



**BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN**

**FIRST PHASE REVIEW**

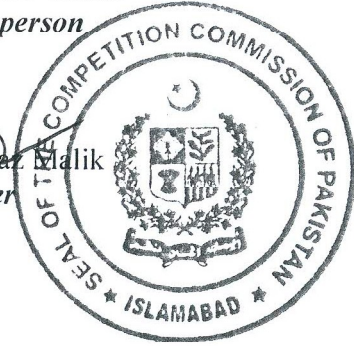
**IN THE MATTER OF ACQUISITION OF        % SHAREHOLDING BY M/S.  
SOCIETE DE PROMOTION ET DE PARTICIPATION POUR LA COOPERATION  
ECONOMIQUE IN M/S. NRSP MICROFINANCE BANK LIMITED.**

**CASE: 1101/Merger-CCP/20**

Commission

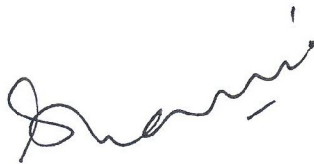
Ms. Shaista Bano Gilani  
*Acting Chairperson*

  
Ms. Bushra Naz Malik  
*Member*




## ORDER

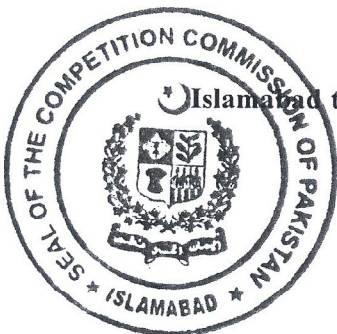
1. On 13<sup>th</sup> May 2020 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed acquisition pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 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 1% 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.