



**BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN**

**IN THE MATTER OF**

**FIRST PHASE REVIEW**

**ACQUISITION OF SHARES OF PRIMUS INVESTMENT  
MANAGEMENT LIMITED BY ARMY WELFARE TRUST**

**CASE: 866/MERGER-CCP/17**

Commission

Ms. Vadiyya Khalil  
Chairperson



Mr. Ikram Ul Haque Qureshi  
Member

# ORDER

## I Background

- 1 Army Welfare Trust ("AWT" or the "Acquirer") through its authorized representative submitted a pre-merger application (the "Application") to the Competition Commission of Pakistan (the "Commission") dated 16 January, 2017 (received on 18 January, 2017) notifying the acquisition of 70% shares of Primus Investment Management Limited ("Primus" or the "Target") by AWT, along with the necessary documents and processing fee applicable under the Competition (Merger Control) Regulations, 2016 ("Merger Regulations").

The case is examined as under.

## II Merger Parties

### Acquirer

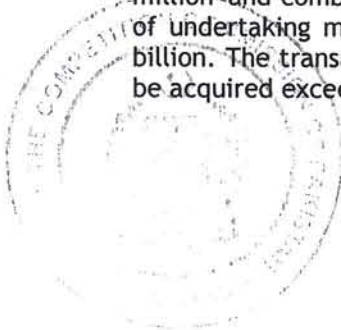
- 2 AWT was established under the Societies Registration Act 1860, and is registered with the Registrar of Joint Stock Companies in October 1971. The scope of AWT being a welfare organization is to transfer generated profits to the Welfare and Rehabilitation Directorate of the GHQ for welfare and other related activities. Its associated companies and subsidiaries are MAL Pakistan Limited, Askari Aviation Pvt Ltd, Askari Guards Pvt Ltd, Askari Enterprises Pvt Ltd, Fauji Securities Services Pvt Ltd, Askari Development & Holdings Pvt Ltd, Askari Securities Ltd, and Askari General Insurance Company Ltd. The total turnover of AWT for the year ended on 30 September, 2015 was PKR \_\_\_\_\_ and value of its total assets remained PKR \_\_\_\_\_ billion approximately for the same period.

### Target

- 3 Primus is a Non-Banking Finance Company, and a wholly owned subsidiary of Pak Brunei Investment Company Limited licensed by the Securities and Exchange Commission of Pakistan to manage open and closed end funds. The total turnover of Primus for the year ended on 31 December, 2015 was PKR \_\_\_\_\_ and value of its total assets remained PKR \_\_\_\_\_ for the same period.

## III Transaction

- 4 The transaction involves the purchase of \_\_\_\_\_ shares of Primus by AWL. The expected purchase price of \_\_\_\_\_ shares of Primus is PKR \_\_\_\_\_ approximately, at the rate of PKR \_\_\_\_\_ \*share.
- 5 The transaction meets the notification thresholds prescribed in Regulation 4(2)(a),(b),(c)&(d) of the Merger Regulations, with the assets of the undertaking valuing more than PKR 300 million and combined assets of the undertakings being more than PKR 1.0 billion and turnover of undertaking more than PKR 500 million and combined turnover being more than PKR 1.0 billion. The transaction value also exceeds PKR 100 million. Percentage of the voting shares to be acquired exceeds 10% of the total shareholding of the target.



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**IV Relevant Market:**

- 6 The relevant product market in this case is the Asset Management Services.  
7 The relevant geographic market is Pakistan.

**V Findings of the Phase I investigation on the competition assessment**

8 The competition assessment in Phase I have resulted in the following finding:

- The Target is a non banking finance company which manages different open ended and close ended mutual funds, while the Acquirer is a welfare trust engaged in making investment in different sectors to generate profit for welfare purposes.
- The relevant market in this case is Asset Management Services, which appears competitive with a large number of participants. The market share of Primus in the relevant market is approximately Post-merger there will be no change in the market position of the merger parties because the Acquirer does not have any presence in the relevant market.
- Primus is currently managing 7 open-ended mutual funds. After the acquisition, Primus will still retain the management of funds, however the management control of Primus itself shall transfer to the Acquirer.
- In view of the above, the transaction is not likely to result in the creation or strengthening of a dominant position in the relevant market. Post merger, 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 (the "Act").

**VII Conclusion**

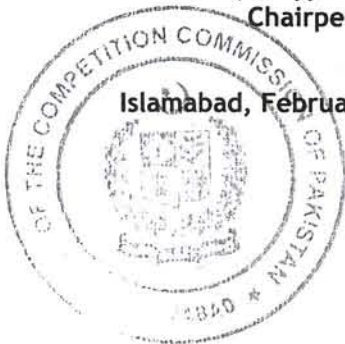
- 11 In conclusion, there is no evidence that suggests a substantial lessening of competition by creating or strengthening of a dominant position in the relevant market. The proposed Transaction is hereby authorized under Section 31(1)(d)(i) of the Act.
- 12 It is so ordered.

*Vadiya Khalil*

(Vadiya Khalil)  
Chairperson

*Ikram Ul Haque Qureshi*

(Ikram Ul Haque Qureshi)  
Member



Islamabad, February 2017 (24th)