



DETERMINATION OF MERGER NOTIFICATION M/18/013 – SS&C TECHNOLOGIES/DST SYSTEMS INC

Section 21 of the Competition Act 2002

Proposed acquisition by SS&C Technologies Holdings, Inc. of DST Systems, Inc.

Dated 15 March 2018

Introduction

1. On 7 February 2018, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (“the Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed transaction whereby SS&C Technologies Holdings, Inc. (“SS&C”) would acquire all of the issued shares of common stock of DST Systems, Inc. (“DST”) (“the Proposed Transaction”). The Proposed Transaction will be implemented pursuant to a merger agreement dated 11 January 2018 between SS&C, DST and Diamond Merger Sub, Inc.¹

The Undertakings Involved

The Acquirer – SS&C

2. SS&C provides software products and software-enabled services to financial service providers in North America, Europe, Asia, Australia and Africa. SS&C is based in Connecticut, USA and is publicly listed on the NASDAQ Stock Market.
3. SS&C's products and services allow its clients to automate and integrate front-office functions (such as trading and modelling); middle-office functions (comprising portfolio management and reporting); and back-office functions (including accounting, performance measurement, reconciliation, reporting, processing, and clearing).

¹ Diamond Merger Sub, Inc. is an indirect wholly-owned subsidiary of SS&C. In the notification, the parties state that Diamond Merger Sub, Inc. will be merged with and into DST, with DST continuing as the surviving corporation. SS&C will then acquire all of the issued shares of common stock of DST.



4. In the State, SS&C's business activities are limited to the following: (i) provision of software services to alternative investment funds, asset managers and financial institutions located in the State; and (ii) provision of fund administration services to alternative investment funds, asset managers and financial institutions located in the State.
5. For the financial year ending 31 December 2016, SS&C's worldwide turnover was €[...], of which €[...] was generated in the State.

The Target – DST

6. DST provides technology-based information processing and servicing solutions. It offers data management, business processing and customer communications solutions to clients operating within the asset management, brokerage, retirement and healthcare markets.
7. In the State, DST and its subsidiary companies are engaged in the following business activities: (i) provision of software solutions and services to life insurance firms and pension funds; (ii) provision of business processing outsourcing services to life insurance firms and pension funds; and (iii) provision of third party administration outsourcing services to life insurance and pension provider firms.
8. DST and its subsidiary companies have the following business activities which generate turnover in the State:
 - (a) **DST Financial Services Ireland Limited (formerly Percana) (“DSTFSI”)**: provides back-office outsourcing services and software solutions to life insurance firms and pension funds.
 - (b) **International Financial Data Services (Ireland) Limited (“IFDSI”)**: provides shareholders' record-keeping for funds and technological software solutions in the investment, insurance, and deposit-taking industries.
 - (c) **International Financial Data Services (Canada) Limited (“IFDS Canada”)**: provides record-keeping back-office outsourcing services



on behalf of IFDSI's clients and provides technological software solutions for investors in IFDSI.

- (d) **International Financial Data Services (Luxembourg) SA ("IFDS Luxembourg")**: provides miscellaneous administrative services and business processing outsourcing services for investors and policy-holders of IFDSI.²
- (e) **DST Financial Services International Limited (formerly IFDS UK)**: provides administrative services and business processing outsourcing services for investors and policy-holders of IFDSI and DSTFSI, and provides technological software solutions for the collective funds, insurance, and retirement clients of IFDSI and DSTFSI.

9. For the financial year ending 31 December 2016, DST's total worldwide turnover was €[...], of which €[...] was generated in the State.

Rationale for the Proposed Transaction

10. The parties state in the notification:

"The commercial objective of the Proposed Transaction is to allow SS&C to expand its footprints into the US retirement and wealth management markets and increase its client base."

Third Party Submissions

11. No submission was received.

Competitive Analysis

Horizontal relationship

12. There is no horizontal overlap between the business activities of the parties in the State. SS&C is not active in any of the market segments in which DST provides services to

² IFDS Canada, IFDSI, and IFDS Luxembourg are 50/50 joint ventures between DST and State Street Corporation.



customers in the State. In particular, SS&C does not offer software solutions to life insurance companies and pension funds, unlike DST. Instead, SS&C's software services are provided to alternative investment funds, asset managers and financial institutions located in the State. Furthermore, SS&C does not provide any business processing outsourcing services or third-party administration outsourcing services in the State. In the light of the above, the Commission considers that the Proposed Transaction is unlikely to raise horizontal competition concerns in the State.

Vertical relationship

13. The parties state that they are not aware of any vertical relationship between them on the island of Ireland. The Commission has not identified any vertical relationship between the parties in the State. Therefore, the Commission considers that the Proposed Transaction does not raise any vertical competition concerns in the State.

Conclusion

14. In light of the above, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

15. No ancillary restraints were notified.



Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed transaction, whereby SS&C Technologies Holdings, Inc. would acquire all of the issued shares of common stock of DST Systems, Inc., 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

Brian McHugh
Member
Competition and Consumer Protection Commission