



MERGER DECISION NO 40: 2022

MERGER DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF 37.62% ISSUED SHARE CAPITAL IN FSG LIMITED BY ALCF I INVESTMENT II PROPRIETARY LIMITED HELD BY BOTSWANA LIFE INSURANCE LIMITED.

Introduction of the Merging Parties

Pursuant to Section 53(4)(a)(ii) of the Competition Act, 2018 ("the Act"), notice is hereby given on the decision made by the Competition and Consumer Authority ("the Authority") in respect of the proposed acquisition of 37.62% issued share capital in FSG Limited (FSG) by ALCF I Investment II Proprietary Limited (ALCF) held by Botswana Life Insurance Limited (BLIL). The transaction was notified to the Authority on 27th September 2022 and the merger assessment was completed on 27th October 2022.

The Acquiring Enterprise, Africa Lighthouse Capital Fund (ALCF), is a private company incorporated in Botswana. ALCF is controlled by Africa Lighthouse Capital Fund I Proprietary Limited, also a Botswana registered company, in its capacity as the ultimate general partner to the Africa Lighthouse Capital Fund I Partnership (The Fund), an *en commandite* partnership established in Botswana. ALCF is a special purpose vehicle established for purposes of purchasing and holding shares in FSG.

The Target Enterprise, FSG, is a company registered in accordance with the Laws of Botswana. FSG is not controlled by any firm or group of firms. The following shareholders held more than 5% of the issued share capital of FSG as at 27 July 2022: Botswana Life Insurance Limited (BLIL) (37.62%); Flipcoin (Pty) Ltd (37.22%); and ALCF (19.37%¹). FSG is engaged in the provision of funeral services and related products and it does not conduct any other businesses in Botswana.

Relevant Markets

The Acquiring Group is a financial investment group that seeks to make long-term strategic equity investments with the view to providing firms with intellectual and financial capital to create value and expand their operations. On the other hand, FSG trades within the funeral services industry. In view of the nature of the products

¹ This minority stake was acquired in September 2020

and services offered by the Target Enterprise, the relevant market is defined as the provision of funeral services and related products and value added services in Botswana.

Competitive Analysis and Public Interest

The proposed transaction involves the acquisition of additional shares by an existing shareholder that currently has a non-controlling interest in the Target Enterprise. Furthermore, the Acquiring Enterprise does not hold interest in any of the competitors of the Target Enterprise. As such, the merger will not alter the market structure of the relevant market.

Thus, the Authority has not established any substantial lessening of competition concerns arising from the merger. Furthermore, there is no acquisition of market dominance post-merger; nor any negative effect on public interest that was identified as per the provisions of section 52(2) of the Competition Act 2018.

The Determination

Pursuant to the provision of Section 53 of the Competition Act, the Authority has decided to unconditionally approve the proposed acquisition of 37.62% issued share capital in FSG Limited by ALCF I Investment II Proprietary Limited held by Botswana Life Insurance Limited.

However, as stated under Section 61 of the Act, this approval does not override or negate any other mandatory statutory approvals or processes that any of the parties to this merger must comply with under the Laws of Botswana.

Dated at Gaborone on this 27th day of October 2022.

Tebelelo Pule, Chief Executive Officer, Competition and Consumer Authority, P/Bag 00101, Gaborone, Plot 28, Matsitama Road, Tel: 3934278 Fax: 3121013