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Common Market for Eastern  
and Southern Africa

**Case File No. CCC/MER/08/31/2019**

**Decision<sup>1</sup> of the Sixty-Eighth (68<sup>th</sup>) Committee Responsible for Initial Determination Regarding a Proposed Merger Involving the Acquisition of 100% of the Issued Share Capital of CR-Honos Parent Limited by Doctor No Parent Limited**

**ECONOMIC SECTOR: Security Services and Facilities Management**

**23<sup>rd</sup> December 2019**

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 Where possible, the information omitted has been replaced by ranges of figures or a general description.

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## Information and Relevant Background

1. On 12<sup>th</sup> September, 2019 the COMESA Competition Commission (hereinafter referred to as the “**Commission**”) received a notification for the approval of a proposed merger involving CR Honos Parent Limited (the “**target undertaking**”) and Doctor No Parent Limited (the “**acquiring undertaking**”)
2. The transaction was notified with the Commission under Article 24(1) of the COMESA Competition Regulations, 2004 (the “**Regulations**”). Pursuant to Article 26 of the Regulations, the Commission is required to assess whether the 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 (the “**CID**”) established that the parties operate in more than one COMESA Member State and they meet the required prescribed merger notification thresholds. 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

### *Doctor No Parent Ltd (the Acquirer)*

4. It was submitted that the acquiring undertaking, Doctor No Parent Ltd, is a company duly incorporated under the Laws of Nova Scotia in Canada. The acquirer is active in Egypt, Kenya, Mauritius, Tunisia, and Zambia.

### *CR-Honos Parent Ltd (the Target Undertaking)*

5. It was submitted that the target undertaking, CR-Honos Parent Ltd, is a company duly incorporated and registered under the laws of the Province of Nova Scotia, Canada. The target undertaking is a holding company which does not supply any products nor provide services in COMESA. However, the target’s controlled entities are active in the following markets: private security, security systems and facilities management industries. The target undertaking carries out business in Burundi, Democratic Republic of Congo, Kenya, Malawi, Mauritius, Rwanda, Somalia, Uganda, Zambia.

## Nature of the Transaction

6. The parties submitted that in terms of the proposed transaction, the Target, Honos Luxemburg Holdings S.à.r.l, Stéphan Crétier, Foundation Stéphan Crétier, Stéphan Crétier Holdings Inc. (the “**Sellers**”) and Doctor No Parent Limited (the “**Acquirer**”) entered into a Purchase agreement dated 23 July 2019 in relation to the sale and purchase of the shares in the Target (the “**Purchase Agreement**”). Pursuant to the purchase agreement, the acquirer will purchase shares equivalent to 100% of the issued share capital in the target undertaking.

## Competition Analysis

7. The CID defined the relevant markets as follows:



- a) The national market for the provision of security services; and
  - b) The national market for the provision of facilities management services.
8. The CID observed that the transaction does not result in a change in the market structure of the relevant market due to the absence of horizontal overlaps in the activities of the parties.

**Determination**

9. The CID determined that the merger is not likely to substantially lessen or prevent competition in the Common Market or any substantial part of it. The CID further determined that the transaction is unlikely to negatively affect trade between Member States. The CID approved the transaction without any conditions.
10. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 23<sup>rd</sup> December, 2019



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**Commissioner Brian M. Lingela (Chairperson)**



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**Commissioner Islam Tagelsir Ahmed Alhasan**