



## COMPETITION TRIBUNAL OF SOUTH AFRICA

**Case No: LM087Aug19**

In the matter between

Bioko 752 (Pty) Ltd

Primary Acquiring Firm

And

Cargo Compass (South Africa) (Pty) Ltd

Primary Target Firm

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Panel	: E Daniels (Presiding Member)
	: Y Carrim (Tribunal Member)
	: A Ndoni (Tribunal Member)
Heard on	: 18 September 2019
Order Issued on	: 19 September 2019
Reasons Issued on	: 19 September 2019

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### REASONS FOR DECISION

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#### Approval

- [1] On 19 September 2019, the Competition Tribunal ("Tribunal") unconditionally approved the proposed transaction in terms of which Bioko 752 (Pty) Ltd ("Bioko") is acquiring control over Cargo Compass (South Africa) (Pty) Ltd ("Cargo Compass").
- [2] The reasons for the approval of the proposed transaction follow.

## **Parties to the transaction**

- [3] The primary acquiring firm is Bioko, a newly established entity that was created for the purpose of the proposed transaction. Bioko currently does not conduct any business activities, nor does it control any firm. Bioko is jointly controlled by Business Venture Investments No. 21 (Pty) Ltd (“BVI21”) and Bopa Morou Fund II (Pty) Ltd (Bopa Muruo).
- [4] BVI21 is controlled by RMB Private Equity (Pty) Ltd, which is ultimately controlled by FirstRand Ltd. Bopa Moruo is wholly controlled by Bopa Muruo Private Equity Fund Managers (Pty) Ltd (“Bopa Moruo Fund Managers”). Bioko, all the firms controlling Bioko and the firms they control will be collectively referred to as the “Acquiring group”. The Acquiring group offers a range of financial services, *inter alia*, private banking, investment banking and private equity investments in established businesses with long-term prospects for prosperity and growth.
- [5] The primary target firm is Cargo Compass, a firm that provides freight forwarding services. Particularly, Cargo Compass provides air freight imports and exports forwarding, warehousing, storage, distribution and other value-added services. Cargo Compass is jointly owned by siblings, Angela Cinquina and Sebastiano Iorio. Cargo Compass does not control any firm.

## **Proposed transaction and rationale**

- [6] Bioko intends to acquire 51.66% of the issued shares of Cargo Compass from its shareholders through a series of steps. Post-merger, Bioko will hold the majority of the issued shares of Cargo Compass and Sebastian Iorio, through his equity interest, will have a negative control over Cargo Compass. The remaining non-controlling shareholding will be held by Angela Cinquina and the new management of Cargo Compass.

## **Impact on competition**

- [7] The Competition Commission ("Commission") found no product overlap between the activities of the merging parties as no firm within the Acquiring group offers services that are substitutable to those provided by Cargo Compass. The Commission also did not find any vertical relationship that may arise from the merger. The Commission therefore concluded that the proposed transaction will not result in a substantial prevention or lessening of competition in any market. We find no reason to disagree with the Commission's findings.

## **Public interest**

- [8] The proposed transaction raises no public interest concerns.

## **Conclusion**

- [9] In light of the above, we concluded that the proposed transaction was unlikely to substantially prevent or lessen competition in any relevant market. In addition, no public interest issues arise from the proposed transaction. Accordingly, we approved the proposed transaction unconditionally.



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**Mr Enver Daniels**  
**Presiding Member**

**19 September 2019**  
**Date**

**Ms Yasmin Carrim and Ms. Andiswa Ndoni concurring.**

Tribunal Case Manager : Kgothatso Kgobe  
For the Merging Parties : M Garden of ENS  
For the Commission : Z Hadebe