



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

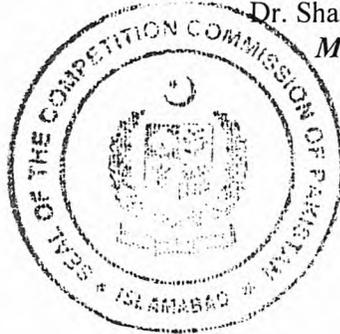
IN THE MATTER OF ACQUISITION OF SHAREHOLDING IN
M/S. TELENOR MICROFINANCE BANK LIMITED BY M/S. ALIPAY (HONG
KONG) HOLDING LIMITED FROM M/S. TELENOR PAKISTAN B.V.

CASE: 992/Merger-CCP/18

Commission

Ms. Vadiyya S. Khalil
Chairperson

Dr. Shahzad Ansar
Member



ORDER

1. On 27th August 2018 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed acquisition pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") through which M/s. Alipay (Hong Kong) Holding Limited ("**Acquirer**" or "**Applicant**") intends to acquire shareholding in M/s. Telenor Microfinance Bank Limited ("**Target**") by way of share purchase from M/s. Telenor Pakistan B.V. ("**Seller**"). All the requisite information/documents pertaining to the application was completed by the applicant on 3rd October 2018.
2. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and its observations on the basis of independent research/investigation in the relevant market. The Phase I competition assessment of the intended acquisition has resulted in the following findings:
 - i. The business activities of the undertakings concerned are:
 - a. For the Acquirer: Investment Holding company
 - b. For the Target: Provision of microfinance and related financial services to the less privileged and unbanked segment.
 - c. For the Seller: Investment Holding and Finance Company
 - ii. The proposed transaction is an acquisition of . . . shareholding in the Target by the Acquirer from the Seller. The relevant product market in this case has been identified as that of "**Mobile Payments**", "**Digital Financial Services**" and "**Microfinance Banking Services**" having a geographic market identified as of "**Pakistan**".
 - iii. In terms of value, the Target has a market share of . . . in the Microfinance Banking Services segment, . . . share in the Mobile Payments segment and . . . share in the Digital Financial Services segment.
 - iv. Post-transaction, the market share of the Target will remain unchanged as the transaction involves sale and purchase of shares of the Target, however, the Acquirer will gain presence in Pakistan through the Transaction.
 - v. The transaction is not likely to result in the creation or strengthening of a dominant position in the relevant market. The intended merger does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Competition Act 2010 ("**Act**").
3. In conclusion, the proposed transaction is not likely to substantially lessen competition through the creation 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.
4. It is so ordered.

Yadviya S. Khalil

(Yadviya S. Khalil)
Chairperson

Islamabad the 7th November, 2018.

Dr. Shahzad Ansari

(Dr. Shahzad Ansari)
Member

