



Decision CPC: 75/2021

Case Number: 08.05.001.021.061

THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW

No. 83(I)/2014

Notification of a concentration concerning the acquisition of the share capital of Global Processing Services Group Ltd by investment funds managed/controlled by Advent International Corporation and Viking Global Investors LP

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou,	Chairperson
Mr. Andreas Karydis,	Member
Mr. Panayiotis Ousta	Member
Mr. Aristos Aristeidou Palouzas	Member
Mr. Polynikis-Panagiotis Charalambides	Member

Date of Decision: 26th of November 2021

SUMMARY OF THE DECISION

On 25/10/2021, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of Advent International Corporation (hereinafter the “Advent”) and Viking Global Investors LP (hereinafter the “Viking”), a notification of a proposed concentration. The notification was filed according to Section 10 of the Control of Concentrations between Enterprises Law 83(I)/14 (hereinafter the “Law”).

The notification concerns a concentration, according to which, investment funds that managed and/or controlled each of the Advent and Viking intend to acquire the share capital of Global Processing Services Group Ltd (hereinafter the “GPSGL”), via Auxo Topco Jersey Limited.

The participating parties of the transaction are the following:

1. Advent International Corporation is a company duly registered in accordance with the laws of the State of Delaware of the U.S.A. Advent International Corporation focuses on investments in five core sectors, including business and financial services; health care; industrial; retail, consumer and leisure; and technology.
2. Viking Global Investors LP is a global investment management company duly registered in the Securities and Exchange Commission of the U.S.A.
3. Global Processing Services Group Ltd is a company duly registered in accordance with the laws of the England and Wales of the U.K. Global Processing Services Group Ltd is the holding company of Global Processing Services Ltd is a global payment technology platform duly registered in accordance with the laws of the Isle of Man.

Through the cloud-based GPS Apex platform, GPS provides payment processing products and related services to global issuing banks. The company's global multi-currency payment platform processes securely and manages credit, debit and prepaid card transactions and supports all chip and PIN cards, magstripe, virtual and contactless, through fast integration with issuers, program managers, card manufacturers and other service providers. GPS mainly focuses on providing payment card processing services to digital banks, small banks, financial technology (fintech) and financial institutions.

The concentration is based on:

- a) Sale and Purchase Agreement between Topco (Buyer), and certain shareholders of GPSGL (Sellers), dated 12 October 2021 (hereinafter the "SPA"),
- b) Shareholder Agreement between investment funds managed and/or advised by each Advent, Viking and certain shareholders of TopCo (hereinafter the "SHA").

Based on the SPA, TopCo will acquire 100% of the issued share capital of GPSGL.

Under the terms of the SPA, the intention is that:

- a) Investment funds that manage and/or advise each of the Advent and Viking will each acquire a percentage of TopCo, which will hold all the shares of GPSGL. The remaining percentage in Topco will be held in the form of minority holdings by existing GPS management shareholders and other existing GPS shareholders, who will derive part of the consideration received from the sale of GPSGL to Topco in exchange for shares in Topco (the Transferable Shareholders). The participants stated that none of the Transferable Shareholders will gain control over GPS.
- b) Investment funds that manage and/or advise each of the Advent and Viking will each acquire indirect governance rights over GPSGL (and therefore GPS as well), including veto over the approval of the company's budget and business plan, the appointment or dismissal of critical GPS personnel, as well as substantial changes in the remuneration of such personnel.
- c) The GPSGL Board of Directors will be the main decision-making body for the GPS group and will consist of a maximum of seven members.

The Commission, taking into account the facts of the concentration, has concluded that this transaction constitutes a concentration within the meaning of section 6 (1)(a)(ii) of the Law, as it results in the acquisition of joint control of the Target Company by investment funds managed and/or controlled by each of Advent and Viking.

Furthermore, based on the information contained in the notification, the Commission found that the criteria set by section 3 (2) (a) of the Law were satisfied and therefore the notified concentration was of major importance falling within the scope of the Law.

The relevant product/services and geographic market in this case were defined as the market of a) issuer processing services and (2) sale of raw materials for the payment cards and the raw materials for the production of payment cards in the territory of the Republic of Cyprus.

Based on the notification, there is no a horizontal overlap between the activities of the participating enterprises. Moreover, there is no vertical relationship between the activities of the participating part.

According to the notification, Advent and the Target can potentially offer their products to the same customers, namely payment card issuers. Therefore, the

Commission considers that a neighboring relationship arises from the activities of the parties in the aforementioned relevant markets. However, the individual or combined market share of the closely related said markets is below 25%.

It also concluded that there are no other markets in which the notified concentration may have a significant impact, based on the provisions of the Law.

The Commission, on the basis of the factual and legal circumstances, unanimously decided that this concentration does not create or strengthen a dominant position as there is no affected market and therefore the concentration does not raise serious doubts as to its compatibility with the operation of the competition in the market.

Therefore, the Commission, acting in accordance with section 22 of the Law, unanimously decided not to oppose the notified concentration and declare it as being compatible with the operation of the competition in the market.

Loukia Christodoulou
Chairperson of the
Commission for the Protection of Competition