



**BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN**

**FIRST PHASE REVIEW**

**IN THE MATTER OF ACQUISITION BY M/S. AMERICAN  
SAFETY HOLDING CORPORATION OF M/S. 360 HOLDCO,  
INC.**

**CASE: 864/Mergers/CCP/2017**

Adjudicating Members:

Ms. Vadiyya Khalil  
*Chairperson*

Mr. Ikram Ul Haque Qureshi  
*Member*



## I. BACKGROUND

1. The Competition Commission of Pakistan (the "**Commission**") is in receipt of a pre-merger application dated 9<sup>th</sup> January 2017 ("**Application**") (received by the Commission on the 10<sup>th</sup> of January 2017) sent jointly by M/s. American Safety Holding Corporation ("**ASHC**" or the "**Acquirer**") and M/s. 360 Holdco, Inc. ("**360 Holdco**" or the "**Target**") regarding the acquisition of 360 Holdco by ASHC from Mr. Adnan Sattar, Mr. Ron Dyess Farshler, Mr. Alberty Joseph Lilly, Mr. Clyde Seepersad and Mr. Thomas Downey (collectively the "**Sellers**") pursuant to a Stock Purchase Agreement ("**Agreement**").

## II. THE PARTIES

### The Acquirer

2. ASHC is incorporated in the State of Delaware, United States of America.
3. It is the parent company of a group of companies that are active in the business of online education and training programs relating to, *inter alia*, environmental safety and health, food and beverage safety and transportation safety products.
4. ASHC generated a global net revenue of USD [redacted] (approximately PKR [redacted]) in the financial year ended December 31, 2015, whereas its assets stood at USD [redacted] million (approximately PKR [redacted]) for the same period.

### The Target

5. 360 Holdco is a holding company incorporated in the State of Texas, United States of America.
6. It offers online training and continuing education in technology and IT services and develops software and online education coursework, test materials, certifications, and training programs.



As on 26<sup>th</sup> January 2017

*[Handwritten signature]* *[Handwritten initials]*

7. 360 Holdco generated a worldwide revenue of USD \_\_\_\_\_ (approximately PKR \_\_\_\_\_) in the financial year ended December 31, 2015, whereas its assets stood at USD \_\_\_\_\_ (approximately PKR \_\_\_\_\_) for the same period.
8. 360 Holdco is active in Pakistan through its wholly-owned subsidiary M/s. Softech Corporation (Pvt.) Ltd ("**Softech**"), a company having its registered office in Karachi, Pakistan.
9. All services provided by Softech in Pakistan, including, among others, technical, software and support services, are for its parent company i.e., 360 Holdco. Softech does not provide any services to any other undertaking in Pakistan.

**The Sellers**

10. The Sellers, i.e., Mr. Adnan Sattar, Mr. Ron Dyess Farshler, Mr. Alberty Joseph Lilly, Mr. Clyde Seepersad and Mr. Thomas Downey, are all individuals, therefore there are no reportable turnovers or assets.

**III. THE TRANSACTION**

11. This is a foreign-to-foreign transaction.
12. Post merger, ASHC will acquire \_\_\_\_\_ of the issued and outstanding capital stock of 360 Holdco, hence acquiring sole control over the Target.
13. The consideration for this purchase is USD \_\_\_\_\_ (approximately PKR \_\_\_\_\_).
14. The transaction meets the pre-merger notification thresholds as are prescribed in Regulation 4 (2) (a), (b), (c) and (d) of the Merger Regulations as the assets of the merging parties are greater than one (01) billion rupees, the annual turnover of the merging parties is also greater than one (01) billion rupees. While the transaction value exceeds 100 million rupees, and the shares to be acquired are more than 10% of the voting rights of the Target.



4 Ibid  
5 Ibid  
Ibid

*VSJ* *AF*

#### IV. THE RELEVANT MARKET

15. The relevant product market has been identified as that of the provision of online training and educational courses and software development and IT services, as these are the services/products offered by the Target.
16. The Target is not itself present in Pakistan; however, it does have a subsidiary i.e. Softech engaged in the provision of the above-mentioned services/products in Pakistan. Since the conditions of competition between Softech and its competitors are sufficiently homogenous across the country, the relevant geographic market has been identified as Pakistan.
17. None of the services offered by Softech are for the Pakistani market and are for the benefit of its parent company in the United States, namely 360 Holdco.

#### V. THE PHASE-I ASSESSMENT

18. Post-merger, ASHC will acquire [redacted] of the issued and outstanding capital stock of 360 Holdco and thereby acquire sole control over the Target. ASHC is incorporated in the State of Delaware, United States, and is not active in Pakistan. The main business of the company is providing online education and training programs relating to, *inter alia*, environmental safety and health, food and beverage safety and transportation safety products.
19. 360 Holdco is a holding company incorporated in the State of Texas, United States. It offers online training and continuing education in technology and IT services and develops software and online education coursework, test materials, certifications, and training programs. The company has a presence in Pakistan through its wholly-owned subsidiary Softech. However, the services provided by Softech, such as technical, software and support services, are for its parent company 360 Holdco. Softech does not provide any services to any undertaking in Pakistan.
20. This is a foreign-to-foreign transaction. The market share of the merging parties in the relevant market is unidentifiable, since neither the Acquirer nor the Target, has direct presence in Pakistan. This acquisition is not likely to affect the Pakistani market.

21) The transaction does not meet the presumption of dominance as is provided under Section 2 (1) (e) read with Section 3 of the Competition Act, 2010 ("Act").



*VS* *AF*

## VI. CONCLUSION

22. In conclusion, there is no evidence to suggest 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.

23. It is so ordered.



(Vadiyya Khalil)  
*Chairperson*



(Ikram Ul Haque Qureshi)  
*Member*



January, 2017