



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

IN THE MATTER OF

FIRST PHASE REVIEW

ACQUISITION OF SHARES IN THE ACCOUNTANCY OUTSOURCING SERVICES
(PRIVATE) LIMITED

CASE: 824/Merger-CCP/16

Commission:

Ms. Vadiyya Khalil
Chairperson



Mr. Mueen Batlay
Member

ORDER

I Background

- 1 On 1st August, 2016, The Commission received a pre-merger application, (the "application") from Mrs. Rabia Ali (the "Acquirer"); along with the applicable processing fee and necessary information in accordance with the Competition (Merger Control) Regulations 2007 (the "Merger Regulations"). The case is examined as under:

II Merger Parties

MERGER PARTY 1: ACQUIRER

- 2 Mrs. Rabia Ali is an individual.

MERGER PARTY 2: TARGET

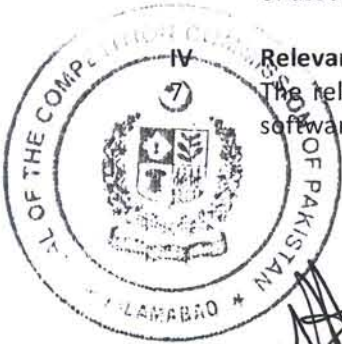
- 3 Accountancy Outsourcing Services (Private) Limited (AOS) is a public and non-listed limited liability company. It is engaged in the business of, providing accountancy services, together with, in-house software and quality assurance outfits that specialize in configuring business processes to integrate its systems with others.
- 4 Total assets of Accountancy Outsourcing Services (Private) Limited on 30th June 2015 were PKR _____ and its turnover was PKR _____ for the above mentioned period.

III Transaction

- 5 The proposed transaction is a domestic acquisition, in which Mrs. Rabia Ali will gain ownership of AOS by acquiring _____ shares of the company, which translates to _____ ordinary shares. Each share has a book value of PKR _____. The transaction value is still being deliberated and will amount to anywhere between PKR _____.
- 6 The transaction meets the notification thresholds prescribed in Regulation 4(2) (a), (b) & (c) of the Merger Regulations, by having combined assets being more than three hundred million rupees, the annual turnover of the undertaking in the preceding year more than five hundred million rupees, and the value of transaction of asset is more than one hundred million rupees.

IV Relevant Market:

The relevant product market in this case is defined as the market for "Computer software related services".



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8 There is no overlap between the business of the Acquirer and Target as the acquirer is an individual and does not have any stakes in AOS or any other company

V Findings of the Phase I investigation on the competition assessment

9 The competition assessment in Phase I have resulted in the following finding:

The proposed transaction involves ownership of AOS by Mrs. Rabia Ali by acquisition of 1000000 ordinary shares, with the book value of each share being PKR 100000. The transaction value will be in the range of PKR 100 million; it is still being negotiated. The transaction is not likely to result in creation or strengthening of dominant position. The intended merger does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Competition Act 2010 ("the Act")

10 In conclusion, there is no evidence that suggests a substantial lessening of competition by creating or strengthening of dominant position in the relevant market. The proposed transaction is hereby authorized under Section 31(1) (d) (i) of the Act.

11 It is so ordered.


(Vadiyya Khalil)
Chairperson


(Mueen Batlay)
Member



Islamabad August 24, 2016