



**ΚΥΠΡΙΑΚΗ
ΔΗΜΟΚΡΑΤΙΑ**

Decision CPC: 43/ 2017

Case Number: 8.13.017.23

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

**Notification of concentration regarding the creation of T.I.S. Total Integrated
Services Ltd by Hellenic Tzilalis (Cyprus) Ltd and G4S Secure Solutions
(Cyprus) Ltd**

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou, Chairperson

Mr. Andreas Karidis, Member

Mr. Charis Pastellis, Member

Mr. Panayiotis Oustas Member

Date of decision: 28 Αυγούστου 2017

SUMMARY OF THE DECISION

On 26/05/2017, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of Hellenic Tzilalis (Cyprus) Ltd (hereinafter «Hellenic Tzilalis») and G4S Secure Solutions (Cyprus) Ltd (hereinafter «G4S») 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, Hellenic Tzilalis and G4S will create T.I.S. Total Integrated Services Ltd (hereinafter «T.I.S.» or the «New Company»).

T.I.S. TOTAL INTERGRATED SERVICES LTD will be a limited liability company (the name of the company will be approved by the Cyprus Companies Registrar), duly registered under the laws of the Republic of Cyprus and will be active in providing facility management services to potential customers.

Hellenic Tzilalis (Cyprus) Ltd is a company duly registered under the laws of the Republic of Cyprus and is active in the provision of cleaning services, luggage handling services at Larnaka and Paphos airports and in waste management.

G4S Secure Solutions (Cyprus) Ltd is a company duly registered in accordance with the laws of Republic of Cyprus and operates in the provision of security services , technical services and supply services.

The concentration is based on the Shareholders' Agreement dated 14/03/2017 (hereinafter the "Agreement") for the establishment of a new company, namely T.I.S. According to the Agreement, 50% of the share capital of the New Company will be held by G4S and 50% by Hellenic Tzilalis.

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)(b) of the Law, since T.I.S. will be a joint venture, controlled by Hellenic Tzilalis and G4S and will perform on a lasting basis all the functions of an autonomous economic entity.

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 markets in this case were defined as the 1) technical facility management services which are further divided into a) Hard FM and b) energy, and 2) general facility management services which are further divided into a) cleaning services, b) catering, c) office services, d) support services, e) customer services, f) security services and g) FM Compliance. For the purposes of the present case, the geographic market was defined as that of the Republic of Cyprus for all the relevant product/services markets.

According to the notification, there is no horizontal overlap in the activities of the companies participating in the concentration in Cyprus but there is a vertical overlap between the New Company and the security services which a parent company will provide to the New Company.

According to the notification, the market share of G4S in the provision of security services was 30-40% in 2015, and due to the fact that G4S will provide these services to the New Company, there is an affected market, 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 the position of the participating undertakings in the affected market, 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.

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