



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

**MERGER OF M/S. ASKARI SECURITIES LIMITED WITH AND INTO M/S.
FOUNDATION SECURITIES (PRIVATE) LIMITED**

CASE: 1254/Merger-CCP/2022

Commission

Mr. Mujtaba Ahmad Lodhi
Member

Ms. Shaista Bano
Member



ORDER

1. On 17th January, 2022 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed merger 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. Foundation Securities (Private) Limited ("**FSL**" or "**Merger Party 1**") and M/s. Askari Securities Limited ("**ASL**" or "**Merger Party 2**") whereby, ASL will merge with and into FSL in accordance with Arrangement for the Amalgamation ("**Agreement**"). All requisite information/documentation pertaining to the application was completed on 7th February, 2022.
2. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and made its observations on the basis of an 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 Merger Party 1: equity and commodity brokerage, equity research and corporate financial advisory services.
 - b. For Merger Party 2: brokerage and consultancy services.
 - ii. As per the Agreement, the transaction involves merger of ASL with and into FSL via allotment of 2,000,000 shares of FSL to AKBL. The agreed swap ratio for the transaction is 1:1 whereby, for every 1 share of ASL, FSL will issue 1 share to AKBL. Value of the transaction can be estimated to be PKR (200,000,000).
 - iii. The reportable product markets in this case have been identified as "**Securities Brokerage**" and the relevant geographic market is "**Pakistan**".
 - iv. ASL and FSL are active in the reportable market with an estimated market share of 0.1% and 0.1% respectively, whereas, ASL is also active in the commodities brokerage with an estimated market share of 0.1%.
 - v. There are overlaps between the Merger Parties, therefore, post-transaction, combined market share of FSL will increase from 0.1% to 0.2% for the reportable market and market share for commodities brokerage will remain unchanged.
3. In conclusion, the proposed transaction does not meet the presumption of dominance as determined under Section (2) (1) (e) read with section 3 of the Act. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
4. It is so ordered.

(Mr. Mujtaba Ahmad Lodhi)
Member

(Ms. Shaista Bano)
Member

Islamabad the February 14th, 2022.