



**COMESA Competition Commission**  
Kang'ombe House, 5th Floor-West Wing  
P.O.Box30742  
Lilongwe3, Malawi  
Tel:+26501 772466  
Email- compcom@comesa.int



**Common Market for Eastern  
and Southern Africa**

**CASE FILE No. CCC/MER/9015/2013**

**Decision<sup>1</sup> of the Committee of Initial Determination  
Regarding the Acquisition by Old Mutual (Africa)  
Holdings Proprietary Limited of 90% of the Ordinary  
Share Capital of Provident Life Assurance Company  
Limited.**

**ECONOMIC SECTOR: Insurance**

**December 2013**

---

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 Where possible the information omitted has been replaced by ranges of figures or a general description.

## **Information and Relevant Background**

1. On 6<sup>th</sup> September 2013, the COMESA Competition Commission ('the Commission') received a merger notification regarding the acquisition by Old Mutual (Africa) Holdings Proprietary Limited ("OMAH") of 90% of the ordinary share capital of Provident Life Assurance Company Limited ("Provident") herein called the parties through their legal representatives Webber Wentzel.
2. The transaction was notified with the Commission under Article 24(1) of the COMESA Competition Regulations, 2004 ('the Regulations'). The Commission's concern is primarily whether the proposed 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 as provided for under Article 26 of the Regulations.
3. The Committee of Initial Determination (the CID) observed that OMAH operates in two or more COMESA Member States as provided for by Article 23(3) of the Regulations. The CID further observed that Provident operated only in Ghana. This therefore means that the regional dimension requirements under Articles 23(3) and 23(5) are satisfied and ultimately asserts jurisdiction on the Commission to assess the transaction.

### **The Parties**

#### **Old Mutual (Africa) Holdings Proprietary Limited ("OMAH")**

4. The acquiring firm OMAH, acts principally as an investment holding company for Old Mutual African Operations outside of South Africa. The company is an investment holding company and operates principally in South Africa. The Company's ultimate holding company is Old Mutual Plc, incorporated in the United Kingdom and listed on the London, Johannesburg, Malawi, Namibia and Zimbabwe stock exchanges.

#### **Provident Life Assurance Company Limited ("Provident")**

5. The target firm Provident operates within the insurance industry in Ghana and is principally engaged in the provision of life insurance and investment products. Provident is only active in Ghana and has no operations in any of the COMESA Member States. Provident is the fifth largest life insurance company in Ghana and accounts for approximately 6.2% of the Ghanaian insurance market.

### **Competition Analysis and Relevant Observations**

6. The CID has noted that the relevant market is the provision of insurance services in the Common Market. It further noted that the target firm is pre-dominantly in Ghana where as the acquiring firm operates in two or more COMESA Member States. It was further noted that there is no evidence that the parties have competed before in the relevant market.
7. The CID noted that the proposed transaction will not raise significant competition concerns in the Common Market. It was further noted that Oceanic does not have

significant operations in the Common Market and hence the transaction will have no significant effect on the market structure of the Common Market. The CID further noted that given Oceanic's insignificant presence in the Common Market, the transaction is not likely to lead to OMAH acquiring significant market shares in the Common Market.

### **Determination**

8. In view of the foregoing, the CID has determined that the acquisition of Provident by OMAH is not likely to substantially prevent or lessen competition and it will not be contrary to public interest. The CID has further determined that the transaction does not negate the objectives of Article 3 of the Treaty, hence it does not conflict with the attainment of the single market objective.
9. This decision is adopted in application of Article 26 of the COMESA Competition Regulations.

**Dated this 17<sup>th</sup> day of December 2013.**

**For the Commission**

**(Signed)**

**George K. Lipimile**