



**BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN**

**FIRST PHASE REVIEW**

**IN THE MATTER OF THE JOINT VENTURE AGREEMENT BETWEEN M/S.  
DEKABANK DEUTSCHE GIROZENTRALE AND M/S. STANDARD CHARTERED  
UK HOLDINGS LIMITED AND M/S. LANDESBANK BADEN-WÜRTTEMBERG TO  
JOINTLY OWN AND CONTROL THE JOINT VENTURE COMPANY M/S. SWIAT  
GMBH**

**CASE: 1376/Merger-CCP/2023**

Commission



*Mrs. Rahat Kaunain Hassan*  
*Chairperson*

## ORDER

1. On 25<sup>th</sup> May, 2023, 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**") whereby, M/s. DekaBank Deutsche Girozentrale ("**DekaBank**"), M/s. Standard Chartered UK Holdings Limited ("**SC**"), and M/s. Landesbank Baden-Württemberg ("**LBBW**") intend to jointly own and control a newly incorporated Joint Venture Company, namely, M/s. SWIAT GmbH ("**SWIAT**"), which is currently a wholly owned subsidiary of DekaBank until the completion of the Joint Venture Agreement. All requisite information/documentation pertaining to the Application was completed on 19<sup>th</sup> June, 2023.
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:

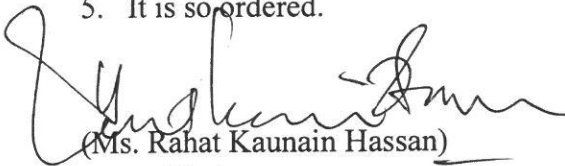
- a. DekaBank: it is a company, and an institution under German Public Law with legal capacity. Its principal activity is the provision of asset management and capital market solutions to the Sparkassen-Finanzgruppe, the network of Savings banks in Germany. DekaBank has no presence in Pakistan.
- b. SC: It is a company, is a wholly owned member of the Standard Chartered Group. Its principal area of activity is the business of financial markets, transaction banking, wealth management and retail products. SC is active in Pakistan through its majority shareholding in Standard Chartered Bank (Pakistan) Limited (SCB).
- c. LBBW: It is an institution under German Public Law with legal capacity. Its principal activity is as a universal bank and an international commercial bank, central bank to the Savings bank in several German states, conducting business in the Corporate Customers, Real Estate/Project Finance, Capital Markets Business, Private Customers/Savings Banks and Corporate Items sectors.
- d. SWIAT: It is a company which, for the purposes of the Joint Venture Agreement, is currently a wholly owned subsidiary of DekaBank. Upon the completion of the Joint Venture Agreement, SWIAT will be engaged in the business of 'Storage Management Services' across Germany and later across the EEA-wide zone, with its principal activity being in the blockchain-based infrastructure software market through its Distributed Ledger Technology, and in the markets of business application software and post-trading services through decentralized apps.



As per the Application, the transaction relates to a joint venture between SC, DekaBank and LBBW, whereby, these entities will each own shares (representing % shareholding each) in SWIAT and will jointly control it, whilst Comyno will own the remaining shares (representing % shareholding), with no control. SC and LBBW will each make cash contribution amounting to

EUR each to the capital reserves of SWIAT (currently wholly owned by DekaBank) whilst Comyno shall contribute certain IP rights valued at EUR million. Thus. The total value of the transaction is EUR (approx. PKR )<sup>1</sup>.

- iii. The relevant market for the instant transaction is “**Storage Management Services**” and the relevant geographic market is Germany and widely European Economic Area (“EEA”) if SWIAT plans to expand its operations later on. The SC is active in Pakistan through SCB in banking services. Therefore, the identified relevant market will have no impact on the market share of SCB in Pakistan, as there are no overlaps between the Parties.
  - iv. As per the Applicant, SWIAT is not operational, however, after it becomes fully operational, its potential market share in EEA for the market of storage management services is estimated to be %. The application has been filed only due to regulatory requirements given that SC is active in Pakistan through its subsidiary, SCB.
3. The proposed transaction does not create or strengthen 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 the applicable laws.
  5. It is so ordered.

  
(Ms. Rahat Kaunain Hassan)

*Chairperson*



Islamabad the JUNE 21<sup>st</sup>, 2023.

<sup>1</sup> <https://www.sbp.org.pk/ecodata/rates/m2m/2023/Jun/19-Jun-23.pdf>