



MERGER DECISION NO 28: 2020

Notice in Terms of Section 53(4) (a) (ii) of the Competition Act 2018

DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF MONYGLOB (PTY) LTD BY JEXMAN HOLDINGS (PTY) LTD

Introduction of the Merging Parties

Pursuant to section 53(4)(a)(ii) of the Competition Act of 2018 (“the Act”), notice is hereby given on the decision made by the Competition and Consumer Authority (“the Authority”) in relation to the proposed acquisition of Monyglob (Pty) Ltd (“Monyglob”), as a Target Enterprise by Jexman Holdings (Pty) Ltd (“Jexman Holdings”), as the Acquiring Enterprise. The transaction was notified to the Authority on 11th November 2020 and the merger assessment was completed on 11th December 2020.

The Acquiring Enterprise, Jexman Holdings, is incorporated in accordance with the Laws of Botswana. Jexman is a Special Purpose Vehicle (“SPV”) wholly owned by Choppies Distribution Centre (Pty) Ltd, and is being utilised to effect the proposed transaction. The Acquiring Enterprise has not commenced any form of trading in, into or from Botswana, since its incorporation in 2019. The sole Director of Jexman Holdings (Pty) Ltd is Ramachandran Ottapathu (Motswana).

The Target Enterprise, Monyglob, is duly incorporated in accordance with the Laws of Botswana. It was initially registered under the name Unimoni (Pty) Ltd but the name was changed to Monyglob (Pty) Ltd. It is operated as a diversified global provider of financial solutions and services. Monyglob facilitates the seamless movement of money across geographies, currencies and channels via multiple customer touch-points including retail store, online and mobile solution, and self-service kiosks. The Target Enterprise’s products and services are accessible throughout Botswana as it has operations in Gaborone, Francistown, Kasane, Kazungula, Maun and Palapye. Monyglob (Pty) Ltd is a wholly owned subsidiary of UAE International Holdings which in-turn is a subsidiary of Finabl – a global platform for payments and foreign exchange solutions. The director of Monyglob (Pty) Ltd is Keshav Masti Naik (Indian).

Relevant Markets

In terms of the relevant market, the assessment of the proposed transaction revealed that both the Target Enterprise and the Acquiring Enterprise are incorporated in accordance with the Laws of Botswana. However, investigation findings further show that the Merging Parties are not active in the same line of business and therefore there is no product overlap in the business activities of the Merging Parties.

The Acquiring Enterprise, Jexman Holdings, is an SPV being utilised to effect the proposed transaction, and has not commenced any form of trading in, into or from Botswana, since its incorporation in 2019. Moreover, the promoter of the above-mentioned SPV, Choppies Distribution Centre (Pty) Ltd is a company that carries on the business of retail of fast moving consumer goods, styled as a supermarket business.

On the other hand, the Target Enterprise, Monyglob, operates as a diversified global provider of financial solutions and services. It facilitates the seamless movement of money across geographies, currencies and channels via multiple customer touch-points including retail store, online and mobile solution, and self-service kiosks throughout Botswana (with operations in Gaborone, Francistown, Kasane, Kazungula, Maun and Palapye).

Therefore, for purposes of analysing the proposed transaction, and in view of the nature of the products and services offered by the Merging Parties, precisely the target entity, the Authority determined the relevant product market to be the market for the *Provision of financial services and solutions across Botswana*. The geographical market is national hence *the entire country of Botswana*.

Competitive Analysis and Public Interest

In the assessment of Substantial Lessening of Competition, the Authority discovered no product overlap in the activities of the Merging Parties since the Target Enterprise and the Acquiring Enterprise are not active in the same line of business. In this regard, the Authority does not expect the proposed transaction to give rise to any substantial lessening of competition or restrict trade or the provision of services or to endanger the continuity of supplies in the relevant market or in any market in Botswana.

In terms of the Acquisition of a Dominant Position, the analysis shows that the proposed merger will not result in the acquisition of a dominant position by the merged entity or by any enterprise in the Botswana. The Merging Parties are not direct competitors and thus the proposed acquisition will not result in the enhancement of the market share for any party or a third party to the proposed merger. Therefore the Authority does not foresee an acquisition of a dominant

position in the market under consideration or any other market on the account of the proposed transaction.

With regards to Public Interest Considerations, the merger assessment findings did not reveal any detriment to matters of public interest that will arise as result of the transaction under consideration. However, in the event that the proposed transaction does not proceed, a total of 33 jobs will be lost in Botswana and over seven (7) commercial rental spaces will be left vacant.

The Determination

The Authority determined through the analysis of the facts of the merger, that the proposed transaction is not likely to result in a substantial lessening of competition, nor endanger the continuity of service in the relevant market in Botswana. Furthermore, the proposed merger will not have any negative effect on public interest matters in Botswana as per the provisions of section 52(2) of the Competition Act of 2018.

Pursuant to the provision of section 53 of the Act, the Authority has approved the proposed acquisition of Monyglob (Pty) Ltd by Jexman Holdings (Pty) Ltd, subject to the following conditions:

1. All employees of the Target Enterprise should be retained by the Acquiring Enterprise; and
2. The merged entity should revert to the Competition and Consumer Authority within 12 months from the implementation date, with a status report regarding the status of the concerned employees.

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 14th day of December 2020.

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