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**Common Market for Eastern
and Southern Africa**

Case File No. CCC/MER/01/03/2025

**Decision¹ of the 117th Meeting of the Committee Responsible
for Initial Determinations Regarding the Proposed
Acquisition by BlackRock, Inc. of HPS Partners Investment
Holdings, LLC and HPS Group Adviser Holdings, L.P.**

ECONOMIC SECTOR: Financial Sector



03 May 2025

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 Where possible, the information omitted has been replaced by ranges of figures or a general description.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

Having regard to the COMESA Merger Assessment Guidelines of 2014;

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;

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

Determines as follows:

Introduction and Relevant Background

1. On 3 February 2025, the COMESA Competition Commission (“**Commission**”) received a notification regarding the proposed acquisition by BlackRock, Inc. (“**BlackRock**” or the “**Acquiring Undertaking**”) of HPS Partners Investment Holdings, LLC and HPS Group Adviser Holdings, L.P. (together “**HPS**” or the “**Target Firms**”), pursuant to Article 24(1) of the Regulations.
2. 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. 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

BlackRock (the “Acquiring Firm”)

4. The parties submitted that BlackRock is a public company incorporated under the laws of the State of Delaware, United States of America. It is listed on the New York Stock Exchange.
5. BlackRock is active in the provision of global investment management, financial technology and advisory services to institutional and retail clients around the world. BlackRock manages assets on behalf of institutional and individual investors worldwide.
6. The parties submitted that BlackRock controls [REDACTED]², [REDACTED].
7. The parties further submitted that BlackRock also controls the below listed entities which are incorporated outside of the Common Market but have generated revenue from the Common Market³, per Table 1 below:

Table 1: Entities controlled by BlackRock generating revenue in Common Market

Name of Entity	Activities	Member States where it operated
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

HPS (the “Target Firms”)

8. The parties submitted that the Target Firms are incorporated under the laws of the State of Delaware, United States of America.

² Confidential information claimed by merging parties.

³³ Confidential information claimed by merging parties.



9. HPS is an independent global investment firm and its affiliates manage certain investment funds including separately managed accounts (the “HPS Funds”) and pools of collateralized loan obligations. The HPS Funds hold, directly or indirectly, investments in portfolio companies (whether equity or debt investments), including companies with COMESA subsidiaries.
10. The Target Firms hold investments in the below listed entities⁴ operating in the Common Market, per Table 2 below.

Table 2: Entities in which HPS holds investment operating in the Common Market

Name of Entity	Activities	Member State
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

Jurisdiction of the Commission

11. 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*

⁴ Information claimed as confidential by merging parties



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”.

12. 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 CID 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

13. The notified transaction concerns the proposed acquisition of 100% of the business and assets of HPS by BlackRock.

Competition Analysis

Consideration of the Relevant Markets

Relevant Product Market

14. 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”**.
15. The CID noted that BlackRock is active in the provision of global investment management, financial technology and advisory services to institutional and retail clients around the world. It manages assets on behalf of institutional and individual investors worldwide.
16. The CID further noted that HPS, on the other hand, manages certain investment funds including separately managed accounts (the HPS Funds) and pools of collateralised loan obligations. The HPS Funds hold, directly or indirectly, investments in portfolio companies (whether equity or debt investments), including entities which have subsidiaries in the Common Market. HPS is an independent global investment firm.
17. The CID also noted that the main activity of the Acquiring Firm relates to asset management whereas that of HPS relates to private investment.
18. For the purposes of this assessment, the CID focused on the activities of HPS.



Private Equity Market

19. Private market investors gather funding from high-net-worth individuals or institutional investors, such as pension funds, and invest the money into private entities, called portfolio companies. The investment can be made into the equity or asset of the portfolio companies.⁵ Investments are made in exchange for a return on the investment, which return is typically higher than investments into public companies⁶ and allows the company to increase its value through the private investment.⁷ Private investment is thus an opportunity for the portfolio company to raise its capital and its liquidity and for this reason, private investments are thus for a relatively longer time period.⁸
20. Private investment firms typically choose to invest into a number of companies operating in different sectors to have a diversified portfolio of investments, just as HPS.

Classification of private market investments

21. The CID recalled its previous decisional practice considered that private market investment can be classified into the following asset classes⁹:
 - (i) **private credit** which relates to the provision of lending (in the form of loans) to the portfolio company.
 - (ii) **private equity** which relates to investment into the shareholding of the portfolio company. In private equity investment, the investor buys equity in an already trading and established company in order to overhaul the portfolio company and thereafter sell it at higher price.¹⁰ Private equity is the most common form of private investment. A sub-set of private equity is venture capital, whereby the investor invests in starts up or firms which have recently been established but have high growth potential.¹¹ A General Partner manages the private equity fund and is responsible for all of the fund's management decisions.
 - (iii) **private infrastructure** which relates to investments into joint venture investments with the portfolio company.

