



ΚΥΠΡΙΑΚΗ
ΔΗΜΟΚΡΑΤΙΑ



Decision CPC: 17/2019

Case Number 8.13.019.09

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

**Notification of a concentration concerning the acquisition of the share capital
of The Cyprus Tourism Development Public Company Ltd by Invel Real Estate
Management Ltd, via Vibrana Holdings Ltd.**

Commission for the Protection of Competition:

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

Date of decision: 23/3/2019

SUMMARY OF THE DECISION

On 22/2/2019, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of Invel Real Estate Management Limited (hereinafter “Invel”), 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 the acquisition by Invel of the share capital of Cyprus Tourism Development Public Company Limited (hereinafter the “Target”) via Vibrana Holdings Ltd (hereinafter “Vibrana”).

Invel (acting through its controlling stake of NBG Pangaea Real Estate Investment Company (hereinafter “Pangaea”) shall have a certain controlling stake in Vibrana and IREP3 shall have an indirect equity stake in Vibrana. Therefore, Pangaea, which shall ultimately be controlled by Invel, will acquire and own an indirect controlling equity stake in the Target, through its direct equity stake.

Invel, is a company duly registered under the laws of Jersey of Channel Islands. The said company, which is the controlling entity of the Invel Group, primarily focuses on investment opportunities in the European real estate markets by offering investors the ability to co-invest on a transaction-by-transaction basis.

Pangaea is a company, duly registered under the laws of Greece. The said company is active in the market of real estate investment and in the management and operation of real estate throughout Greece.

IREP3 was established in 2018 to act as co-investment vehicles for the Invel group.

Vibrana is a company duly registered under the laws of the Republic of Cyprus with no previous commercial activities. The said company, will be used by its shareholders, Pangaea and Invel Real Estate Partners Three Limited, for the acquisition of the shares in the Target. Invel Real Estate Partners Three Limited was established in 2018 to act as co-investment vehicle for the Invel group.

Cyprus Tourism Development Public Company Limited is a public company duly registered under the laws of the Republic of Cyprus. The said company, operates and manages a five star (5*) hotel under the name Hilton Cyprus Hotel in Nicosia.

The concentration takes place with two consecutive actions according to Section 7 of the Law, and it results in the acquisition of control on activities of a business.

More specifically, the notified concentration is made in two consecutive actions as follows:

1. MIG Leisure Ltd, which is a shareholder of the Target, will acquire further shareholding in the share capital of the latter from Louis PLC.
2. Based on the provisions of a Public Bid, at least 90% with the aim of 100% of the share capital of the Target will be acquired by Vibrana as follows: Invel (acting through its controlling stake of Pangaea) shall have a controlling stake in Vibrana and IREP3 shall have an indirect equity stake in Vibrana. Therefore, Pangaea, which shall ultimately be controlled by Invel, will acquire and own an indirect controlling equity stake in the Target, through a certain direct shareholding in Vibrana. IREP3 will acquire an indirect equity stake of

the Target Company, through its shareholding in Flowpulse Limited, through which it shall acquire a direct equity stake in Vibrana. Vibrana shall be used for the acquisition of the shares in the Target.

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 the Target which will be obtained by Invel.

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 the market for 1) the management and operation of five star (5*) hotels and 2) the real estate rental market for commercial purposes. For the purposes of the present case, the geographic market for the relevant market 1 was defined as topical, i.e. Paphos and Nicosia, and the geographic market for the relevant market 2 was defined as Limassol, Paphos and Nicosia.

Invel is active in the management and operation of five star (5*) hotels, through Pangaea in Paphos (Aphrodite Hills Resort) and the Target is active in that relevant market in Nicosia (Hilton Cyprus).

The target is active in the real estate rental market for commercial purposes in Nicosia and Pangaea in that relevant market in Limassol and in Paphos.

Considering the above and given the fact that the activities of the parties involved are located in different districts, the Commission concludes that this concentration does not lead to any horizontal overlap relationship and there are no vertical relationships or other markets on which the notified concentration may have significant impact.

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 based on Annex I of the Law 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.

Loukia Christodoulou

Chairperson of the Commission for the Protection of Competition