



COMESA Competition Commission

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**Common Market for Eastern
and Southern Africa**

Case File No. CCC/MER/05/20/2024

**Decision¹ of the 109th Meeting of the Committee Responsible
for Initial Determinations regarding the Proposed Merger
involving Neon Maple Purchaser Inc. and Nuvei Corporation**

ECONOMIC SECTOR: Banking and Financial Services



22 August 2024

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 Where possible, the information omitted has been replaced by ranges of figures or a general description.

The Committee Responsible for Initial Determinations,

Cognisant of Article 55 of the Treaty establishing the Common Market for Eastern and Southern Africa (the “**COMESA Treaty**”);

Having regard to the COMESA Competition Regulations of 2004 (the “**Regulations**”), and in particular Part 4 thereof;

Mindful of the COMESA Competition Rules of 2004, as amended by the COMESA Competition [Amendment] Rules, 2014 (the “**Rules**”);

Conscious of the Rules on the Determination of Merger Notification Thresholds and Method of Calculation of 2015;

Recalling the overriding need to establish a Common Market;

Recognising that anti-competitive mergers may constitute an obstacle to the achievement of economic growth, trade liberalization and economic efficiency in the COMESA Member States;

Considering that the continued growth in regionalization of business activities correspondingly increases the likelihood that anti-competitive mergers in one Member State may adversely affect competition in another Member State,

Desirability of the overriding COMESA Treaty objective of strengthening and achieving convergence of COMESA Member States’ economies through the attainment of full market integration,

Having regard to the COMESA Merger Assessment Guidelines of 2014,

Determines as follows:

Introduction and Relevant Background

1. On 29 May 2024, the COMESA Competition Commission (the “**Commission**”) received a notification for approval of a merger involving Neon Maple Purchaser Inc. (“**Neon**” or the “**acquirer**”) and Nuvei Corporation and its subsidiaries (“**Nuvei**” or the “**target**”), pursuant to Article 24(1) of the Regulations.
2. The notified transaction involves the proposed acquisition of joint control over Nuvei by Advent International, L.P. (together with its affiliates, and investment funds managed by its affiliates, “**Advent**”) and Whiskey Papa Fox Inc. (“**WPF**”) through Neon, an acquisition vehicle incorporated solely for purpose of this transaction.
3. 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.



4. Pursuant to Article 13(4) of the Regulations, there is established a Committee Responsible for Initial Determinations, referred to as the CID. The decision of the CID is set out below.

The Parties

Neon (the primary acquirer)

5. The parties submitted that Neon is an acquisition vehicle incorporated under the Canada Business Corporations Act for the purpose of the proposed transaction and therefore does not have any activity in the Common Market. Neon is the primary acquirer in this transaction.
6. The indirect acquirers are WPF and Advent, which both own stakes in Neon. WPF does not derive turnover or hold assets in the Common Market.
7. Advent is a private equity investor based in Boston, USA. Advent focuses on the acquisition of equity stakes and the management of investment funds in various sectors, including healthcare, industrial, technology, retail, consumer and leisure, and business and financial services.
8. The parties submitted the following list of portfolio companies controlled by Advent that generate revenue in the Common Market, as presented in Table 1 below.

Table 1 – List of Advent's portfolio companies that generate revenue in the Common Market and their activities

Portfolio Company	Activity	Member States
Bharat Serums and Vaccines	Biopharmaceutical supplier active in women's healthcare, assisted reproductive treatment, critical care and emergency medicine.	Burundi, Ethiopia, Kenya, Mauritius, Rwanda, Tunisia, Uganda, Zambia, Zimbabwe
Cobham ²	Provider of various products/services in the defense, aerospace, and space markets across the communications and connectivity and advanced electronic systems sectors. Also includes Ultra Group, which provides application-engineered solutions for defense, security, critical detection, and control environments.	Egypt, Ethiopia, Tunisia,
Cohance (Formerly Ra Chem Pharma Limited)	Pharmaceutical company offering active pharma ingredients, formulations, and intermediates, as well as contract research services.	Egypt, Tunisia

² It was submitted this entity has recently been sold to Thales.



