




BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

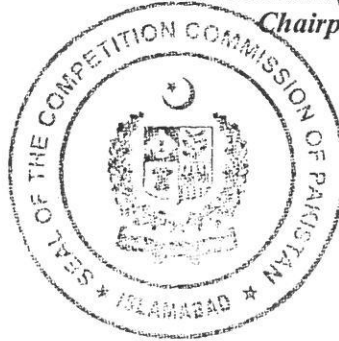
FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF PREFERENCE SHARES OF M/S. ALLIANCE  
HEALTHCARE (PRIVATE) LIMITED BY M/S INTERNATIONAL FINANCE CORPORATION

CASE: 1341/Merger-CCP/2022

Commission

  
Ms. Rahat Kaunain Hassan  
*Chairperson*



## ORDER

1. On 15<sup>th</sup> November, 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") from M/s. Alliance Healthcare (Private) Limited ("AHPL" or "Target Company" or "Applicant"), concerning the proposed acquisition of preference shares of AHPL by M/s. International Finance Corporation ("IFC" or "Acquirer") in accordance with the Preferred Share Subscription Agreement ("Agreement"). All requisite information/documentation pertaining to the Application was completed on 12<sup>th</sup> January, 2023.
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 IFC: it is an international organization established by the Articles of Agreement among its member countries including Pakistan. IFC, a member of the World Bank Group (but a separate legal entity), is the largest global development institution focused exclusively on private sector development in developing countries.
    - b. For AHPL: it is incorporated in Pakistan for the purpose of establishment and management of a general hospital in Peshawar, provision of in-patient facilities as well as operative facilities at the hospital in different medical and allied, surgical and allied, obstetrics and gynecology and pediatrics specialties. Objectives also include establishment of medical and franchise medical institutions including medical, dental and allied health sciences institutions with allied medical facilities.
  - ii. As per the Agreement, the transaction involves subscription of preference shares and 1 fully paid redeemable preferred convertible share at par value of PKR /- each. The total consideration to be paid for shares amounts to PKR /-. Post-transaction, IFC will have the right to appoint one board of director out of nine, having % control over the composition of the Board of AHPL.
  - iii. The relevant service market in this case have been identified as "Healthcare Facility" "Medical and Dental Education" and "Rehabilitation, Nursing and Allied Sciences Education" and the relevant geographic market is "Pakistan".
  - iv. As per the Application, the Target Company has an estimated market share of % in Healthcare Facility, % in Medical and Dental College and % in Rehabilitation, Nursing and Allied Sciences Education. Furthermore, the healthcare sector is regulated by the Government of Khyber Pakhtunkhwa. The Acquirer IFC is an institutional investor.
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, remain subject to applicable laws.
5. It is so ordered.

  
(Ms. Rahat Kaunain Hassan)  
Chairperson  
Islamabad the 2<sup>nd</sup> February 2023.

SEAL OF THE COMPETITION COMMISSION OF PAKISTAN  
ISLAMABAD