



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

ACQUISITION OF % SHAREHOLDING OF M/S. SEEDCRED FINANCIAL SERVICES LIMITED BY M/S. OPAY INTERNATIONAL LIMITED (UK), M/S. OPAY INTERNATIONAL LIMITED (HK) AND M/S. WISDOM CONNECTION III HOLDING INC. FROM M/S. NANOCRED PTE. LIMITED, CAO LI AND ZHANG HONG.

CASE: 1397/Merger-CCP/2023

(Dr. Kabir Ahmed Sidhu)
Chairman



Commission

(Mr. Saeed Ahmad Nawaz)
Member

ORDER

1. On 4th September, 2023 the Competition Commission of Pakistan (hereafter "Commission") received a pre-merger application (hereafter "Application") from M/s. Seedcred Financial Services Limited (hereafter "SFSL" or "Target").
2. The Application was made pursuant to Section 11 of the Competition Act, 2010 (hereafter "Act") read in conjunction with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (hereafter "Merger Regulations").
3. The proposed transaction entails acquisition of % shareholding of the Target by M/s. Opay International Limited (UK) (hereafter "Opay UK" or "Acquirer 1"), M/s. Opay International Limited (HK) (hereafter "Opay HK" or "Acquirer 2") and M/s. Wisdom Connection III Holding Inc. (hereafter "WCH" or "Acquirer 3") (hereafter collectively as "Acquirers") from M/s. Nanocred Pte. Limited (hereafter "Nanocred" or "Seller 1"), Cao Li (hereafter "Seller 2") and Zhang Hong (hereafter "Seller 3") (hereafter collectively as "Sellers") as per the Memorandum of Understanding (hereafter "Agreement") dated 30th March, 2023. All requisite information/documentation pertaining to the Application was completed on 18th December, 2023.
4. 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:

4.1. The business activities of the undertakings concerned are:

4.1.1. Acquirer 1: A limited liability company registered under the laws of United Kingdom. Its principal activity is of a holding company.

4.1.2. Acquirer 2: A limited liability company incorporated under the laws of Hong Kong. Its principal activity is of a holding company.

4.1.3. Acquirer 3: A limited liability (exempted) company operating under the laws of Cayman Islands. Its principal activity is of a holding company.

4.1.4. Target: An unlisted public limited company registered under the laws of Islamic Republic of Pakistan. It is licensed as a Non-banking Finance Company under Securities and Exchange Commission of Pakistan and is engaged in the provision of nano loans to individual borrowers over mobile application named *Barwaqt*.

4.1.5. Sellers: Current shareholders of the Target.

4.2. As submitted in the Application and set out in the Agreement, the transaction relates to acquisition of _____ shares (_____ % shareholding) of the Target by the Acquirers from the Sellers. Acquirer 1 will purchase _____ shares (_____ % shareholding) from Seller 1, Acquirer 2 will purchase _____ shares (_____ % shareholding) from Seller 2 and Acquirer 3 will purchase _____ shares (_____ % shareholding) from Seller 3. Total



consideration for the proposed acquisition amounts to USD which is estimated to be PKR

- 4.3. The relevant product market in this case has been identified as “Non-Banking Microfinance – Lending Services” and the relevant geographic market is “Pakistan”.
- 4.4. As submitted in the Application, the Target has an estimated market share of %, which will remain unchanged post-transaction as the Acquirers are not active in the relevant market.
- 4.5. An enquiry under Section 10 of the Act is pending against the Target in the Office of the Fair Trade but the undertaking along with its App *Barwaqt* is on the white list of the Securities and Exchange Commission of Pakistan issued on 6th December, 2023.
5. The proposed transaction will not result in dominance of the Acquirer in the relevant market, post-transaction, as determined under Section 2(1)(e) read with Section 3 of the Act. Therefore, it is hereby authorized under Section 31(1)(d)(i) of the Act, without prejudice to the outcome of the enquiry against the Target.
6. In the subject transaction, matters which may fall outside the scope of the Commission’s purview, remain subject to applicable laws.
7. It is so ordered.

(Dr. Kabir Ahmed Sidhu)
Chairman

(Mr. Saeed Ahmad Nawaz)
Member



Islamabad the January 29th, 2024.

¹ <https://www.sbp.org.pk/ecodata/rates/m2m/2023/Oct/23-Oct-23.pdf>
USD 1= PKR 279.12