



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

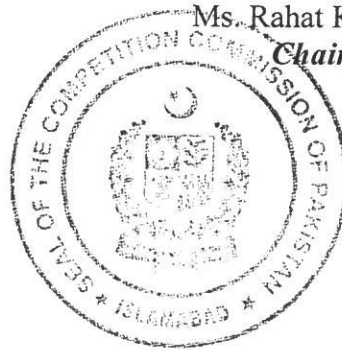
FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF % SHAREHOLDING OF M/S. TEZ
FINANCIAL SERVICES LIMITED BY M/S. ORIENTSWISS SA.

CASE: 1348/Merger-CCP/2022

Commission

Ms. Rahat Kaunain Hassan
Chairperson

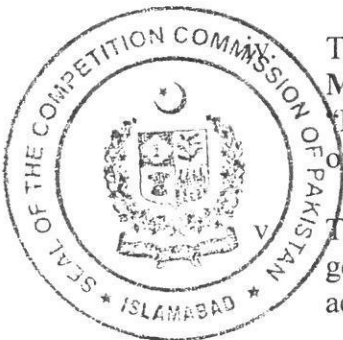


ORDER

1. On 27th December, 2022 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") 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. OrientSwiss SA ("**OSSA**" or the "**Acquirer**"), concerning the proposed acquisition of % shareholding of M/s. Tez Financial Services Limited ("**TFSL**" or "**Target**") from the Sellers (enumerated in clause 2(iii) below), in accordance with the Share Purchase Agreements ("**Agreements**").
2. 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:
 - i. The business activities of the undertakings concerned are:
 - a. For the Acquirer: OSSA was incorporated under the laws of Switzerland. The main services provided by OSSA include the development and provision of software via the Internet or other multimedia means, the commercialization of websites, the creation and management of international marketplaces, as well as other related services. This includes the development of proprietary software for assessment of microloans, derivatives, selling products, or any transactions in the above fields, including the acquisition, management and transfer of patents and trademarks.
 - b. For the Target: TFSL is incorporated in Pakistan and is active in the lending and microfinance sectors of Pakistan. TFSL serves to provide access to financial services to the unbanked, under-banked and millennial users. TFSL is a non-banking microfinance lending company which provides collateral free nano-loans to users via its online platform/application.
 - ii. As per the Application, OSSA and TFSL have agreed to enter into a Share Purchase Agreement(s) for TFSL to sell % of its shares and certain assets (the "**Assets**") to OSSA. The transaction will entail the transfer of % shares of TFSL in consideration for the payment of US\$ /- (equivalent to PKR - as at 12-01-23) agreed by OSSA.
 - iii. The Sellers are the shareholders of the Target. The local shareholders are M/s. Planet N (Private) Limited, Naureen Hyat, Humza Hussain, M/s. Venture Dive (Private) Limited, Mayada Baydas and Ahmed Abdul Bari while foreign shareholders are M/s. ON Mauritius and M/s. ACCION Africa Asia Investment Company. One share each shall be retained by Ms. Naureen Hyat and Mr. Humza Hussain and ten shares shall be retained by Dr. Mayada Baydas as the independent director. Hence, TFSL shall have a total of four shareholders post acquisition, i.e., OSSA, Naureen Hyat, Humza Hussain and Dr. Mayada Baydas.

The relevant product market in this case has been identified as "**Non-Banking Microfinance – Lending Services**" and the relevant geographic market is "**Pakistan**". Based on the data available, the Target currently holds a market share of under % market share which is unlikely to change post-transaction.

The two merging parties are engaged in similar business activities in two different geographical markets with OSSA being active in Switzerland while the business activities of its subsidiaries are focused in their respective countries namely,



Uzbekistan, Jordan, Lebanon, Iraq, Kazakhstan, and China etc. The services offered by TFSL are based in the geographical market of Pakistan.

3. The proposed transaction does not meet the presumption of dominance as determined under Section 2(1)(e) read with Section 3 of the Act. Hence, it is hereby authorized under Section 31(1)(d)(i) of the Act.
4. In the subject transaction, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws.
5. It is so ordered.



(Ms. Rahat Kaunain Hassan)

Chairperson



Islamabad, the 24th JAN, 2023.