



ΚΥΠΡΙΑΚΗ
ΔΗΜΟΚΡΑΤΙΑ



ΕΠΙΤΡΟΠΗ ΠΡΟΣΤΑΣΙΑΣ
ΤΟΥ ΑΝΤΑΓΩΝΙΣΜΟΥ

Decision CPC: 69/2019

Case Number: 8.13.019.50

**THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW
No. 83(I)/2014**

**Notification of a concentration concerning the acquisition of part of the share
capital of HOB House of Beauty Ltd by NMM Investments Ltd**

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou,	Chairperson
Mr. Andreas Karidis,	Member
Mr. Aristos Aristidou Palouzas,	Member
Mr. Panayiotis Oustas	Member
Mr. Polinikis-Panagiotis Charalambides	Member

Date of decision: 17/12/2019

SUMMARY OF DECISION

On the 11/11/2019, the Commission for the Protection of Competition (hereinafter the "Commission") received on behalf of NMM Investments Ltd (hereinafter the "NMM"), 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") and it concerns a merger according to which NMM that already owns 50% of the shares of House of Beauty Limited (hereinafter the "HOB") will acquire the remaining 50% of HOB's share capital and as a result NMM will own 100% of HOB (hereinafter the "Transaction").

NMM is a limited liability company duly registered in accordance with the laws of the Republic of Cyprus. NMM is active through MPM Imports Ltd (hereinafter the "MPM") and HOB mainly in the trading and sale of cosmetics and consumer beauty products, as well as travel goods, tires and car lubricants. According to the notified concentration NMM holds 100% of the share capital of MPM.

MPM is a limited liability company, duly registered in accordance with the laws of the Republic of Cyprus and is mainly involved in the trade and sale of cosmetics and consumer beauty products as well as travel goods, tires and car lubricants.

HOB is a company duly registered under the laws of the Republic of Cyprus and is active in the import, wholesale and distribution of beauty products as well as in the distribution of cosmetic products and personal care products. NMM owns 50% of HOB's shares and the remaining 50% belongs to Cyprus Trading Corporation Plc (hereinafter the "CTC") and therefore HOB is jointly controlled by its shareholders.

BC Butterfly Cosmetics Limited (hereinafter the "Butterfly") is a limited liability company duly registered in accordance with the laws of the Republic of Cyprus and its main activity is the import and sale of cosmetics, beauty products and personal care products. HOB owns 35% of Butterfly's share capital.

The Transaction is based on the Share Purchase Agreement between CTC, NMM and HOB dated on 24/6/2019 (hereinafter the "Agreement"). According to the agreement, NMM, which owns 50% of HOB shares (the "Target Company"), will acquire the remaining 50% of HOB shares from CTC, resulting in NMM holding 100% of HOB.

Taking into account the above mentioned facts, the Commission concluded that the transaction in question constitutes a concentration within the meaning of Article 6(1) (a)(ii) of the Law because it will result in a change of control on a permanent basis of HOB, from joint to sole control by NMM.

Furthermore, based on the information contained in the notification the Commission found that the criteria set by section 3 of the Law were satisfied and therefore the notified transaction was of major importance under the Law.

The Commission, for the purposes of evaluating this concentration defined the relevant product/service markets as the:

- 1) Wholesale luxury cosmetics market, with the following sub-markets:
 - (i) Makeup products, (ii) Perfumes, (iii) Toiletries (creams, manicures),
- 2) Wholesale market for mass market cosmetics, with the following sub-markets:
 - (i) Makeup products, (ii) Perfumes, (iii) Toiletries (creams, manicures),
- 3) Retail market for luxury cosmetics, with the following sub-markets:
 - (i) Makeup products, (ii) Perfumes, (iii) Toiletries (creams, manicures),
- 4) Retail market for mass market cosmetics, with the following sub-markets:

(i) Makeup products, (ii) Perfumes, (iii) Toiletries (creams, manicures),

The Commission notes that there is a horizontal relationship between NMM's activities through its existing shareholding in HOB and Butterfly in the wholesale luxury cosmetics market and its sub-markets. The Commission also notes that there is a horizontal relationship between NMM's activities through MPM, HOB and Butterfly in the wholesale market for mass market cosmetics and its related sub-markets.

The Commission evaluated the combined market shares of the undertakings concerned in the 1) wholesale luxury cosmetics market and its sub-markets, and 2) the wholesale market for mass market cosmetics and its sub-markets. The Commission concludes that the combined shares in the aforementioned relevant markets in Cyprus do not give rise to a market concerns, as according to the notification, the activities of the participating undertakings do not lead to a combined market share of 15% or more.

With regard to the individual and combined market shares of the participating companies in both the wholesale and retail markets of luxury cosmetics and of mass market cosmetics and their related sub-markets, as noted by the participants, they do not appear to exceed the 25% threshold which the Law sets.

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 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 competition in the market.

ΛΟΥΚΙΑ ΧΡΙΣΤΟΔΟΥΛΟΥ
Πρόεδρος της Επιτροπής Προστασίας Ανταγωνισμού