



DETERMINATION OF MERGER NOTIFICATION M/10/011 -

Investec/Rensburg Sheppards

Section 21 of the Competition Act 2002

Acquisition by Investec plc of Rensburg Sheppards plc

Dated 13 May 2010

Introduction

1. On 26 April 2010, in accordance with Section 18(1) of the Competition Act 2002 ("the Act"), the Competition Authority ("the Authority") received a notification of a proposed transaction whereby Investec plc ("Investec") would acquire sole control of Rensburg Sheppards plc ("Rensburg Sheppards").

Schemes of Arrangement

2. The proposed acquisition is structured as a Scheme of Arrangement under part 26 of the United Kingdom Companies Act 2006. A Scheme of Arrangement to effect a takeover typically involves the following steps:
 - (a) The target company and the bidding company announce that they have reached agreement on the terms upon which an offer for the target is to be made;
 - (b) The target sends a proposal (the "Scheme Booklet") to its shareholders along with a notice convening a meeting to approve the Scheme of Arrangement;
 - (c) The target shareholders meeting is held and various resolutions are put to the shareholders of the target;
 - (d) If the shareholders approve the Scheme Booklet, an application is made for court approval of the Scheme of Arrangement; and,
 - (e) The Scheme of Arrangement, if approved by the court, becomes effective when the court order is filed with the Companies Office.
3. Section 18(1) of the Act provides the obligation to notify the Authority in writing of a proposal to put a merger or acquisition into effect within one month after the conclusion of the agreement or the making of the public bid.
4. The Authority considers that the triggering event for the notification of a Scheme of Arrangement is analogous to the triggering event for the notification of a public bid. In the Authority's view, a public bid is made at the time of posting of an offer document to the shareholders. The Authority, therefore, regards the posting of the Scheme Booklet as the triggering event for the notification of a Scheme of Arrangement. In this case, the Scheme Booklet was posted to the shareholders of

Rensburg Sheppards on 26 April 2010 and the proposed acquisition became notifiable within one month from that date.

The Undertakings Involved

The Acquirer

5. Investec, which is part of the Investec Group, is a public limited company registered in England and Wales. Globally, the Investec Group provides a diverse range of financial products and services through five divisions: (i) Private Client Activities; (ii) Capital Markets; (iii) Investment Banking; (iv) Asset Management; and, (v) Property Activities.
6. In the State, Investec operates through its subsidiary, Investec Ireland Limited ("Investec Ireland"). Investec Ireland provides private banking, capital markets and investment banking to a domestic and international client base. In particular, Investec Ireland is active in savings and investments, commercial lending, treasury and specialised finance.
7. Investec's activities in the State also include retail mortgage services, which are provided through its subsidiaries, NUA Homeloans Limited, NUA Mortgages Limited and Start Mortgages Limited.

The Target

8. Rensburg Sheppards is a public limited company registered in England and Wales. Rensburg Sheppards is the holding company of a group of companies which mainly provide investment management services to United Kingdom-based customers such as private clients, charities, pension schemes and trusts.
9. Rensburg Sheppards has no physical presence in the State. However, it has a branch in Northern Ireland through which it provides investment management services to customers based in Northern Ireland. According to the parties, for the financial year ended 31 March 2010, this branch generated turnover of Sterling [...]. The parties submit that while it is possible that this branch provides services to some customers in the State, any turnover generated from such services would be negligible. That is, the turnover generated in the State would be a fraction of the Sterling [...] generated in Northern Ireland.

Analysis

10. While in the United Kingdom there is horizontal overlap in the activities of parties, there is little or no overlap in the activities of the parties in the State.
11. The Authority considers that the proposed transaction will not raise competition concerns in any markets in the State due to the lack of a competitive overlap in the activities of the parties in the State.

Determination

The Competition Authority, in accordance with section 21(2)(a) of the Competition Act 2002, has determined that, in its opinion, the result of the proposed acquisition by Investec plc of sole control of Rensburg Sheppards plc will not be to substantially lessen competition in any market for goods or services in the State and, accordingly, the acquisition may be put into effect.

For the Competition Authority

Dr Stanley Wong
Member of the Competition Authority