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**Common Market for Eastern
and Southern Africa**

Case No. CCC/MER/4/16/2018

Decision¹ of the Forty-Fifth (45th) Committee Responsible for Initial Determination on the Application for Authorisation of the Proposed Acquisition by Sanlam Emerging Markets (Ireland) Limited (SEMIL) of Saham S.A. (Saham)

ECONOMIC SECTOR: Insurance

4th October, 2018 – Johannesburg, South Africa

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 Where possible the information omitted has been replaced by ranges of figures or a general description.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 13th April 2018, the COMESA Competition Commission (hereinafter referred to as the “Commission”) received a notification for approval of a merger between Sanlam Emerging Markets (Ireland) Limited (“SEMIL”) and Saham S.A. (“Saham”). The proposed transaction involved the acquisition of the entire issued share capital of Saham by SEMIL.
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 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.
3. The Committee Responsible for Initial Determination (hereinafter referred to as the “CID”) established that the parties operated in more than one COMESA Member State. This therefore meant that the regional dimension requirement under Article 23(3) of the Regulations was satisfied and asserted jurisdiction on the Commission to assess the transaction.

The Parties

SEMIL

4. The parties submitted that SEMIL is an Irish-registered ultimate subsidiary of Sanlam. The Sanlam Group (“Sanlam’s subsidiaries including SEMIL”) provides, *inter alia*, life insurance, non-life insurance, credit and banking facilities, re-insurance, investment management and other financial services in various emerging markets in Africa, India and South-East Asia.
5. The parties further submitted that the Sanlam Group has presence in the following COMESA Member States: Burundi, Egypt, Kenya, Malawi, Mauritius, Rwanda, Swaziland, Uganda, Zambia and Zimbabwe.

Saham

6. The parties also submitted Saham is the holding company of Saham Finances S.A. (“Saham Finances”) and its subsidiaries (collectively referred to as the “Saham Group”). The Saham Group is a Pan African group with diversified business activities. Saham Finances is an insurance group with operations in 26 countries across North, West and East Africa and the Middle East. Saham Finances pre-dominantly writes personal lines (non-life) and general insurance business.
7. Saham has presence in the following COMESA Member States: Egypt, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Uganda, Swaziland, Zambia and Zimbabwe.

Nature of the Transaction

8. The parties submitted that the transaction entails that SEMIL will directly acquire the entire issued share capital of Saham which holds 53.33% of the issued share capital of Saham

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Finances. It was further submitted that SEMIL holds 46.63% of the issued share capital of Saham Finances. The transaction will therefore result in SEMIL holding effectively 100% of the issued share capital of Saham Finances thus acquiring sole and unfettered control over Saham and Saham Finances.

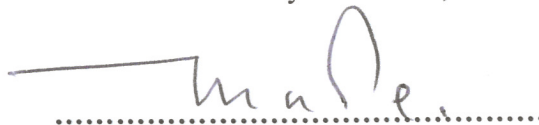
Competition Analysis

9. The CID defined the relevant markets as follows:
 - a) The national market for the provision of non-life insurance services;
 - b) The national market for the provision of life insurance services; and
 - c) The global market for the provision of re-insurance services.
10. The CID observed that the transaction did not raise any horizontal overlaps in the Common Market except for Kenya and Rwanda. However, the CID concluded that with respect to Kenya, the relevant markets were highly contested, fragmented and characterised by the presence of competitors to the merged entity. With respect to Rwanda, the CID observed that even though the market is concentrated pre-merger, the insurance market has the potential to accommodate new entrants since the insurance industry is dynamic and growing in Rwanda.

Determination

11. The CID determined that the merger is not likely to appreciably lessen competition in the Common Market and/or negatively affect trade between Member States. The CID therefore ratified the authorisation issued by the Director on 2nd July, 2018.
12. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 4th Day of October, 2018



Commissioner Patrick O. Okilangole

(Chairperson)



Commissioner Brian M. Lingela

(Member)



Commissioner Thembelihle P. Dube

(Member)