Envalior	Manufacturer and supplier of high-performance engineering thermoplastic polymers.	Egypt, Tunisia
Eureka Forbes	Producer of water purifiers, air purifiers, vacuum cleaners, and security solutions systems.	Mauritius
Evri (Formerly Hermes)	Operator of multi-channel delivery and collection services (i.e. courier services).	Egypt, Eswatini, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Tunisia, Uganda, Zambia, Zimbabwe
Forescout Technologies	Provides network security software.	
Global Processing Services	UK-based provider of issuer processing services.	Seychelles
Industria Chimica Emiliana (Ice)	Producer of ursodeoxycholic acid for the treatment of gastric and chronic diseases.	Egypt
Idemia	It is a provider of smart cards and secure identity solutions for customers principally in the telecommunications, banking, and government sectors.	Burundi, DRC, Djibouti, Egypt, Eswatini, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Tunisia, Uganda, Zambia, Zimbabwe
Innio	Producer of reciprocating gas engines for power generation and mechanical drive/gas protection.	Egypt, Tunisia
Irca	Producer of semi-finished chocolate, bakery and gelato ingredients for sale to business customers.	Ethiopia, Kenya, Madagascar, Mauritius, Tunisia,
Maxar	Specialising in manufacturing communication, Earth observation, radar and on-orbit servicing satellites.	Ethiopia, Kenya, Mauritius, Rwanda, Seychelles
Mcafee	A global player in consumer digital protection.	Burundi, DRC, Djibouti, Egypt, Eswatini, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Tunisia, Uganda, Zambia, Zimbabwe



Manjushree Technopack	Manufacturer of rigid plastic packaging.	Seychelles, Zambia
Ncs Multistage	Is provider of sliding- sleeve products and related services for the oil and gas industry.	Egypt
Nielseniq	A comprehensive data, analytics and insights company for global retailers and brand.	Egypt, Kenya, Uganda
Olaplex	Prestige haircare brand focused on strengthening and repairing damaged hair.	Egypt, Mauritius
Pacvue (Formerly Assembly)	Offers a marketplace advertising, sales and intelligence platform, with solutions including advertising automation, digital shelf optimization, and commerce data intelligence	DRC, Djibouti, Egypt, Kenya, Libya, Madagascar, Mauritius, Rwanda, Tunisia, Uganda, Zambia
Parfums De Marly	Perfume/fragrance brand	
Röhm	Global supplier of methacrylate chemicals.	Egypt, Tunisia, Zambia, Zimbabwe
Rubix	A pan European distributor of industrial maintenance, repair and overhaul products and services.	Egypt, Eswatini, Madagascar, Mauritius, Seychelles, Tunisia
Thyssenkrupp Elevator	Manufacturer and maintenance provider of passenger and freight elevators, escalators and moving walkways, passenger boarding bridges, stair and platform lifts	DRC, Egypt, Ethiopia, Kenya, Libya, Madagascar, Mauritius, Tunisia, Uganda, Zambia, Zimbabwe
V. Group	Provides technical management of maritime assets outsourced by ship owners and the provision of technical, personnel and advisory services.	Egypt, Ethiopia, Kenya, Libya, Mauritius
Zentiva	A generics pharmaceutical company.	Egypt, Tunisia
Zimmermann	Zimmermann is a luxury fashion brand.	Egypt

9. In the Common Market, Advent operates in all Member States, except Comoros, Eritrea, and Somalia.

Nuvei (the target)

10. The parties submitted that Nuvei is a payment technology partner headquartered in Montreal, Canada, with operations throughout North America and globally.
11. The parties submitted that within COMESA, Nuvei is engaged solely in providing e-commerce acceptance services (i.e., payment gateways) to merchants located in the Seychelles (predominantly) and Mauritius. Nuvei does not have a physical presence or employees in COMESA. Nuvei operates as an aggregator, offering payment acceptance services. In Mauritius, Nuvei currently provides payment acceptance services to one company, specifically for Mexican card payments.



