

**THE CONTROL OF CONCENTRATIONS
BETWEEN ENTERPRISES LAWS 1999 TO 2000**

Notification of a concentration concerning the acquisition of the share capital of
Renaissance Capital Investments Ltd by Onexim Holdings Ltd

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou,	Chairperson
Mr. Andreas Karidis,	Member
Mrs. Eleni Karaoli,	Member
Mr. Charis Pastellis,	Member
Mr. Christos Tsingis,	Member

Date of decision: 2 September 2013

DECISION

I. OBJECT OF THE CONCENTRATION

This transaction was based on a Share Purchase Agreement dated 21st December 2012 (hereinafter the “agreement”) between the companies Onexim Holdings Ltd (hereinafter the «Onexim») and Renaissance Capital Holding Ltd (hereinafter the «RCHL»). According to the proposed transaction, Onexim had acquired 50% plus half a share of Renaissance Capital Investments Ltd (hereinafter the «Renaissance») share capital.

II. UNDERTAKINGS CONCERNED

A. Renaissance Capital Investments Ltd

Renaissance is a company duly registered under the laws of Bermuda. The company belongs to the Renaissance Group of companies which carries the following main types of activities: securities trading and brokerage, investment banking and private equity.

On the 22nd of September 2008, Onexim acquired 50% minus half a share in Renaissance's share capital. The rest 50% plus half a share belongs to RCHL.

B. Onexim Holdings Ltd

Onexim is a company duly registered under the laws of Cyprus. The company's principal activities comprise that of an investment holding vehicle, the principal subsidiaries and associates of which operate in the fields of energy generation, real estate, mining, financial services in Russia and worldwide.

III. BACKGROUND

On the 22nd of January 2013, the Commission for the Protection of Competition (hereinafter the «Commission») received a notification of a proposed concentration on behalf of Onexim, concerning the acquisition of the share capital of Renaissance, in accordance with the provisions of the Control of Concentrations between Enterprises Law 22(I)/99, as amended (hereinafter the «Law»).

According to the proposed transaction, Onexim had acquired 50% plus half a share of Renaissance' share capital and therefore acquired sole control of the company and its subsidiaries since it already had 50% minus half of Renaissance shares.

After examining the written report of the Service which was dated 15th of March 2013 the Commission, on the 19th of March 2013, decided that the concentration was compatible with the conditions of the competitive market¹.

On the 25th of April 2013 the Service submitted a written report in respect to the alleged prima facie infringement of the Section 13(1) (α) of the Law.

The Commission in its meeting on 19th of June 2013, after taking into consideration the above report of the Service, focused its attention on the following:

- The fact that the signed agreement between Renaissance and Onexim was dated 21/12/2012.

¹ Decision No. 21/2013.

- The fact that the notification of the concentration concerned was submitted by Onexim on 22/01/2013.

The Commission, having taken into account all the documents and information contained in the administrative file of the case, in conjunction with the provisions of Section 13(1)(a) of the Law, considered that such material justified the preparation of a Statement of Objections regarding the alleged prima facie infringement of Section 13(1)(a) of the Law for failure of Onexim, as the undertaking responsible under Section 13(2) of the Law, to notify the transaction within the specified time limit set by the Law.

The Commission in its meeting on 25/06/2013 examined the draft Statement of Objections submitted by the Chairperson and decided to adopt and approve it, and at the same time to notify it to Onexim.

The Statement of Objections was notified to Onexim on 28/06/2013. On 19/07/2013, Onexim represented by its lawyer submitted its written observations on the objections raised against the company.

Onexim appeared before the Commission in its meeting on 23/07/2013, and orally expressed Onexim's position with regard to the Statement of Objections.

The Commission after having examined the written and oral statements of Onexim's lawyer, and after going through the administrative file of the case, focused its attention on the following:

IV. INFRINGEMENTS OF THE LAW

A. Section 13(1) (α) of the Law

The Commission focused on Section 13(1) (a) of the Law.

