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**Common Market for Eastern
and Southern Africa**

CASE FILE No. CCC/MER/9007/2013

**Decision¹ of the Committee of Initial Determination
Regarding the Acquisition by Old Mutual (Africa)
Holdings Proprietary Limited of 70% Shareholding in
Oceanic Company Limited.**

ECONOMIC SECTOR: Insurance

December 2013

¹ In the published version of this decision, some information has been omitted pursuant to Rule 73 of the COMESA Competition Rules concerning non-disclosure of business secrets and other confidential information. Where possible the information omitted has been replaced by ranges of figures or a general description.

Information and Relevant Background

1. On 6th September 2013, the COMESA Competition Commission ('the Commission') received a merger notification regarding the acquisition by Old Mutual (Africa) Holdings Proprietary Limited ("OMAH") of 70% Shareholding in Oceanic Insurance Company Limited ("Oceanic") herein called the parties through their legal representatives Webber Wentzel.
2. The transaction was notified with the Commission under Article 24(1) of the COMESA Competition Regulations, 2004 ("the Regulations"). The Commission's concern is primarily whether the proposed transaction between the parties would, or is likely to have the effect of substantially preventing or lessening competition or would be contrary to public interest in the Common Market as provided for under Article 26 of the Regulations.
3. The Committee of Initial Determination (the CID) observed that OMAH operates in two or more COMESA Member States as provided for by Article 23(3) of the Regulations. The CID further observed that Oceanic operated only in Nigeria. This therefore means that the regional dimension requirements under Articles 23(3) and 23(5) are satisfied and ultimately asserts jurisdiction on the Commission to assess the transaction.

The Parties

Old Mutual (Africa) Holdings Proprietary Limited ("OMAH")

4. The acquiring firm OMAH, acts principally as an investment holding company for Old Mutual African Operations outside of South Africa. The company is an investment holding company and operates principally in South Africa. The Company's ultimate holding company is Old Mutual Plc, incorporated in the United Kingdom and listed on the London, Johannesburg, Malawi, Namibia and Zimbabwe stock exchanges.

Oceanic Insurance Company Limited ("Oceanic")

5. The target firm Oceanic operates within the short term insurance industry in Nigeria and is principally engaged in the provision of short term insurance including motor, fire, general accident, aviation, marine, oil and gas and other non-life insurance services. Oceanic's activities are limited to Nigeria. The company was incorporated in Nigeria as a limited liability company in 1994 under the name Corporate Ideals Insurers Limited. Following the acquisition and recapitalisation of the company by Oceanic Bank International Plc in 2006, it was renamed Oceanic Insurance Company Limited.

Competition Analysis

6. The CID observed that the relevant market is the provision of insurance services in the Common Market. It further observed that the target firm is pre-dominantly in Nigeria where as the acquiring firm operates in two or more COMESA Member States. It was further observed that there is no evidence that the parties have ever competed before in the relevant market.

7. The CID noted that the proposed transaction will not raise significant competition concerns in the Common Market. It was further noted that Oceanic does not have significant operations in the Common Market and hence the transaction will have no substantial effect on the market structure of the Common Market. The CID further noted that given Oceanic's insignificant presence in the Common Market, the transaction is not likely to lead to OMAH acquiring significant market shares in the Common Market.

Determination

8. For the above reasons, the CID has decided not to oppose the notified transaction and to declare it compatible with the Common Market and with the objectives of Article 3 of the Treaty.
9. This decision is adopted in application of Article 26 of the COMESA Competition Regulations.

Dated this 17th day of December 2013.

For the Commission

(Signed)

George K. Lipimile