⁵ Pamela Espinosa, 'Private vs public equity' www.moonfare.com/pe-masterclass/private-vs-public-equity accessed 17 April 2025

⁶ <https://russellinvestments.com/us/private-markets> accessed 17 April 2025

⁷ www.yieldstreet.com/resources/article/private-market-investing-explained/ accessed 17 April 2025

⁸ www.yieldstreet.com/resources/article/private-market-investing-explained/ accessed 17 April 2025

⁹ Decision of the 109th Meeting of the Committee Responsible for Initial Determinations regarding the Proposed Acquisition of Control by General Atlantic Partners, L.P. of Actis Holdings S.à r.l.

¹⁰ www.investopedia.com/terms/p/privateequity.asp accessed 17 April 2025

¹¹ <https://hamiltonlane.maglr.com/a-guide-to-private-markets/what-are-the-private-markets> accessed 17 April 2025



- (iv) **private real estate and natural resources** which relates to private investments into real estate and natural resources, including agricultural, minerals and metals.¹²
22. The CID noted that the Target Firms are active in both private equity and private debt.
23. As noted above, private market investments market can be segmented by asset class, that is, either equity or debt.
24. The CID noted that the broad market for private market investments can be divided into different asset classes. Each type of investment listed above has a distinct nature and intended purpose and this is reflected in the class of asset that is being invested in. A private investor therefore has the choice to invest in each class of the private investment asset depending on its risk appetite and the duration of each investment and the return on such investment. The CID further noted that each class of asset may also be managed differently. For instance, a private equity fund requires the specialised skills and knowledge of a General Partner for its management. On the demand side, therefore, each class of asset is likely to constitute a distinct category.
25. The CID further noted that the choice of the sector to invest in may also be distinct within an asset class. The investor will choose the sector which is likely to bring the highest return on the investment, that is, the sector which is likely to be more profitable to the investor. The profitability and the return to be obtained makes each sector distinct on the demand side.
26. In line with its decisional practice, the CID therefore noted that the broad market for private investment can be segmented according to the asset class as follows¹³:
- a) The market for private equity investment; and
 - b) The market for private debt investment.
27. This notwithstanding, the CID considered that any alternative market definition was unlikely to alter the competitive assessment of the transaction, given that market structure was unlikely to significantly change, post-merger.
28. In view of the foregoing, the CID left the relevant product market open.

Relevant Geographic Market

29. The COMESA Guidelines on Market Definition define the relevant geographic market as comprising “...**the area in which the undertakings concerned are involved in the supply and demand of products or services, in which the**

¹² <https://russellinvestments.com/us/private-markets> accessed 17 April 2025

¹³ Decision of the 109th Meeting of the Committee Responsible for Initial Determinations regarding the Proposed Acquisition of Control by General Atlantic Partners, L.P. of Actis Holdings S.à r.l.



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.¹⁴

30. In its previous decisional practice¹⁵, the CID considered that the respective markets for the private equity investment and private debt investment are likely to be global because from an investor’s perspective, there is no geographical boundaries to raise capital and invest. Private equity and private debt investors are motivated by the returns that they will make on their investments and for this reason, the portfolio company which has the potential to bring the highest return will be chosen, irrespective of the latter’s geographic location.
31. The CID noted that the main private equity and debt investors which have invested into the Common Market are companies which have their place of business in United States of America, Canada and Europe, including Apollo Global Management, Blackstone Inc., CVC Capital Partners, The Carlyle Group, DST Global, Insight Partners, Warburg Pincus, Advent International, Bain Capital, and Nordic Capital.
32. The CID considered that the outcome of the assessment would not be altered under any alternative market definition. Therefore, the CID decided that it was not necessary to conclude on the exact relevant geographic market.

Conclusion of Relevant Market Definition

33. For the purposes of assessing the proposed transaction, and without prejudice to its approach in future similar cases, the CID left the relevant market open.

**Consideration of Substantial Lessening of Competition or “Effect” Test
Market Shares and Concentration**

34. The CID considered that it was not necessary to assess market shares given the relevant market was left open. Notwithstanding, the CID noted the non-confidential market share ranges submitted by the parties for the global asset management services for the year 2023 as per Table 3 below.

Table 3: Non Confidential Market shares of global asset management services

Supplier	Estimated Market Shares (%)
BlackRock	[5-10]
Vanguard Group	[5-10]
Fidelity Investment	[0-5]
State Street Global Advisors	[0-5]
HPS	[0-5]

¹⁴ Paragraph 8

¹⁵ Ibid



35. The CID noted the market shares of BlackRock and the Target Firms in the broad market for asset management and concluded that the transaction will not result in an immediate significant market share accretion that would create or strengthen any position of dominance by the merged entity.
36. The CID further noted that the market of private debt investment has numerous players which will continue to provide competitive constraint to the merged entity.

Consideration of Third-Party Views

37. In arriving at its determination, the CID also considered submissions from the national competition authorities of Egypt, Kenya, Mauritius and Seychelles 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 3rd day of May 2025

Commissioner Dr Mahmoud Momtaz (Chairperson)

Commissioner Lloyds Vincent Nkhoma

Commissioner Vipin Naugah

