



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

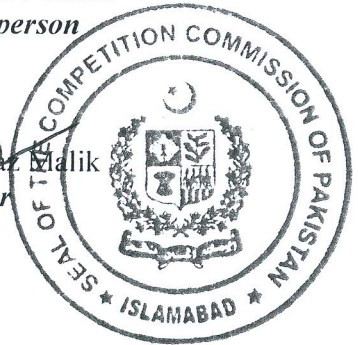
**IN THE MATTER OF ACQUISITION OF % SHAREHOLDING BY M/S.
SOCIETE DE PROMOTION ET DE PARTICIPATION POUR LA COOPERATION
ECONOMIQUE IN M/S. NRSP MICROFINANCE BANK LIMITED.**

CASE: 1101/Merger-CCP/20

Commission

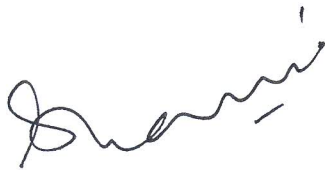
Ms. Shaista Bano Gilani
Acting Chairperson


Ms. Bushra Naz Malik
Member



ORDER

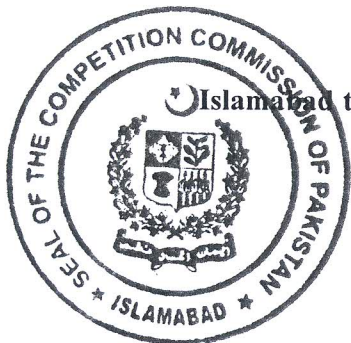
1. On 13th May 2020 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed acquisition pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") from M/s. Societe De Promotion Et De Participation Pour La Cooperation Economique ("**Acquirer**" or "**Applicant**") for the intended acquisition of 100% shareholding in M/s. NRSP Microfinance Bank Limited ("**Target**") from M/s. KfW ("**Seller**") pursuant to a Share Purchase Agreement.
2. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and its observations on the basis of independent research/investigation in the relevant market. The Phase I competition assessment of the intended transaction has resulted in the following findings:
 - i. The business activities of the undertakings concerned are:
 - a. For the Acquirer: Carrying out activities of a finance company and of an investment firm, particularly with a view to encouraging the growth of the private sector in developing countries and French overseas communities.
 - b. For the Seller: Functioning as a promotional bank for the local economy and a development bank for partner developing countries.
 - a. For the Target: A microfinance bank.
 - ii. The proposed transaction involves the Acquirer intending to buy 10% of paid up capital of the Target from the Seller. The transaction considered 5/-.
 - iii. The Target belongs to the relevant product market of "**Microfinance Lending**" having a geographic market identified as of "**Pakistan**". Based on the information provided by the Applicant, Target's current market share is 10% in the relevant market.
 - iv. Post-transaction, there will be no change in the Target's market share.
 - v. The transaction is not likely to result in the creation or strengthening of a dominant position in the relevant market. 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 ("**Act**").
3. In conclusion, the proposed transaction is not likely to substantially lessen competition through the creation or strengthening of a dominant position in the relevant market. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
4. It is so ordered.



(Ms. Shaista Bano Gilani)
Acting Chairperson



(Ms. Bushra Naz Malik)
Member



Islamabad the June 19, 2020.