Jurisdiction of the Commission

12. Article 24(1) of the Regulations requires 'notifiable mergers' to be notified to the Commission. Rule 4 of the Rules on the Determination of Merger Notification Thresholds and Method of Calculation (the "**Merger Notification Thresholds Rules**") provides that:

Any merger, where both the acquiring firm and the target firm, or either the acquiring firm or the target firm, operate in two or more Member States, shall be notifiable if:

- a) the combined annual turnover or combined value of assets, whichever is higher, in the Common Market of all parties to a merger equals or exceeds USD 50 million; and*
 - b) the annual turnover or value of assets, whichever is higher, in the Common Market of each of at least two of the parties to a merger equals or exceeds USD 10 million, unless each of the parties to a merger achieves at least two-thirds of its aggregate turnover or assets in the Common Market within one and the same Member State.*
13. The undertakings concerned have operations in two or more Member States. The undertakings concerned derived a turnover of more than the threshold of USD 50 million in the Common Market and they each derived a turnover of more than USD 10 million in the Common Market. In addition, the parties do not hold more than two-thirds of their respective aggregate turnover or asset value in one and the same Member State. The Commission was thus satisfied that the transaction constitutes a notifiable transaction within the meaning of Article 23(5)(a) of the Regulations.

Details of the Merger

14. The parties submitted that Advent and WPF (among others³) have entered into various agreements with Nuvei for the acquisition of joint control over Nuvei by Advent and WPF, through Neon. Certain existing shareholders, specifically affiliates of Novacap and affiliates of CDPQ, will also retain minority non-controlling interests in Nuvei after closure of the transaction.
15. The transaction will be implemented through a statutory plan of arrangement under the Canada Business Corporations Act and after completion of the transaction, Nuvei will be de-listed from the Toronto and NASDAQ Stock Exchanges and will become wholly privately owned by Advent, WPF, Novacap, and CDPQ. Advent and WPF will acquire joint control over Nuvei within the meaning of the

³ Affiliates of Novacap Management Inc. and affiliates of Caisse de dépôt et placement du Québec also separately agreed to indirectly acquire (and therefore retain) minority indirect shareholdings in Nuvei.



Regulations. Novacap and CDPQ will retain non-controlling rights in accordance with their minority shareholdings post-transaction.

16. The parties submitted that the rationale for the proposed transaction is as follows:
 - a) **Advent:** the proposed transaction represents an investment in a global payments platform with an innovative product offering, holding the potential to create significant revenue and earnings growth through scaling.
 - b) **Nuvei:** the proposed transaction will enable it to continue to scale its business from its base in Canada to compete more efficiently as a global player in the payments space. Nuvei's strategic initiatives are focused on accelerating its customers' revenue, driving innovation across its technology, and developing the expertise of its employees. The addition of an investor with experience in the payments sector presents an attractive opportunity to support Nuvei's goals and further development.
17. The parties submitted that none of the portfolio companies controlled by Advent have activities that horizontally overlap with those of Nuvei in COMESA. As a result, given the lack of horizontal overlaps in COMESA, the transaction will not give rise to an increment in any market shares in COMESA.
18. In addition, the parties have submitted the merger will not give rise to any vertical links / relationships between the parties in COMESA either.

Competition Assessment

Consideration of the Relevant Markets

Relevant Product Market

19. Paragraph 7 of the Commission's Guidelines on Market Definition states that a ***"relevant product market comprises all those products and/or services which are regarded as interchangeable or substitutable by the consumer/customer, by reason of the products' characteristics, their prices and their intended use"***.
20. It is recalled that Advent⁴ is active in the acquisition of equity stakes and the management of investment funds in various sectors, including healthcare, industrial, technology, retail, consumer and leisure, and business and financial services; while Nuvei is a payment technology partner, and provides e-commerce acceptance services (i.e., payment gateways) to merchants in COMESA.

