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**Common Market for Eastern  
and Southern Africa**

**Case File No.: CCC/MER/07/11/2015**

**Decision<sup>1</sup> of the Committee of Initial Determination Regarding the  
Proposed Merger between Old Mutual Alternatives Investments Holdings  
Proprietary Limited and African Fund Managers (Mauritius) and African  
Infrastructure Investment Fund 2 General Partner Proprietary Limited**

**ECONOMIC SECTOR: PRIVATE EQUITY INVESTMENT**

**19 November 2015**

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<sup>1</sup> 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 Where possible the information omitted has been replaced by ranges of figures or a general description.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 4<sup>th</sup> September 2015, the COMESA Competition Commission hereinafter referred to as (the “Commission”) received a notification for approval of a merger between Old Mutual Alternative Investments Holdings Proprietary Limited hereinafter referred to as (“Old Mutual”) and African Fund Managers (Mauritius) hereinafter referred to as (“AFM Mauritius”) and African Infrastructure Investment Fund 2 General Partner Proprietary Limited hereinafter referred to as (“AIIF2”).
2. The transaction was notified with the Commission under Article 24(1) of the COMESA Competition Regulations hereinafter referred to as (“the Regulations”). Under this provision the Commission is required to assess 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 pursuant to Article 26 of the Regulations.
3. The Committee of Initial Determination hereinafter referred to as (“the CID”) noted that the parties operate in two or more COMESA Member States. This, therefore, means that the regional dimension requirements under Articles 23(3) and 23(5) of the Regulations are satisfied and asserts jurisdiction of the Commission to assess the transaction.

## **The Parties**

### **Old Mutual**

4. Old Mutual the acquiring firm already owns 50% of the issued shares in and claims against AFM Mauritius and AIIF2, (the two target firms). It is in the business of purchasing controlling or non-controlling interests in the share capital of unlisted businesses, and holds these interests for a reasonably long period (typically five to seven years in the case of private equity investments and ten years in the case of infrastructure assets), with the objective of enhancing the value of the business.

### **Target Firms; AFM Mauritius and AIIF2**

5. AFM Mauritius and AIIF2 are focussed on private equity investments in Africa. The fund managed by AFM Mauritius, namely African Infrastructure Investment Fund 2 (Mauritius) incorporated in Mauritius, and the fund managed by AIIF2, namely African Infrastructure Investment Fund 2 Partnership incorporated in South Africa, are designed to invest long-term institutional equity in African infrastructure projects such as ports, power generation, toll roads, renewable energy and communications infrastructure assets.

### **Nature of the Transaction**

6. In terms of the proposed transaction, Old Mutual intends to acquire the remaining 50% of the issued shares in and claims against AFM Mauritius and AIF2. Post-merger, the Acquiring Group will wholly own and solely control AFM Mauritius and AIF2.

### **Competition Analysis**

7. The CID established that the transaction did not raise competition concerns and did not negatively affect trade between Member States.

### **Determination**

8. The CID determined that the merger is not likely to substantially lessen the degree of competition in the Common Market or any part thereof and will not negatively affect trade between Member States.
9. This decision is adopted in accordance with Article 26 of the COMESA Competition Regulations.

Dated this 19<sup>th</sup> day of November, 2015.



**Commissioner Matthews Chikankheni (Chairman)**  
**(Signed)**



**Commissioner Thabisile Langa (Member)**  
**(Signed)**



**Commissioner Chilufya Sampa (Member)**  
**(Signed)**