITAL HOLDING LIMITED FROM
DIFFERENT SHAREHOLDERS/INDIVIDUALS

CASE: 1321/Merger-CCP/2022

Commission

Ms. Rahat Kaunain Hassan
Chairperson



Mr. Mujtaba Ahmad Lodhi
Member

ORDER

1. On September 02, 2022 the Competition Commission of Pakistan ("Commission") received a pre-merger application ("Application") pursuant to Section 11 of the Competition Act, 2010 ("Act") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("Merger Regulations") whereby, M/s. H Capital Holding Limited ("Acquirer" or "Hala") intends to acquire % shareholding of M/s. Wemsol (Private) Limited ("Wemsol" or "Target") from Mr. Muhammad Ashraf ("Seller-1"), Mr. Syed Ejaz Hassan ("Seller-2"), Mr. Raja Muhammad Faisal Zaman ("Seller-3"), Mr. Muhammad Saad Niazi ("Seller-4"), Ms. Sabah Ashraf ("Seller-5"), Ms. Sabeen Fahd ("Seller-6"), Ms. Sarah Ashraf ("Seller-7"), Ms. Nausheen Hassan ("Seller-8"), Ms. Marium Hussain ("Seller-9"), Mr. Sheikh Nabeel Wahid ("Seller-10"), Mr. Ali Islam Khan ("Seller-11"), Mr. Arbab Sikandar ("Seller-12"), Mr. Immad Aslam ("Seller-13"), (collectively referred to as the "Sellers"). All requisite information/documentation pertaining to the Application was completed on October 18, 2022.

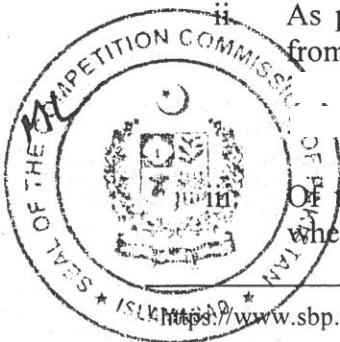
2. The Commission has examined the Application as well as all the documents attached therewith and the information provided by the concerned undertaking(s). The Phase I competition assessment of the intended transaction has revealed the following facts:

i. The business activities of the undertakings concerned are:-

- a. For Acquirer: it is a private limited company, incorporated under the laws of the United Arab Emirates ("UAE") on July 10, 2018. It was created as a special purpose vehicle and acts as a holding company. The sole purpose is to make investment in other companies.
- b. For Target: it's a private limited company, incorporated under the laws of Islamic Republic of Pakistan on July 11, 2013. Its principal activity is providing payment solutions and software services at both, commercial and customer level. Pilot approval as an EMI (Electronic Money Institution) has also been granted to the Target by State Bank of Pakistan on July 08, 2022 to provide the following digital payment instruments: (i) E-money wallet for consumers and merchants and (ii) e-commerce payment gateway for consumers and merchants. The Target is also active in the POS market, i.e., point of sales terminals placed at retail merchants for payments processing, in collaboration with Bank Al Habib Limited.
- c. For Sellers: they are individuals, having shareholding in the Target.

ii. As per the Application, the Acquirer will purchase % shares of the Target from the Sellers. The total estimated amount under consideration to be paid for shares is USD :- which is estimated to be PKR /-¹.

Of this USD :- an amount of USD :- is payable in cash whereas, for the amount of USD :- shares for the value of USD



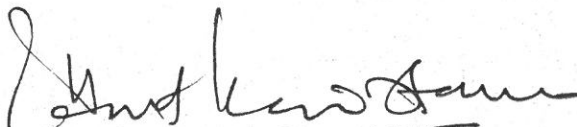
/- will either be issued to the sellers in M/s. Halalah Company Limited (“Halalah”), an associated company of the Acquirer, or in case of non-issuance of such shares, the Sellers/Buyers will set up a company in UAE which will also be an affiliated company of Halalah, in consideration of the said amount.


- iv. The relevant products markets in this case have been identified as “Point of Sale (POS) Services” and “Digital Payment Instruments” and the relevant geographic market is “Pakistan”.
- v. As per the Application, market share of the Target in POS Services market is estimated to be : % whereas, for the Digital Payment Instruments, the Target is non-operational, therefore, the market share is nil. The Acquirer is not operational in the relevant markets, however it has holdings in fintech businesses across the Middle East and North Africa regions.

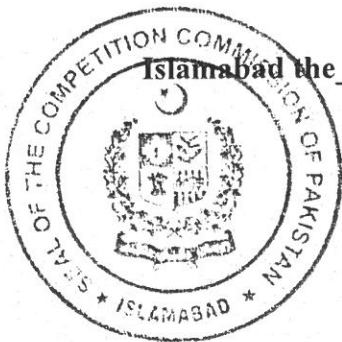
3. The proposed transaction does not meet the presumption of dominance as determined under Section 2(1)(e) read with Section 3 of the Act. Hence, it is hereby authorized under Section 31(1)(d)(i) of the Act.

4. In the subject transaction, matters which may fall outside the scope of the Commission’s purview shall be handled in accordance with the applicable laws.

5. It is so ordered.


(Ms. Rahat Kaunain Hassan)
Chairperson


(Mr. Mujtaba Ahmad Lodhi)
Member



Islamabad the 31st October, 2022.