



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

**IN THE MATTER OF ACQUISITION OF % SHAREHOLDING OF M/S.
ALFALAH SECURITIES (PRIVATE) LIMITED BY M/S. OPTIMUS CAPITAL
MANAGEMENT (PRIVATE) LIMITED FROM M/S. BANK ALFALAH LIMITED**

CASE: 1500/Merger-CCP/2024



**Dr. Kabir Ahmed Sidhu
Chairman**

ORDER

1. On 22nd November, 2024 the Competition Commission of Pakistan (the “**Commission**”) received a pre-merger application (the “**Application**”) from Optimus Capital Management (Private) Limited (“**OCMPL**” or the “**Acquirer**”) seeking acquisition of approximately % shareholding of Alfalah Securities (Private) Limited (“**ASPL**” or the “**Target**”). The Application was made pursuant to Section 11 of the Competition Act, 2010 (the “**Act**”) read in conjunction with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (the “**Merger Regulations**”).

Procedural Review

2. The Commission reviewed the Application, supporting documentation, and submissions made by the parties to the proposed transaction. A Phase-I competition assessment was conducted to evaluate the transaction’s compliance with the Act and Merger Regulations and its impact on the competitive structure of the relevant market.

Phase-I Competition Assessment

Transaction

3. The proposed transaction involves the acquisition of % shareholding in Target, equivalent to approximately ordinary shares. This acquisition is governed by the Share Purchase Agreement dated 1st November 2024 (the “**Agreement**”), with a total transaction value of PKR (the proposed “**Transaction**”).

Merger Parties

Acquirer:

4. OCMPL is a privately owned company, incorporated under the laws of Pakistan, specializing in equity brokerage services, facilitating stock and securities trading in the capital markets.

Target:

5. ASPL is a privately owned company, incorporated under the laws of Pakistan, primarily focused on equity brokerage services, offering trading solutions in the equity markets.



Seller:

6. Bank Alfalah Limited (“BAFL” or the “Seller”) is a publicly listed company, incorporated under the laws of Pakistan, providing banking services as defined in the Banking Companies Ordinance, 1962.

Relevant Market

7. The relevant product market is defined as “**Brokerage Services**,” which may encompass services provided by equity brokers for the execution of trading orders and related activities. The relevant geographic market is delineated as “**Pakistan**,” considering the regulatory framework, market conditions, and customer preferences.

Market Share

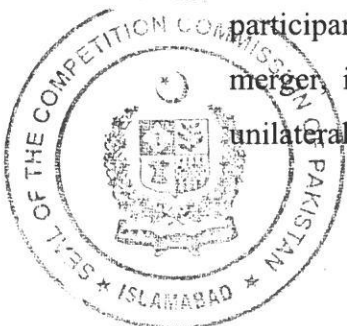
8. Relying on the data from Pakistan Stock Exchange (PSX) the Applicant has cited that the estimated total market capitalization of the stock market stands at PKR , with an approximate trading volume of shares. The merged entity currently holds a market share of about %, which is projected to increase significantly to approximately % post-merger, reflecting an enhancement in its market position and competitive presence.

9. While, The Pakistan Credit Rating Agency Limited (PACRA) in rating report of 2024 has estimated that Applicant holds a market share of approximately % and ASPL’s market share stood at approximately % on value traded basis, totaling %.

Merger and Market Impact

10. The proposed Transaction constitutes a horizontal consolidation, with both the Acquirer and the Target operating within the same relevant market. Upon completion of the Transaction, the Acquirer’s market share is set to increase significantly, solidifying its competitive position and enhancing its influence in the equity brokerage services sector.

11. The equity brokerage services market in Pakistan is marked by a diverse range of market participants. While the Acquirer’s market share is expected to increase following the merger, it does not, however, appear to raise substantial concerns regarding potential unilateral or coordinated anti-competitive effects, at present.



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12. Moreover, the relevant market remains accessible and robust regulatory oversight by SECP and PSX. The proposed Transaction is expected to deliver benefits such as competitive pricing, enhanced quality, and increased consumer choice. Additionally, the consolidation is likely to drive efficiency gains and elevate the standard of service offerings in the market.

Ancillary restriction:

13. As per the Application, there are no ancillary restrictions reported.

Determination:

14. The proposed Transaction does not result in dominant position of the Acquirer in the relevant market, post-Transaction, as determined under Section 2(1)(e) read with Section 11 of the Act. Therefore, the Transaction is hereby authorized under Section 31(1)(d)(i) of the Act.

15. Based on the above analysis and in accordance with Section 31(1)(d)(i) of the Act, the Commission concludes that the proposed concentration does not appear to significantly lessen competition in the relevant market, nor does it create or strengthen a dominant position.

16. Notwithstanding the above, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws, judicial orders and regulatory oversight.

17. It is so ordered.



(Dr. Kabir Ahmed Sidhu)

Chairman

ISLAMABAD the January 14, 2025.

