



Decision CPC: 31/2022

Case Number: 08.05.001.022.016

THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW

No. 83(I)/2014

Notification of a concentration concerning the acquisition of the share capital of Global Data Consortium, Inc. by Refinitiv US LLC, via Paramount NC Merger Sub, Inc.

Commission for the Protection of Competition:

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

Date of Decision: 25th of May 2022

SUMMARY OF THE DECISION

On 11/04/2022, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of Refinitiv US LLC (hereinafter the “Refinitiv US”), 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, Refinitiv US intends to acquire the share capital of Global Data Consortium, Inc. (hereinafter the “GDC” or the “Target”), via Paramount NC Merger Sub, Inc. (hereinafter the “Refinitiv Sub”).

The parties of the transaction are the following:

- Refinitiv US is a company duly registered under the laws of Delaware, USA. It is indirectly owned by the London Stock Exchange Group plc (LSEG, together with its subsidiaries “LSEG Group”). LSEG Group operates in a wide range of sectors as a UK-based global provider of data and financial markets infrastructure and offers certain limited electronic identity verification services.
- Refinitiv Sub is a company duly registered under the laws of North Carolina, USA. It is a special purpose vehicle established for the purposes of the proposed merger and has not carried out any business activity. This company is indirectly owned by LSEG.
- The Target in this concentration is a company duly registered under the laws of North Carolina, USA. Its sole business is the electronic identity verification business.

This concentration is based on the Agreement and Plan of Merger (hereinafter the “Agreement”) dated 04/04/2022, between Refinitiv US, Refinitiv Sub, Global Data Consortium, Inc. and Fortis Advisors LLC. According to the Agreement, GDC will merge with Refinitiv Sub and GDC as the absorbing company will become a wholly owned subsidiary of Refinitiv US.

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 Company.

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/services market in this case was defined as the digital identity verification market. In addition, the Commission concluded that the geographical market is defined, for the relevant market under reference, as that of the Republic of Cyprus.

Horizontal relationship

According to the participating companies, the only current relationship between LSEG Group and GDC is that LSEG Group acts as a reseller of GDC's products through the Refinitiv data platform and does not provide separate digital identity verification services. According to the data of the notification, the Target made a total turnover in the Republic of Cyprus through sales originating from the digital identity verification services. LSEG Group's turnover in the Republic of Cyprus was conducted through the sale of financial market data and analytics, capital markets services and regulatory reporting tools and from LSEG Group's €[.....] sales of digital identity business.

From the above it follows that both the LSEG Group and the Target operate in the same relevant market, i.e. the digital identity verification market in the Republic of Cyprus and therefore, there is a horizontal relationship between them.

As recorded in the notification, according to estimates provided by [.....], a strategy advisory group, based on research carried out in the Europe on identity verification services and applying a digital penetration assessment for the Republic of Cyprus in total of the figures given for Europe, the total scope of the provision of digital identity verification (also known as KYC services) in Cyprus was estimated at €[.....].

Therefore, the combined market share does not exceed 15% and therefore, there is no affected market in relation to the horizontal relationship that exists between the LSEG Group and the Target.

Vertical relationship

According to the participating companies, the only current relationship between LSEG Group and GDC is that LSEG Group acts as a reseller of GDC's products through the Refinitiv data platform and does not provide separate digital identity verification services.

However, LSEG Group's purchase of services from the Target takes place abroad, specifically in the USA, with the intention of reselling said services in various countries. The LSEG Group does not purchase the specific services within the Republic of Cyprus. Therefore, there is no vertical relationship in Cyprus.

Taking into account the above, the Commission concludes that in this concentration no affected market is created based on Annex I of the Law. In addition, there are no other markets in which the notified concentration may have a significant effect.

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