



Jersey Competition Regulatory Authority (“JCRA”)

Decision M518/09

Proposed Acquisition

of

CPA Global Limited

by

George Topco Limited

The Notified Transaction

1. On 16 December 2009, the JCRA received an application (the “**Application**”) for approval under Articles 20 and 21 of the Competition (Jersey) Law 2005 (the “**Law**”) concerning the proposed acquisition of the entire issued ordinary share capital of CPA Global Limited (“**CPA**”) by George Topco Limited (“**Topco**”), a company controlled by Intermediate Capital Group plc (“**ICG**”).
2. The JCRA registered a notice of its receipt of the Application in the Jersey Gazette and on its website, both on 18 December 2009, inviting comments on the proposed acquisition by 8 January 2010. No comments were received.
3. In addition to Jersey, the parties informed that the proposed acquisition required the approval in Germany and the United States of America, and that the required filings had been made with the authorities in these jurisdictions.

The Parties

(a) ICG

4. According to the Application, ICG is a leading investor in and manager of buyout debt and related assets. ICG manages over £8 billion in assets in 22 funds for over 250 institutional investors, and a further £2.9 billion of assets on its own balance sheet. ICG is listed on the London Stock Exchange.
5. According to its 2009 Annual report, ICG is active in many different sectors. The companies that constitute ICG’s top 20 assets are involved in the healthcare, business services, shipping and transportation, publishing and printing, cable operator, waste management, leisure and entertainment, building materials, government services, electronics and pharmaceutical sectors.
6. Any reference to ICG includes its subsidiaries and the companies it controls, including Topco.

(b) *Topco*

7. Topco is a company incorporated in Jersey on 13 November 2009 for the purpose of the acquisition and as such does not carry out any trading activities.

(c) *CPA*

8. CPA is a company registered in Jersey. According to the Application, CPA is one of the leading legal outsourcing companies in the world, offering a full range of general legal and intellectual property support services.
9. Any reference to CPA includes any of its subsidiaries incorporated in Jersey and elsewhere.

The Requirement for JCRA Approval

10. According to Article 20(1) of the Law, a person must not execute certain mergers or acquisitions except with and in accordance with the approval of the JCRA. According to Article 2(1)(b) of the Law, a merger or acquisition occurs for the purpose of the Law if a person who controls an undertaking acquires direct or indirect control of the whole or part of another undertaking. Pursuant to the proposed acquisition, Topco would acquire control of CPA as defined under Article 2(1)(b). Whereas shareholders and members of the management of CPA will receive a total of [40-60]% of the shares in Topco, according to the Application ICG will retain control over Topco for the purposes of the Law. Therefore, ICG will obtain control over CPA.
11. The parties applied for JCRA approval under Article 1(4) of the Competition (Mergers and Acquisitions) (Jersey) Order 2005 (the “**Order**”), which requires JCRA approval under Article 20(1) of the Law where one or more of the parties to the proposed acquisition has an existing share of supply of 40% or more of the supply or purchase of goods or services of any description supplied to or purchased from persons in Jersey. According to the parties, it is possible that CPA has a 40% or more existing share of supply in the provision of patent

renewal services in Jersey. Therefore, pursuant to the Order, the JCRA's approval is required under Article 20(1) of the Law before the proposed acquisition is executed.

Assessment

12. Under Article 22(4) of the Law, the JCRA must determine if the proposed acquisition would substantially lessen competition in Jersey or any part thereof, pursuant to the procedures set forth in the JCRA Merger Guideline.¹ As detailed below, the JCRA concludes that this would not be the case.

Defining the Affected Relevant Market(s)

13. *“A relevant product market comprises all those products and/or services which are regarded as interchangeable or substitutable by the consumer, by reason of the products' characteristics, their prices and their intended use”*² The relevant geographic market is, stated simply, the area in which competition takes place.
14. According to the Application, CPA is active in the legal support services sector, including patent renewal services. The CPA website identifies six services: legal process outsourcing, patents, trademarks, domains, software and IP consulting. These services are supplied to customers based worldwide.
15. According to the parties, CPA has a very significant share of supply in international patent renewal services. In relation to patent renewal services, CPA has an estimated market share of 55-60% for patent renewal services supplied globally. For the purpose of this Decision, however, it is not necessary to define the relevant product and geographic markets as the proposed acquisition would not raise competition concerns irrespective of the definition of the relevant markets.

¹ JCRA Guideline, *Mergers and Acquisitions* at 6.

² *European Commission Notice on the definition of the relevant product market for the purposes of Community competition law*, O.J. C 372 at 2 (9 December 1997).

Effect on Competition

16. According to the Application, there is no horizontal overlap or vertical relationship between ICG and CPA. Whereas, given the scope of ICG and the nature of its business, there is a possibility that it may indirectly have a minority shareholding in an undertaking that is active in any of the activities that CPA undertakes, ICG states that it has no controlling stake in any company that is active in the area of business undertaken by CPA. In addition, as part of the Application CPA has submitted a list detailing its main competitors located both in Jersey and worldwide and ICG has stated that it has no controlling stake in or outstanding loan to any of these undertakings.
17. The JCRA's investigation of this matter has provided no reason to doubt these statements in the Application. Nor has the JCRA identified any other potential competition concerns arising from the proposed acquisition.
18. In the absence of either a horizontal overlap between the activities of the parties and a vertical relationship between the parties, and without indications of any other competitions concerns, the JCRA concludes that the proposed acquisition will not result in a substantial lessening of competition in Jersey or any part of Jersey.

Conclusion

19. Based on the preceding analysis, the JCRA hereby approves the proposed acquisition under Article 20(1) of the Law.

18 January 2010

By Order of the JCRA Board