⁴ The CID noted that Advent, through Pacvue, provides an e-commerce software platform and sought clarification from the parties in relation to any potential horizontal or vertical links with the activities of the target. On 17 July 2024, the parties confirmed that Pacvue is involved in the provision of e-commerce advertisement and sales data management solutions and that Pacvue is not a supplier of e-commerce payment acceptance services nor a customer for providers of such services.



Provision of e-commerce acceptance services

21. A payment gateway is a technology platform that acts as an intermediary in electronic financial transactions. It enables in-person and online businesses to accept, process, and manage various payment methods—such as credit cards, debit cards, and digital wallets—in a secure and efficient manner.⁵
22. E-commerce payment transactions involve similar actors as physical payment transaction, with the exception of POS terminals; instead, when making a payment the customer will see a landing page or gateway, which then routes the customer to the appropriate interface for the selected payment method. E-commerce acceptance solutions can give the option to select multiple types of cards (e.g. credit or debit card, various scheme networks such as Mastercard and Visa) and can also route payments with alternative payment methods, such as digital wallets.⁶
23. E-commerce acceptance can be offered to merchants on a stand-alone basis, or in a solution together with e-commerce merchant acquiring⁷. E-commerce acceptance can also be offered to other merchant acquirers on a white label basis who then sell it to merchants together with their e-commerce merchant acquiring services.
24. The CID has not previously assessed the market for e-commerce acceptance services. In ***Ukheshe/EFT (2023)***⁸, the CID considered a broad categorization of the relevant product market as *the provision of payment processing services* as sufficient for the purpose of assessing the transaction given that the transaction was not likely to result in a change in the market structure. In ***Emerging Markets Payments/ Network International (2016)***, the CID identified the relevant market as the provision of payment solutions services to: (i) acquirers; (ii) issuers; and (iii) retail merchants.⁹
25. The CID observed that e-commerce acceptance services can constitute a distinct product market from in-store payment services. As e-commerce payment transaction do not involve a physical POS terminal, customers need to select the payment method and enter their payment authentication details via a web page, i.e. an e-commerce acceptance solution. Further, the CID observed that e-commerce acceptance solutions can be distinguished from merchant acquiring

⁵ <https://stripe.com/resources/more/payment-gateways-101>

⁶ European Commission Case M.9776 - WORLDLINE / INGENICO, dated 30 September 2020, paragraphs 12-13.

⁷ Merchant acquiring services refer to a set of services that enable merchants to accept payment cards. Merchant acquirers sign contracts with merchants (who are thus the customers of merchant acquirers), maintain the merchant-customer relationship and ensure that merchants receive the funds following the card payment transactions.

⁸ Ukheshe International Limited and EFT Corporation Limited, Commission Case No. CCC/MER/08/25/2023 decision dated 13 December 2023.

⁹ Acquisition of Emerging Markets Payment Holdings (Mauritius) Limited by Network International LLC Commission Case No.: 2016/09/JB/09.



services, with the former being a technical service and the latter a financial service. In **WORLDLINE / INGENICO (2020)**¹⁰, the European Commission's market investigation established that a proportion of customers procure e-commerce merchant acquiring services separately from e-commerce acceptance services. Further, the large majority of both customers and competitors indicated that e-commerce acceptance providers enable payments with all cards and that there are no significant differences between ecommerce acceptance services for different card types.

26. Based on the foregoing assessment and without prejudice to its approach in similar future cases, the CID considered that the relevant product market is **the provision of e-commerce acceptance services**.

Relevant Geographic Market

27. Paragraph 8 of the Market Definition defines the relevant geographic market as follows:

"The relevant geographic market comprises the area in which the undertakings concerned are involved in the supply and demand of products or services, in which the conditions of competition are sufficiently homogeneous, and which can be distinguished from neighbouring areas because the conditions of competition are appreciably different in those areas".

