



## DETERMINATION OF MERGER NOTIFICATION M/22/002 – ERGOSERVICES/ASYSTEC

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### Section 21 of the Competition Act 2002

### Proposed acquisition by Ergoservices Limited of sole control of Asystec Limited.

Dated 27 January 2022

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1. On 10 January 2022, 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 acquisition whereby Ergoservices Limited (“Ergoservices”) would acquire sole control of Asystec Limited (“Asystec”) (“Proposed Transaction”).
2. The Proposed Transaction will be implemented pursuant to two share sale and purchase agreements both dated 7 January 2022. One is between Ergoservices, Asystec Holdings Limited (“Asystec Holdings”)<sup>1</sup> and [...] and [...] <sup>2</sup> (“SPA1”), and the other is between [...] and Ergoservices (“SPA 2”).
3. Following the implementation of the Proposed Transaction, Asystec will be solely controlled by Ergoservices.
4. The notifying parties are involved in the following business activities:
  - **Ergoservices:** Ergoservices is a private limited company with a registered office in Eastpoint Business Park, Co. Dublin. It is a wholly owned subsidiary of Arderin Limited, which is ultimately owned by Burlawn Limited. Ergoservices has a number of wholly-owned subsidiaries<sup>3</sup>. Ergoservices is an IT services company which provides managed services, support desk services, one-off projects and full-time resourcing. Ergoservices are also active in the resale of IT hardware and software.

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<sup>1</sup> Asystec Holdings wholly owns Asystec.

<sup>2</sup> [...] and [...] of Asystec, respectively.

<sup>3</sup> Ergoservices Inc., Ergo IDS Limited, Micromail Limited, Fluenta Limited, Ergoservices Resourcing Limited, I-site Web Technologies UK Limited, Ergo Intelligent Document Solutions Limited, Cresselle Limited.



- **Asystec:** Asystec is a private limited company with a registered office in Raheen Business Park, Co. Limerick. Asystec has two subsidiaries, Asystec NI Limited and Asystec Data Management Solutions Inc. Asystec provides IT consultancy and outsourcing services and is a reseller of IT hardware products and IT software products.
5. After examination of the notification, the Commission has concluded that the Proposed Transaction falls within the scope of paragraph 2.1 of the Simplified Merger Notification Procedure Guidelines for assessing certain notifiable mergers or acquisitions under section 18(1)(a) of the Act since Ergoservices and Asystec each has a minimal share in any potential market in the State and their combined market share is less than 15% in any potential market in the State.
  6. In light of this, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

#### **Ancillary restraints**

7. The parties submit that certain sub-clauses within both Clause 11 of SPA1 and Clause 8 of SPA2 are directly related and necessary to the Proposed Transaction.

#### SPA1

8. The Commission notes that Clauses 11.2.1, 11.2.3 and 11.2.4 of SPA1 contain a number of non-compete and non-solicitation restrictions on Asystec Holdings, [...] and [...]. The Commission notes that these restrictions are limited in scope and do not exceed the maximum duration acceptable to the Commission. The Commission considers these non-solicitation and non-compete obligations to be directly related to and necessary for the implementation of the Proposed Transaction insofar as they relate to the State.
9. The Commission notes that Clause 11.2.2 of SPA1 contains a non-solicitation obligation on Asystec Holdings, [...] and [...]. The Commission notes Clause 11.2.2 of SPA1, insofar as it relates to Restricted Customers as defined in SPA1, is limited in scope and does not exceed the maximum duration acceptable to the Commission. The Commission considers Clause 11.2.2 of SPA1, insofar as it relates to Restricted Customers as defined in SPA1, to be directly related and necessary for the implementation of the Proposed Transaction insofar as it relates to the State.



SPA2

10. The Commission notes that Clause 8.2(a), 8.2(d) and 8.2(e) of SPA2 contains a number of non-compete and non-solicitation restrictions on [...]. The Commission notes that these restrictions are limited in scope, and do not exceed the maximum duration acceptable to the Commission. The Commission considers these non-solicitation and non-compete obligations to be directly related to and necessary for the implementation of the Proposed Transaction insofar as they relate to the State.
  
11. The Commission notes that Clauses 8.2(b) and 8.2(c) of SPA2 contain non-solicitation and non-compete obligations on [...]. The Commission notes Clauses 8.2(b) and 8.2(c) of SPA2, insofar as they relate to Restricted Customers as defined in SPA2, are limited in scope and do not exceed the maximum duration acceptable to the Commission. The Commission considers Clauses 8.2(b) and 8.2(c) of SPA2, insofar as they relate to Restricted Customers as defined in SPA2, to be directly related and necessary for the implementation of the Proposed Transaction insofar as they relate to the State.

**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 acquisition, whereby Ergoservices Limited would acquire sole control of Asystec 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

**Ibrahim Bah**  
**Director**  
**Competition Enforcement and Mergers Division**  
**Competition and Consumer Protection Commission**