«The acts of concentration of major importance to which this Law applies shall be notified to the Service in writing within one week at the latest -

(a) in relation to the concentrations referred to in section 3(2)(a), from the date of conclusion of the relevant agreement or the publication of the relevant offer of purchase or exchange or the acquisition of a controlling interest, whichever of the said events occurs first

(b)»

On the basis of the information and data in the administrative file of the case, the Commission noted that the date of the agreement was 21/12/2012 and that the notification of the concentration concerned was submitted by Onexim on 22/01/2013.

The Commission also focused on Section 13(2) of the Law.

«The acts of concentration which must be notified in accordance with subsection (1), and constituting a merger within the meaning of paragraph (a) of subsection (1) of section 4 or acquisition of joint control within the meaning of paragraph (b) of subsection (1) of section 4, shall be notified jointly or separately by those who participate in these acts. In the remaining cases the obligation of notification in accordance with subsection (1) of this section shall be borne by the person or undertaking acquiring control.»

In this case, Onexim gained control of Renaissance and therefore it was the undertaking responsible to submit the notification required by Law to the Service.

According to the information before the Commission, Onexim failed to notify to the Service the concentration within the time period set by the Law, and consequently the Commission unanimously decided on the existence of an infringement of Section 13(1)(a) of the Law by Onexim.

IV. ADMINISTRATIVE FINE

In accordance with the provisions of Section 52(1) of the Law, the Commission may impose fines to the participants in a concentration or to persons who violate or fail to comply with the provisions of the Law.

Onexim's lawyer, during the hearing of the Commission dated 23/07/2013 and through the written statements of tis client dated 19/07/2013 και 26/08/2013, appealed for the

leniency of the Commission and, for the purpose of minimizing the penalty, stated the following:

- Onexim acknowledges and accepts its mistake.
- It was not Onexim's intention to circumvent the Commission's control. The delay in notifying the concentration was due to factors that were beyond Onexim's control.
- The collection of all the relevant data was complex and required a lot of time, due to the economic data required regarding the turnover of both parties, Onexim and Renaissance, which operate in a number of jurisdictions.
- The time period between the notification of the referred concentration and the date the relevant agreement was signed, included public holidays in both Cyprus and Russia.
- Onexim indicated that it would rather submit accurate data instead of submitting a notification without the necessary verification and analysis.
- Onexim also indicated that having in mind the sector in which both Onexim and Renaissance operate, the imposition of a fine for a minor infringement of the Law will have negative consequences on the reputation of the aforementioned companies.
- Onexim stated that both parties of the relevant concentration have supported Cyprus internationally (through public speeches, by using Cyprus as their base for conducting their international operations etc.).
- Onexim fully cooperated with and responded immediately to all the requirements of the Service, providing the Service with all the requested data.

Taking the above into account, the Commission noted the following:

- Nature of infringement

The acquisition of absolute control of Renaissance by Onexim was a concentration which should have been notified to the Service under Section 13(1)(a) of the Law. Onexim admitted that it did not notify the concentration to the Service within the time-limit set by the Law.

The Commission noted that in relation to the nature of the infringement, it is in contrast with the substantial rules of the Law which intend to prevent permanent damage to the competitive environment from structural concentrations that fall within the scope of its application.

- Gravity of infringements

The Commission, took into account the duration of the infringement, as well as the following mitigating and aggravating circumstances:

- (a) Onexim fully cooperated with and responded immediately to all the requirements of the Service, providing the Service with all the requested data without evasions or deceptions,
- (b) This infringement constituted the first violation of the Law by Onexim,
- (c) The delay in notifying the concentration was one month.

Taking into account all of the above, the Commission, with regard to the nature and gravity of the infringements in accordance with the procedures laid down in Section 52 (2) of the Law, and the necessity to prevent repetition of infringements, unanimously decided with regard to the infringement of Section 13(1)(a) of the Law, the imposition of an administrative fine, under Section 52(1)(a) of the Law, of €1,000 (one thousand Euro) imposed to Onexim.

Loukia Christodoulou
Chairperson of the Commission
for the Protection of Competition