



COMESA Competition Commission
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**Common Market for Eastern
and Southern Africa**

Case File No. CCC/MER/1/3/2020

**Decision¹ of the Seventy First (71st) Committee Responsible for
Initial Determination Regarding the Proposed Acquisition of
Control of Saham Assurance Company Kenya Limited by MUA
Insurance (Kenya) Limited**

ECONOMIC SECTOR: Insurance

8th June 2020

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 Where possible, the information omitted has been replaced by ranges of figures or a general description.

BML

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T.P.D

Information and Relevant Background

1. On 11th February 2020, the COMESA Competition Commission (hereinafter referred to as the “**Commission**”) received a notification for approval of the proposed merger involving MUA Insurance (Kenya) Limited (“**MUA Kenya**”) and Saham Assurance Company Kenya Limited (“**Saham Kenya**”).
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 prescribed 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

MUA Kenya (the Acquiring Undertaking)

4. It was submitted that MUA Kenya is a company incorporated in Kenya. It is controlled by MUA Transafrica Holdings PLC which in turn is controlled by MUA Ltd (MUA). The MUA Group of companies provides a broad range of financial and insurance services including short term insurance, long term insurance, corporate pension, mutual fund investment, stockbroking, insurance management and reinsurance. The MUA Group has activities in the following Member States: Kenya, Mauritius, Rwanda, Seychelles and Uganda.

Saham Kenya (the Target Undertaking)

5. It was submitted that Saham Kenya, is a company incorporated in Kenya. It is controlled by Colina Holdings Limited and other minority shareholders and ultimately controlled by Sanlam Limited. Saham Kenya provides personal, commercial and life insurance. Saham Kenya, has operations in in one COMESA Member State namely, Kenya.

Nature of the Transaction

6. The parties submitted that MUA Kenya intends to acquire the entire issued share capital of Saham Kenya, and thereby acquire direct control over Saham Kenya from Colina Holdings Ltd (Colina) and other minority shareholders. The proposed transaction will provide Saham Kenya access to capital, through the merger of its activities with MUA Kenya, for expansion and consolidation of its general insurance operations.

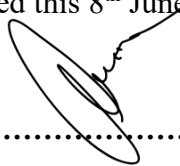
Competition Analysis

7. The CID defined the relevant product markets as defined as the market for the provision non-life insurance service. The relevant geographic market was defined as Kenya.
8. The CID observed that the transaction leads to a minimal accretion in market shares which is not likely to raise competition concerns. Competition concerns are unlikely due to the fragmented nature of the relevant market which is characterised by alternative providers of non-life insurance services.

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 therefore approved the transaction.
10. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 8th June 2020

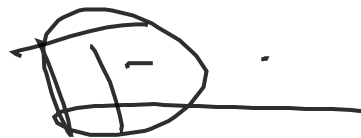


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Commissioner Islam Tagelsir Ahmed Alhasan (Chairperson)



Commissioner Brian M. Lingela



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Commissioner Thembelihle P. Dube née Dlamini