



MERGER DECISION NO 20: 2018

Notice in terms of Section 60(4) (a) (ii) of the Competition Act

DECISION ON THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL IN SAHAM S.A. BY SANLAM EMERGING MARKETS (IRELAND) LIMITED.

PURSUANT to section 60(4)(a)(ii) of the Competition Act (Cap 46:09), notice is hereby given on the decision made by the Competition Authority ("the Authority") in respect of the proposed acquisition of the entire issued share capital in Saham S.A. by Sanlam Emerging Markets (Ireland) Limited ("SEMIL")

The Authority determined to *authorise* the proposed transaction in the market for the provision of reinsurance services to short-term insurers, given the fact:

- a) The proposed transaction is not likely to result in a substantial lessening of competition, due to the competition constraints such as import competition, low barriers to entry and countervailing power, that exist in the market under consideration;
- b) The merger would not result in the merged entity attaining any dominant position in the market under consideration. In addition, the presence of other local and global reinsurers, will impose competitive constraints on the merged entity; and
- c) No negative public interests have been identified in this merger.

Pursuant to the provisions of section 60 of the Competition Act, the Authority has approved the proposed merger, with the commitment that:

- i. *The merged entity shall ensure that for a period of 3 years commencing from the approval date, there are no retrenchments of any employee associated with this merger. SEMIL must inform the Authority of any retrenchments at Continental Botswana at the same time that SEMIL would be required to provide a written notice of the intention to retrench to the Commissioner of Labour and Social Security, in terms of section 25 of the Employment Act of 1982, as amended.*

In order for the Authority to effectively monitor compliance with the commitment, the Authority shall require SEMIL to inform it of:

- a. the intended retrenchments;
 - b. the reasons for the retrenchments;
 - c. the number and categories of employees affected; and
 - d. the expected date of the retrenchments.
- ii. SEMIL will one month after the implementation of the merger and annually (for a period of three (3) years thereafter) within one month of the finalisation of Continental Botswana's Annual Financial Statements submit to the Authority a report indicating a list of all Continental Botswana's customers in Botswana for the preceding financial year and the gross written premium generated from each customer in that financial year. In each report subsequent to the first report, if there is a significant change in the gross written premium generated from any customer, SEMIL will explain the reasons for this change in the report. This report is to be verified by Continental Botswana's independent auditors.

However, as stated under section 66 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 this 26th day of September 2018.

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