



ΚΥΠΡΙΑΚΗ ΔΗΜΟΚΡΑΤΙΑ



Decision CPC: 54/2018

Case Number: 8.13.018.26

**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 the UCPIH Ltd by The Goldman Sachs Group, Inc. and Dragon Capital Investments Ltd

Commission for the Protection of Competition:

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

Date of decision: 1 November 2018

SUMMARY OF THE DECISION

On the 21st of September 2018, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of The Goldman Sachs Group, Inc. (hereafter “GSG”) and Dragon Capital Investments Ltd (hereafter “DCI”) 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 concerned the acquisition of part of the share capital of the UCPIH Ltd (hereafter “UCPIH” or the “Target”) and thereby the acquisition of joint control of the Target by GSG and DCI.

GSG is duly registered under the laws of the State of New York, U.S.A. and it is listed at the New York Stock Exchange. GSG is active in the fields of investment banking, finance and investment management and provides a wide range of financial services on a wide and diversified customer base, including companies, financial institutions, governments and individuals.

DCI is duly registered under the laws of the Cyprus Republic and it is part of the Dragon Capital Group. The Dragon Capital group is active in the field of investment and financial services, offering a comprehensive range of fixed-income and stakeholder sales on transactions and research, investment banking, private equity and asset management for institutional, corporate and private.

UCPIH is the target and is duly registered under the laws of the Cyprus Republic. The target is not active on any market at the present but the intention of the enterprises participating in the concentration is that UCPIH will be active in the acquisition, management and subsequent sale of specific investment-grade commercial properties in Ukraine in order to generate ongoing cash distributions to the shareholders.

The notified concentration is carried out on the basis of certain related actions and successive stages. Specifically, according to the information in the notification, the stages at which the transaction is based are as follows:

- 1) Share Purchase Agreement between DCI as the seller and GSG as the buyer,
- 2) Shareholders Agreement between GSG and DCI as the shareholders and the Target. This second stage will lead to the joint control of the Target from GSG and DCI.

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)(b) of the Law, since it leads to a permanent change of control of the Target, fulfilling on a lasting basis all the functions of an autonomous economic entity

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 transaction was of major importance under the Law.

The Commission, for the purposes of evaluating this concentration, defined the relevant product/service market as (a) the provision of real estate development services, (b) the provision of real estate rental services and (c) the ownership of real estate property. For the purposes of the present case, the geographic market was defined as that of the Republic of Cyprus.

According with the undertaking concerned, this concentration does not lead to any horizontal overlap. In addition, there are no vertical relationships or other markets which the notified concentration may have significant impact.

Considering the above, the Commission concludes that there is no affected market based on Annex I 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