



DETERMINATION OF MERGER NOTIFICATION M/15/011 - SEMERAL/PAYZONE

Section 21 of the Competition Act 2002

Proposed acquisition by Seneral Limited of sole control of Payzone Ireland Limited

Dated 24 March 2015

Introduction

1. On 9 March 2015, in accordance with section 18(1) of the Competition Act 2002, as amended¹ (“the Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed transaction whereby Seneral Limited (“Seneral”) would acquire sole control of Payzone Ireland Limited (“Payzone Ireland”).
2. Seneral, a private company incorporated in the State and established for the purposes of the proposed transaction, is ultimately controlled by The Carlyle Group L.P. (“Carlyle”). [...]

The Undertakings Involved

Carlyle

3. Carlyle is a global asset fund manager that manages funds which invest across four business segments: (a) Corporate Private Equity (buyout and growth capital); (b) Real Assets (real estate, infrastructure, energy and renewable resources); (c) Global Market Strategies (distressed and corporate opportunities, corporate mezzanine, energy mezzanine, structured credit, hedge funds and structured credit); and (d) Solutions (private equity fund of funds program and related co-investment and secondary activities).²
4. In the State, Carlyle is active through [...] portfolio companies which generate revenue across a diverse range of business activities, including [...].
5. For the financial year ending 31 December 2013, Carlyle’s worldwide turnover was approximately €[...], of which approximately €[...] was generated within the State.

¹ It should be noted that the Competition and Consumer Protection Act 2014 made a number of important amendments to the merger review regime set out in the Competition Act 2002.

² For more information see: <http://www.carlyle.com/about-carlyle>



Payzone

6. Payzone Ireland, a wholly-owned subsidiary of Payzone Group Limited, operates a multi-channel consumer payments acceptance network in the State. Payzone Ireland's main services are the provision of mobile phone top-up and card acceptance solutions. It also provides customised payment solutions such as a utility meter top-up payment solution. Payzone Ireland focuses on four business sectors: telecoms, financial services, utilities, and transport.
7. For the financial year ending 30 September 2014, Payzone Ireland's worldwide turnover was approximately €[...], all of which was generated in the State.

Rationale for the Proposed Transaction

8. The parties state in the notification:

“The Proposed Transaction is a financial investment. The Proposed Transaction reflects Carlyle's affiliates' strategies to invest in Irish companies with proven track records in their respective industries and stable prospects for mid-to-longer-term growth. From Payzone Ireland's perspective, the investment by an experienced investment firm is expected to improve access to continuing funding and to allow Payzone Ireland's management to benefit from Carlyle's management experience across a variety of industries.”

Third Party Submissions

9. No submission was received.

Competitive Analysis

10. There is no horizontal or vertical overlap between the parties in the State since none of the portfolio companies owned and controlled by funds managed by affiliates of Carlyle owns or operates a multi-channel consumer payments acceptance network in the island of Ireland.
11. The Commission therefore considers that the proposed transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

12. The Share Purchase Agreement between the parties to the proposed transaction contain a number of restrictive obligations on Payzone Group Limited. These include non-compete and non-solicitation clauses. None of these restrictive obligations exceeds [the maximum duration acceptable to the Commission³]. The Commission

³ In this respect, the Commission follows the approach adopted by the EU Commission in paragraph 20 of “Commission Notice on restrictions directly related and necessary to concentrations”. For more information see [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305\(02\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305(02)&from=EN)



considers these restrictions to be directly related and necessary to the implementation of the proposed transaction.

Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, has determined that, in its opinion, the result of the proposed transaction whereby Sernal Limited would acquire sole control of Payzone Ireland Limited will not be to substantially lessen competition in any market for goods or services in the State, and accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

Gerald FitzGerald
Member
Competition and Consumer Protection Commission