



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF % SHAREHOLDING OF M/S.
NATIONAL SECURITY PRINTING COMPANY (PRIVATE) LIMITED BY M/S.
PAKISTAN SECURITY PRINTING CORPORATION (PRIVATE) LIMITED

CASE: 1475Merger-CCP/2024

Commission



Kabir Ahmed Sidhu
Chairman

ORDER

1. On 28th August, 2024, the Competition Commission of Pakistan (hereafter the "**Commission**") received a pre-merger application (hereafter the "**Application**") concerning the following parties:
 - 1.1. M/s. Pakistan Security Printing Corporation (Private) Limited (hereafter the "**Acquirer**"); and
 - 1.2. M/s. National Security Printing Company (Private) Limited (hereafter the "**Target**").
2. The Application was made pursuant to Section 11 of the Competition Act, 2010 (hereafter the "**Act**") read in conjunction with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (hereafter the "**Merger Regulations**").
3. The proposed transaction entails acquisition of % shareholding of the Target by the Acquirer. All requisite information/documentation pertaining to the Application was completed on 10th September, 2024.
4. The Commission has examined the Application as well as all the documents attached therewith and the information provided by the concerned undertaking(s). The Commission carried out Phase I competition assessment of the intended transaction which revealed the following facts:
 - 4.1. Acquirer: M/s. Pakistan Security Printing Corporation (Private) Limited was incorporated in Pakistan under the Companies Ordinance, 1984 (now the Companies Act, 2017). It is a wholly owned subsidiary of the State Bank of Pakistan (hereafter "**SBP**") and is engaged in the printing of currency notes and prize bonds on behalf of SBP.
 - 4.2. Target: M/s. National Security Printing Company (Private) Limited was incorporated under the Companies Ordinance, 1984 (now the Companies Act, 2017). It is wholly owned by the Government of Pakistan and is engaged in the printing of security documents on behalf of the Government of Pakistan, government agencies and private institutions.
 - 4.3. As submitted in the Application and set out in the Draft Share Purchase Agreement (the "**DSPA**"), the Acquirer intends to purchase % equity shares of the Target. The Applicant has stated that the DSPA has been submitted to the Finance Division and is subject to approval by the Government of Pakistan. Moreover, the transaction value is still under negotiation between the Acquirer and the Target.
 - 4.4. The relevant product markets in this case have been identified as printing of "**Passports**", "**Degrees and Transcripts**", "**Bank Cheques**", "**Postal Stamps**", "**Judicial Stamps**", "**Revenue Stamps**", "**Commemorative Stamps**", "**Real Estate Documents**", "**Traveller Cheques**", "**Provincial and National Assembly Ballots**" and "**Investment Certificates**". The relevant geographic market is "**Pakistan**".

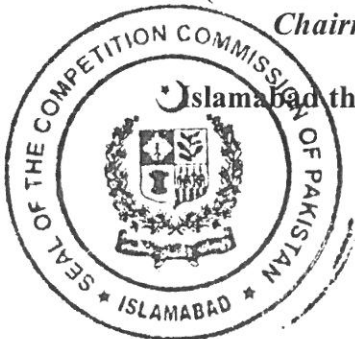
- 4.5. The Target is the only undertaking that is engaged in the above relevant product markets. It has a market share of % which will remain the same post-transaction.



- 4.6. Moreover, the Acquirer is the only undertaking that is engaged in the printing of currency and prize bonds in the country, therefore its position shall remain the same post-transaction.
- 4.7. It is pertinent to mention here that the Acquirer and the Target are both under the management control of the Government of Pakistan.
5. The purpose of transaction is re-organization of the security printing within the same group for the purpose of economies of scale and elimination of duplicate of effort. The group is ultimately owned and controlled by the State Bank of Pakistan, established under the SBP, Act, 1956. The Federal Government shall remain the ultimate owner even after the transaction. Thus the proposed merger would have no impact on relevant product and geographic market.
6. Therefore, the transaction is authorized under Section 31(d)(i) of the Act.
7. Notwithstanding the above, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws.
8. It is so ordered.



(Dr. Kabir Ahmed Sidhu)
Chairman



Islamabad the September 30, 2024.