



Decision CPC: 9/2018

Case Number: 8.13.018.05

THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW

No. 83(I)/2014

Notification of concentration regarding the acquisition by SAP SE, of the share capital of Callidus Software Inc., via SAP America Inc.

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou, Chairperson

Mr. Andreas Karidis, Member

Mrs. Eleni Karaoli, Member

Mr. Panayiotis Ousta Member

Date of Decision: 19/03/2018

SUMMARY OF THE DECISION

On 15/02/2018, the Commission for the Protection of Competition (hereinafter the "Commission") received on behalf of SAP SE, 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, SAP SE, via SAP America Inc., will acquire the share capital of Callidus Software Inc. (hereinafter "CallidusCloud").

- SAP SE is a company duly registered under the laws of Germany and is the parent company of the SAP Group. SAP SE is an international vendor for business software which comprise Enterprise Application Software (EAS) and its various sub-segments, in particular Customer Relationship Management (CRM) software. Furthermore, SAP offers maintenance and advisory services, tailor-made to its software as well as training.

SAP America Inc. is a company duly registered under the laws of Delaware of the United States of America. SAP America Inc. is a subsidiary of SAP SE and SAP group is active via this enterprise in the United States of America.

- Callidus Software Inc. is a company duly registered under the laws of Delaware of the United States of America and is active in Enterprise Application Software (EAS), and more particularly in Customer Relationship Management (CRM) solutions.

The concentration is based on “Agreement and Plan of Merger” dated 29th of January 2018, among SAP America Inc., its whole subsidiary, Emerson One Acquisition Corp. and Callidus Software Inc. (hereinafter the “Agreement”). Based on the Agreement, SAP America Inc., via Emerson One Acquisition Corp. will acquire 100% of the share capital of CallidusCloud.

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, since it leads to a permanent change of control of CallidusCloud.

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 market in this case was defined as the market for the provision of Customer Relationship Management (CRM) software solutions in the territory of the Republic of Cyprus.

According to the notification, there is a horizontal overlap in the provision of Customer Relationship Management (CRM) software solutions in Cyprus.

Therefore the Commission proceeded to analyse the compatibility of the merger, in accordance with the criteria set out in Article 19 of the Law. The Commission took into account the market structure, the potential competition, the barriers to entry etc.

The Commission, on the basis of the factual and legal circumstances, unanimously decided that this concentration does not create or strengthen a dominant position in the 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