



Decision CPC: 11/2022

Case Number: 08.05.001.021.073

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

**Notification of a concentration concerning the Hotel Services Agreement of
Grand Hyatt Limassol Hotel between Anolia Holdings Ltd and Hyatt
International (Europe Africa Middle East) LLC**

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: 23rd of February 2022

SUMMARY OF THE DECISION

On 14/12/2021, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of Anolia Holdings Ltd and Hyatt International (Europe Africa Middle East) LLC, 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 concerning the Hotel Services Agreement of Grand Hyatt Limassol Hotel (hereinafter the “Target” or the “Hotel”) between Anolia Holdings Ltd (hereinafter “Anolia” or “Owner”) and Hyatt International (Europe Africa Middle East) LLC (hereinafter “Acquiring Company” or “Hyatt EAME”),

according to which the acquiring company undertakes the management of the Hotel which will be owned by Anolia.

The participating parties are the following:

- Hyatt EAME is a company duly registered under the laws of Switzerland. Its main purpose is the management and franchise of hotels bearing the Hyatt brand in Europe, Africa and the Middle East under the brand of Hyatt (portfolio of Hyatt brands). In addition, Hyatt EAME coordinates with other Hyatt group companies operating outside the above geographic region to maintain common standard hotels that carry the Hyatt brand.
- The Target is a 5 star hotel named Grand Hyatt Limassol which will be built on the east coast of Limassol. Anolia, which will own the hotel, signed the Hotel Services Agreement with Hyatt in order to grant the exclusive management of the Hotel to Hyatt.

Hyatt will operate the Hotel under the Grand Hyatt Limassol brand, in accordance with the international standards of the Hyatt group of companies regarding the specific brand.

Anolia is a company duly registered under the laws of the Republic of Cyprus and the purposes for which it was incorporated include, among others, carrying on investment business and other activities such as building, owning and maintaining in its name or in the name other, various kinds of rights.

Anolia is the owner of various beachfront parcels of land, on the east coast of Limassol, totaling approximately 89,581 square meters (the "Property"). Within the above Property, the Zaria resort (hereinafter the "Project"), which will be a luxury mixed-use development and will consist of a five-star (5*) hotel unit named "Grand Hyatt Limassol" as well as from a separate but parallel development that will include forty (40) residential apartments in the form of a tower (high-rise tower) on the south side of the Project and other independent villas on the north side of the Project (hereinafter the "Parallel Development"). The Project will take place on the east coast of Limassol and near the Marina of the St. Raphael.

Anolia is 100% owned by the company Allea Holding Ltd (hereinafter “Allea Holding”), which also owns Allea Global Properties Limited (hereinafter “Allea Global”). The sole director of Anolia is a natural person.

Allea Global is a company duly registered under the laws of the Republic of Cyprus and its purposes include operating the company as an investment company and for this, it may acquire and hold for investment purposes, immovable property and shares (among others). It is noted that, according to the notification, Allea Global will be liquidated in the near future due to a general reorganization of the group to which it belongs.

Allea Holding is a company duly registered under the laws of the Republic of Cyprus. Allea Holding is a holding company of Anolia and Allea Global and the purposes for which it was established is to operate as a holding company in relation to its above-mentioned subsidiaries. In addition, Allea Holding is a company that manages various projects, including the Project, in which the wider group is active.

This concentration is based on the Hotel Services Agreement-Grand Hyatt Limassol (hereinafter the “Agreement”) dated 03/06/2020. As stated in the Agreement, Hyatt will provide management services in connection with the operation of the Hotel.

According to the European Commission’s Consolidated Jurisdictional Notice¹ (hereinafter the “Consolidated Notice”) (paragraphs 18 and 26), a contract can provide the possibility of control over an undertaking when it leads to control of the management and resources of the other undertaking, as in case of acquisition of shares or assets. It is the parties’ position that the Hotel Services Agreement provides Hyatt with sole control of the Hotel’s business, since Hyatt alone will have the ability to determine the strategic business decisions of the business.

The Commission, in order to determine whether it is joint or exclusive control, takes into account paragraphs 18, 26, 62, 66, 67, 82, 83 of the Consolidated Notice and notes the information in the Notice regarding the duration of the contract, Hyatt’s remuneration, the appointment of hotel staff and management. Hyatt will have control of the operation of the Hotel which will operate in accordance with the Hotel Standard

¹ Commission Consolidated Jurisdictional Notice under Council Regulation(EC)No139/2004 on the control of concentrations between undertakings.

as determined by Hyatt pursuant to the Hotel Services Agreement. In addition, the Commission takes into account Anolia's rights of veto.

The approval rights granted to Anolia are limited only to specific matters that may affect Anolia's position as the owner of the Hotel as a property and not as a business. They do not give Anolia joint control over the Hotel business as Anolia will ultimately have to defer to Hyatt on strategic commercial matters.

The Commission, taking into account the facts of the concentration, has concluded that Hyatt, upon completion of this merger, will have sole control over the Target Company in accordance with the provisions of section 6 (1)(a)(ii) of the Law.

However, based on the information contained in the notification, the Commission found that the criteria set by section 3 (2) (a) of the Law were not satisfied and therefore the notified concentration was not of major importance falling within the scope of the Law, as only one of the participants had total turnover and turnover in Cyprus.

Therefore, the Commission acting in accordance with Article 22(1)(a) of the Law, unanimously decides that the notified concentration does not fall within the meaning of concentration.

Loukia Christodoulou
Chairperson of the
Commission for the Protection of Competition