

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

Notification of concentration regarding the acquisition of the share capital of
GCS Holding B.V. by Ingenico S.A.

Commission for the Protection of Competition:

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

Date of decision: 8 August 2014

SUMMARY OF THE DECISION

On the 16th of July 2014, the Commission for the Protection of Competition (hereinafter the "Commission") received notification of a proposed concentration by Ingenico S.A. (hereinafter "Ingenico"), in accordance with section 10(2) of the Control of Concentrations between Enterprises Law (Number 83(I)/2014) (hereinafter the "Law"). The notification concerns the acquisition of 100% of the share capital of GCS Holding B.V. (hereinafter "GCS") by Ingenico.

Ingenico S.A. is a company duly registered under the laws of France and belongs to Ingenico Group of Companies. This group provides smart, trusted secured solutions to enhance commerce across all channels. Ingenico delivers secure payment solutions with a local, national and international scope. Services include payment terminal related services and in-store and online payments gateway services. Payment terminals are devices comprised of payment components (electronic module incorporating software and firmware that is essential to performing a debit/credit/prepaid payment transaction

through either direct contact or contactless means, such as for instance secure keypads, card readers, contactless readers and secure displays) and a surrounding mechanical enclosure that is used to receive and process a payment transaction.

GCS Holding B.V. is a company duly registered under the laws of the Netherlands and through its subsidiaries, provides payment services for international trade through the internet (e-payment provider). Specifically, this company, through its subsidiaries, is the intermediate between online merchants and payment methods providers and enables online merchants to accept payment via different payment methods including credit card, bank-based payments such as direct debit, bank transfer and other payment systems (e.g. PayPal).

This transaction is based on a Memorandum of Understanding (hereinafter the "Memorandum"), dated 2 July 2014. According to the Memorandum, Ingenico has made exclusive negotiations with GlobalCollect Luxco S.C.A. and Stichting Administratiekantoor GCS Holding and Mr. Thomas Staudt, (hereinafter "the Sellers") for the acquisition of 100% of the share capital of GCS. The terms and conditions of the transaction are provided in the draft Share Sale and Purchase Agreement (hereinafter the "Agreement").

The Commission has noted that according to the parties, the final Agreement will not differ on the issue of change of control from the draft Agreement submitted.

The Commission, taking into account the above facts and events concerning this concentration has concluded that this transaction constitutes a concentration within the meaning of section 6(1)(a)(ii) of the Law, since it results in the acquisition of sole control of GCS by Ingenico.

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 under the Law. According to the notification, the aggregate turnover achieved by Ingenico and GCS for the year 2013, exceeded, in relation to each one of them, 3.500.000 euro. In addition, both undertakings concerned, through their subsidiaries, engage in commercial activities

within the Republic of Cyprus and their aggregate turnover for the supply of goods or services within the Republic for the year 2013 exceeded 3.500.000 euro.

The Commission for the purposes of evaluating this concentration defined the relevant product/service market as the market for the provision of online payment services. The geographical market in this case was defined as the Republic of Cyprus.

Both Ingenico and GCS engage in commercial activities within the territory of the Republic of Cyprus. However, the turnover of Ingenico in Cyprus in 2013 is mainly derived by its main activity, namely the provision of payment terminals and only a small amount of the said turnover by online payment services. As a result, the increase of the market share in the relevant market as a result of the concentration is negligible. Also, there are not considerable barriers to entry and the purpose of the transaction is for Ingenico Group to balance its geographical presence in the North American market and to enhance its access to Asia and Pacific and in the highly developed markets of Latin America. Finally, according to the parties, their combined market share in the relevant market in Cyprus is less than 15%. Therefore, the concentration does not create any affected markets as determined in Annex I of the Law.

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.

Mrs. Loukia Christodoulou
Chairperson of the Commission for the Protection of Competition