



ΚΥΠΡΙΑΚΗ ΔΗΜΟΚΡΑΤΙΑ



ΕΠΙΤΡΟΠΗ ΠΡΟΣΤΑΣΙΑΣ
ΤΟΥ ΑΝΤΑΓΩΝΙΣΜΟΥ

Decision CPC: 73/2019

Case Number 8.13.019.40

**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
Athiari Commercial (Paphos) Ltd, via ILERA Properties Ltd by Saywear Ltd**

Commission for the Protection of Competition:

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

Date of decision: 20/12/2019

SUMMARY OF THE DECISION

On 26/09/2019, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of Saywear Ltd (hereafter the «Saywear»), 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, Saywear will acquire share capital of Athiari Commercial (Paphos) Ltd (hereinafter the “Company Target”), via ILERA Properties Ltd (hereinafter «ILERA»).

Saywear Ltd is a company duly registered under the laws of Cyprus and its main activities are related to the retail trade of clothing, shoes and related accessories, as well as with the trade of houseware through the brands Zara, Pull & Bear, Massimo Dutti, Oysho, Bershka and Zara Home. In addition through holding companies, Saywear Ltd is active in the sector of properties.

FOROKO LIMITED is a special purpose vehicle duly registered under the laws of Cyprus and was registered for the acquisition of the share capital of ILERA. FOROKO LIMITED is 100% subsidiary of Saywear.

ILERIA Properties Ltd is a special purpose vehicle duly registered under the laws of Cyprus. The 100% of the share capital of ILERA belonged to Bank of Cyprus in the past, while after the Decision of the Commission No. 38/2017, ZORPA Brothers acquired ILERA, but this transaction was not fully implemented.

PHILELIA is a holding company, duly registered under the laws of Cyprus, for the sole purpose of acquiring the share capital of the Target Company in the context of the restructuring of the Target Company's loans.

Athiari Commercial (Paphos) Ltd is a company duly registered under the laws of Cyprus and is active in the development of properties and was involved in the construction of the shopping center KINGS AVENUE MALL. Its only activity is the ownership and/ or operation and/ or development of this shopping center. It is owned by 50% to a special purpose vehicle («SPV»), which is owned by Houari Investments Ltd (hereinafter «Houari»). Houari is owned by Theodoros Aristodemou Ependyseis Ltd (19%), Carispa Ltd (31%) and Saywear (50%). The rest 50% of the sharecapital of Athiari is owned by 31,11% K. Athienitis and 18,89% K. Athienitis LAZA Residential Ltd.

The concentration is based on two Share Purchase Agreements, according to which ILERA, will acquire shares in PHILELIA (PHILELIA Agreement) and Saywear, through FOROKO (buyer) will acquire the shares of Zorbas Brothers (sellers), which they acquired them by Bank of Cyprus in ILERA (hereinafter "ILERIA Agreement").

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 the target.

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 and their geographical markets in this case were defined as a) the provision of space for commercial use in commercial stores in distance of 20 minutes' drive from the Shopping Mall, b) retail of clothing and footwear in the Republic of Cyprus and c) retail of home textiles and housewares in the Republic of Cyprus.

According to the notification, there is no a horizontal overlap in the activities of the companies participating in the concentration, in Cyprus but there is a vertical relationship in the activities of the Target and Saywear in the markets of a) the provision of space for commercial use in commercial stores with the markets of b) retail of clothing and footwear and c) retail of home textiles and housewares.

According to the notification, the concentration leads to a market share of 25% and above, in both relevant markets and therefore there are affected markets, according to Schedule I of the Law.

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 and assessed in particular the position of the participating undertakings in the affected markets, the market structure, the financial strength of the participating undertakings, the alternative sources of supply, the supply and demand trends, the expected demand growth, the barriers to entry and the consumer interests as well as the co-ordinated and non-co-ordinated results that may occur in the affected markets.

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 markets 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