



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

**In the matter of acquisition of shares of M/s. Fairfax
Financial Holdings GmbH by M/s. OMERS Administration
Corporation, through its wholly owned subsidiary, OCM
Goldfish Inc.**

CASE: 874/Mergers/CCP/17

Commission

Ms. Vadiyya Khalil

Chairperson



Mr. Ikram Ul Haque Qureshi

Member

I. BACKGROUND

1. The Competition Commission of Pakistan ("**Commission**") is in receipt of a pre-merger Application dated 9th March 2017 ("**Application**") sent by M/s. OMERS Administration Corporation ("**OMERS**" or "**Acquirer**"), acting through its wholly owned subsidiary, OCM Goldfish Inc. ("**OCM Goldfish**"), notifying the Commission of the acquisition, by OCM Goldfish, of _____ shares in M/s. Fairfax Financial Holdings (Switzerland) GmbH ("**Fairfax**" or "**Target**"), a company yet to be incorporated as a wholly owned subsidiary of M/s. Fairfax Financial Holdings Limited ("**Fairfax Ltd**").

II. PARTIES

Acquirer:

2. OMERS, the Acquirer, is a corporation existing under the laws of Canada. Its headquarters are located in Ontario, Canada. It is the administrator of the Ontario Municipal Employees Retirement System Primary Pension Plan, and trustee of pension funds. OMERS is active in Pakistan through ownership interests in Husky Injection Molding Systems, which supplies systems solutions and related services for injection molding and the PET industry.
3. Globally, OMERS' generated a total revenue of US\$ _____ (approximately PKR _____) in the financial year ended December 31st, 2015, whereas its assets stood at US\$ _____ (approximately PKR _____) for the same period.
4. In Pakistan, through ownership interests in Husky Injection Molding Systems mentioned above, OMERS generated EUR _____ (approximately PKR _____) in the financial year ended December 31st 2015.

Target:

5. Fairfax, the Target, is yet to be incorporated as a wholly owned subsidiary of Fairfax Ltd solely for the purpose of acquiring all of the issued and outstanding registered shares of M/s. Allied World Assurance Company Holdings, AG. For this reason, Fairfax does not have any reportable turnover or assets.
6. Fairfax Ltd, the Target's parent company, is a public holding company incorporated in Canada. It is involved in property and casualty insurance, reinsurance and investment management. The company has no direct presence in Pakistan however, through its subsidiary Brit Syndicates Limited it generated approximately US\$ _____ (approximately PKR _____) in gross written premium from Pakistan.
7. Fairfax Ltd's global turnover was approximately US\$ _____ (approximately PKR _____ billion) for the financial year ended 31st December 2015, while its total assets remained at US\$ _____ (approximately PKR _____) for the same period.



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III. TRANSACTION

8. As per the Application, OMERS intends to acquire _____ of the issued and outstanding shares in Fairfax, which is yet to be incorporated as a wholly owned subsidiary of Fairfax Ltd, solely for the purpose of acquiring all of the issued and outstanding registered shares of M/s. Allied World Assurance Company Holdings, AG¹.
9. The consideration for the purchase of _____ of the issued and outstanding shares in Fairfax is US\$ _____ (approximately PKR _____), which is the transaction value in this case.
10. The transaction meets the thresholds as prescribed in Regulation 4 (2) (a), (b), (c) and (d) of the Merger Regulations as the assets of the undertakings are greater than 1 billion rupees, and the annual turnovers of the undertakings are greater than 1 billion rupees. The transaction relates to acquisition of assets of a value greater than 100 million rupees, whereas the shares to be acquired are greater than 10%.

IV. THE RELEVANT MARKET

11. Although the Target is yet to be incorporated, its parent company, i.e., Fairfax Ltd, is active in Pakistan in the insurance sector through its subsidiary Brit Syndicates Limited, as mentioned above. For this reason, the relevant product market has been defined as that of the provision of insurance services. As this service are available across the country, where the conditions of competition are sufficiently homogenous, the relevant geographic market in this case has been identified as Pakistan.
12. The Acquirer, OMERS, as well as any of its group companies, are not active in the relevant product market, therefore its market share is nil, whereas the Target's parent company, Fairfax Ltd, generated approximately US\$. _____ (approximately PKR _____) in gross written premium from Pakistan, through its subsidiary. This translates to a market share of _____.
13. Post-transaction, the Target's market share will remain unchanged.

V. FINDINGS OF THE PHASE I INVESTIGATION ON COMPETITION ASSESSMENT

14. This is an acquisition by OMERS, through its wholly owned subsidiary OCM Goldfish, of _____, of the issued and outstanding shares in Fairfax. OMERS is the administrator of the Ontario Municipal Employees Retirement System Primary Pension Plan, and trustee of pension funds. It is active in _____.

¹ A separate pre-merger Application regarding the acquisition of shares in Allied World Assurance Company Holdings, AG, by Fairfax, has been submitted to the Commission.

² Data supplied by Applicant.



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Pakistan through ownership interests in Husky Injection Molding Systems, which supplies systems solutions and related services for injection molding and the PET industry.

15. Fairfax, the Target, is yet to be incorporated as a wholly owned subsidiary of Fairfax Ltd solely for the purpose of acquiring all of the issued and outstanding registered shares of M/s. Allied World Assurance Company Holdings, AG. Fairfax Ltd, the Target's parent company, is active in Pakistan in the insurance sector through its subsidiary Brit Syndicates Limited. Its market share in the relevant product market is which will remain unchanged post-transaction. OMERS is not active in the relevant product market.
16. In view of the above, the transaction does not meet the presumption of dominance as determined under Section 2 (1) (e) read with Section 3 of the Competition Act, 2010 ("Act").

VI. CONCLUSION

17. In conclusion, there is no evidence suggesting that the proposed transaction is 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.
18. It is so ordered.

Vadiyya Khalil

(Vadiyya Khalil)
Chairperson

Ikram Ul Haque Qureshi

(Ikram Ul Haque Qureshi)
Member



Islamabad

18th May 2017.

³ Ibid