

DETERMINATION OF MERGER NOTIFICATION M/22/018 – STEPHEN TRUST COMPANY (EY) / CLIENT SOLVERS

Section 21 of the Competition Act 2002

Proposed acquisition by Stephen Trust Company Unlimited Company of the entire issued share capital of Client Solvers (Holding) Limited

Dated: 27 April 2022

1. On 11 April 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 Stephen Trust Company Unlimited Company (“EY” or the “Buyer”) would acquire the entire issued share capital, and thus sole control of Client Solvers (Holding) Limited (“Client Solvers”) (the “Proposed Transaction”).
2. The business activities of the undertakings involved are:
 - EY
 - The Buyer provides company secretarial services to EYOC Limited (“EYOC”) only and does not provide services to clients. The company secretarial work provided by Buyer to EYOC Limited comprises standard corporate secretarial services which include the convening of directors’ meetings, preparation of agenda for meetings, maintenance of minutes and statutory registers, and attending to Company Registration Office filings on the instruction of the directors.
 - It is a member firm of Ernst & Young Global Limited (“EYG”), a UK registered company limited by guarantee. Although EYG member firms operate under a common brand name, each EYG member firm is separate, and the accounts of the EYG member firms are not consolidated or aggregated. The global network of EYG member firms comprises firms providing professional services in the fields of audit, tax, consulting, transactions and/or legal advisory (in various jurisdictions).
 - Client Solvers:

- Client Solvers was incorporated in Ireland on 20 April 2018 and is the top holding company of the target group of companies consisting of Client Solutions Limited (registered in Ireland) and Client Solutions SLU (registered in Spain) (together the “Target Group”). The Target Group is involved in the provision of IT consultancy, software development and systems integration services in Ireland. It is headquartered in Dublin, with additional operations in Cork and Barcelona.

Assessment

3. After examination of the notification, the Commission has considered 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 EY Ireland and Client Solvers are active in the same product and geographic markets, but their combined market share is less than 15% in any potential market in the State.

Ancillary Restraints

4. Clause 11.2 of the Share Purchase Agreement (“SPA”) contains a non-compete obligation which will restrict the Sellers¹ (as defined in the SPA) from competing with the Target Group within the State, [...] (being the other territories where the Target Group currently carries on business) for a period of [...] ([...] in the case of [...]) following the implementation of the Proposed Transaction. Clauses 11.3 and 11.4 of the Share Purchase Agreement contain non-solicitation obligations on [...],² which also have a duration of [...]. The Commission considers that the scope and duration of the restrictions of the restraints in Clauses 11.2, 11.3, and 11.4 of the Share Purchase Agreement do not exceed the maximum scope and duration acceptable to the Commission. The Commission considers that they are directly related and necessary to the implementation of the Proposed Transaction as far as they relate to the State.
5. In the 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.

¹ [...]

² Which is also a Seller as defined under the SPA.

Determination

6. 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 Stephen Trust Company Unlimited Company would acquire the entire issued share capital, and thus sole control of Client Solvers (Holding) 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