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**Common Market for Eastern
and Southern Africa**

Staff Paper No. 2017/09/LV/11

Decision¹ of the Thirty Sixth Committee Responsible for Initial Determination on the Application for Authorisation of the Acquisition involving MyBucks S.A. and New Finance Bank Limited

ECONOMIC SECTOR: Banking and Financial Services

1st October 2017

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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 Where possible the information omitted has been replaced by ranges of figures or a general description.

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Information and Relevant Background

1. On 21st September 2017, the COMESA Competition Commission (hereinafter referred to as “the Commission”) received an application for authorisation of a merger involving MyBucks S.A. (hereinafter referred to as “MyBucks”) and New Finance Bank Limited (hereinafter referred to as “NFB”)
2. The transaction was notified with the Commission under Article 24(1) of the COMESA Competition Regulations, 2004 (hereinafter referred to as the “Regulations”). Pursuant to Article 26 of the Regulations, the Commission is required to assess whether the proposed transaction 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.
3. The Committee Responsible for Initial Determination (hereinafter referred to as “the CID”) established that the parties operate in more than one COMESA Member State. This therefore means that the regional dimension requirement under Article 23(3) of the Regulations is satisfied and asserts jurisdiction on the Commission to assess the transaction.

The Parties

MyBucks (Acquirer)

4. The parties submitted that the acquiring undertaking, MyBucks, is a Luxembourg-based financial technology company. Through its brands GetBucks and GetSure the company offers unsecured consumer loans and banking solutions to customers. MyBucks has operations in twelve African and two European countries as well as in Australia. In COMESA, MyBucks has operations in Kenya, Malawi, Swaziland, Uganda, Zambia, and Zimbabwe.

NFB (Target)

5. The parties submitted that the target undertaking, provides retail and corporate banking services and has operations in Malawi only.

Nature of the Transaction

6. The transaction involves the acquisition of 50% shareholdings by MyBucks in NFB.

Competition Analysis

7. The CID defined the relevant markets as the provision of:
 - Micro loans to retail customers in Malawi; and
 - Commercial loans and deposits to retail customers in Malawi.
8. The CID observed that there is limited horizontal overlaps between the activities of the merging parties. Further, the merging parties’ combined market shares in the relevant markets are not substantial to lessen competition.

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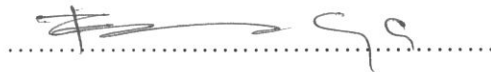
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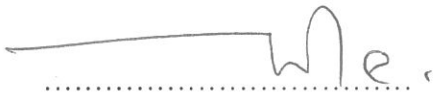
Determination

9. The CID determined that the merger is not likely to lessen competition in the Common Market and/or negatively affect trade between Member States. The CID therefore approved the transaction without conditions.
10. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 1st of October 2017



Commissioner Thabisile Langa (Chairperson)



Commissioner Patrick Okilangole
(Member)



Commissioner Chilufya Sampa
(Member)