28. In **Ukheshe/EFT (2023)**¹¹ and **BCP VI Neptune/ Network International**¹², the CID observed that payment services are provided through various digital platforms and over the internet. Therefore, competition in these markets was likely to take place on a cross-border basis since the providers operate beyond national markets.
29. It was recalled that Nuvei is based in Canada and does not have a physical presence or employees in COMESA and provides payment gateway services to customers in Mauritius and Seychelles. Having regard to the type of solutions under consideration and the activities of the target itself, the geographic scope for the relevant market is construed to be global in scope.

¹⁰ European Commission Case M.9776 - WORLDLINE / INGENICO, dated 30 September 2020, paragraphs 97-98.

¹¹ Ukheshe International Limited and EFT Corporation Limited, Commission Case No. CCC/MER/08/25/2023 decision dated 13 December 2023.

¹² Acquisition of Network International Holdings Plc by BCP VI Neptune Bidco Holdings Limited, Commission Case No. CCC/MER/06/19/2023 decision dated 13 December 2023.



Conclusion of Relevant Market Definition

30. For purposes of assessing the proposed transaction, and without prejudice to the CID's approach in future similar cases, the relevant market was identified as **the global provision of e-commerce acceptance services.**

Market Shares and Concentration

31. The parties submitted that the largest competitors of the target in the provision of e-commerce acceptance services in COMESA included Flutterwave, Network International L.L.C, Cellulant, 2Checkout, Airwallex, Mint Payments, and Peach Payments.
32. The parties submitted that given Nuvei's limited presence in COMESA, together with the absence of publicly available third-party / independently verified market share information, it did not have the necessary data to provide market shares for the provision of e-commerce acceptance services to customers within the Common Market for any of its competitors. However, Nuvei estimated (based on management's best estimates from industry knowledge and experience), that these competitors would likely each have a market share of between [REDACTED]³ (for both 2022 and 2023). [REDACTED]⁴
33. Additionally, Nuvei estimated its market share [REDACTED] in the provision of payment gateway services within COMESA, suggesting that the target has a relatively minor market presence.
34. The CID observed that in the absence of pre-merger overlap, there would not be market share accretion as a result of the transaction, and there would thus be no change to the market structure. Further, the merged entity would continue to face pressures from other competitors such as Flutterwave and Cellulant.
35. The CID noted that the barrier to entry and expansion in the payment gateway services market included compliance with anti-money laundering laws, licensing requirements, capital requirements, and the need for advanced technological infrastructure. Considering the lack of overlap in the parties' activities pre-merger, a detailed assessment on the barriers to entry in the relevant market was not warranted in this case as the transaction would not heighten any existing barrier to entry.
36. The CID noted that the proposed merger would not result in the creation or strengthening of a dominant position that would allow the parties to engage in unilateral conduct in the market. Further, given that the existing market structure

¹³ Information claimed as confidential by merging parties.

¹⁴ Information claimed as confidential by merging parties.



will remain unchanged, the proposed merger would neither facilitate nor create incentives for collusive behaviour among the competitors in the relevant market.

Consideration of Third-Party Views

37. In arriving at its determination, the CID also considered submissions from the National Competition Agencies of DRC, Egypt, Eswatini, Ethiopia, Kenya, Madagascar, Mauritius, Seychelles, Zambia, and Zimbabwe which confirmed the absence of competition and public interest concerns.

Determination

38. The CID determined that the merger is not likely to substantially prevent or lessen competition in the Common Market or a substantial part of it, nor will it be contrary to public interest. The CID further determined that the transaction is unlikely to negatively affect trade between Member States.
39. The CID, therefore, approved the transaction.
40. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 22nd day of August 2024

Commissioner Dr Mahmoud Momtaz (Chairperson)

Commissioner Lloyds Vincent Nkhoma

