

THE CONTROL OF CONCENTRATIONS

BETWEEN ENTERPRISES LAWS 1999 TO 2000

Notification of a concentration concerning the merger of Sinergatiki Pistoriki Etairia Frenarou-Acheritou and Sinergatiki Pistoriki Etairia Derynias

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou,	Chairperson
Mr. Leontios Vryonides,	Member
Mrs. Eleni Karaoli,	Member
Mr. Costas Melanides	Member
Mr. Dimitris Pitsillides	Member

Date of decision: 28 November 2012

SUMMARY OF THE DECISION

The Commission for the Protection of Competition (hereinafter the «Commission») received a notification of a proposed concentration on behalf of the companies Sinergatiki Pistoriki Etairia Frenarou-Acheritou (hereinafter the «SPE Frenarou-Acheritou») and Sinergatiki Pistoriki Etairia Derynias (hereinafter the «SPE Derynias»), in accordance with section 13 of the Control of Concentrations between Enterprises Law (Number 22(I)/99) (hereinafter the «Law»).

The concentration concerns an agreement by which SPE Derynias will transfer all of its assets and liabilities to SPE Frenarou-Acheritou.

SPE Frenarou-Acheritou is a cooperative registered according to the Cooperative Societies Institution law. The company's main activities concentrate in the banking sector.

SPE Derynias is a cooperative registered according to the Cooperative Societies Institution law. The company's main activities concentrate in the banking sector.

This transaction is based on a decision taken on the 17th of October 2012 of the above mentioned cooperatives, after having approved the decision of the committees of the said cooperatives. The name of the new company will be Regional Cooperative Society Ammochostou.

The Commission, taking into account the facts concerning this concentration concluded that this transaction constitutes a concentration within the meaning of section 4 (1) (a) of the Law, since it results in the merger of two previously independent companies SPE Frenarou-Acheritou and SPE Derynias, into a newly formed company.

Furthermore, based on the information contained in the notification, the Commission found that the criteria set in section 3 (2) (a) of the Law were satisfied and therefore the notified concentration was of major importance, within the scope of the Law. According to the notification, the aggregate turnover achieved by SPE Frenarou-Acheritou and SPE Derynias in relation to each one of them for 2011, exceeded 3.417.203 euro. In addition, SPE Frenarou-Acheritou and SPE Derynias engage in commercial activities within the Republic of Cyprus and their aggregate turnover for 2011 exceeded 3.417.203 euro.

Moreover, SPE Frenarou-Acheritou and SPE Derynias are both active in the banking sector. The relevant product/services market in this case is defined as 1) the provision of loans and 2) the provision of deposits. The definition of the geographic market for the relevant product/services markets in this case is the Republic of Cyprus.

As it is stated above, both undertakings are active in the same market; however the Commission considers that there is no affected market, since the combined market share of the undertakings is under the threshold set by the Law.

The Commission, on the basis of the factual and legal circumstances, applying the relevant provisions of the Law and taking into consideration the report of the Service, 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 competitive market.

Therefore, the Commission, acting in accordance with section 18 of the Law, unanimously decided not to oppose the notified concentration and declare it as being compatible with the requirements of the competitive market.

Loukia Christodoulou
Chairperson of the Commission for the Protection of Competition