



## Parties to the transaction and their activities

### *Primary acquiring firm*

[2] The primary acquiring firm is ARC FSI which is [REDACTED] African Rainbow Capital Financial Services Proprietary Limited (“ARC Finholdco”).

[3] ARC Finholdco is ultimately controlled by Ubuntu-Botho Investments Proprietary Limited (“UBI”).<sup>1</sup>

[4] [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

[5] ARC FSI, UBI, [REDACTED] and all the firms controlled by those firms, shall collectively be referred to as the “Acquiring Group”.

[6] The Acquiring Group’s activities include banking, asset management, insurance and specialist financial services businesses. Of relevance to the proposed merger are the Acquiring Group’s activities through Capital Legacy Solutions Proprietary Limited (“CLS”), an estate administrator and provider of insurance products.

### *Primary target firm*

[7] The primary target firm is Empower-Fin which is [REDACTED] Emptec. Emptec is in turn [REDACTED]% controlled by Khanyamvula Investment Holdings Proprietary Limited (“KIH”)<sup>2</sup> and the balance of the shares are held by Capital Legacy Ventures Proprietary Limited (“Capital Legacy”). KIH is [REDACTED]

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<sup>1</sup> [REDACTED]

<sup>2</sup> KIH [REDACTED]

[REDACTED] Hova Ventures Proprietary Limited (“Hova Ventures”).

[8] At the time of the filing of the proposed merger, Empower-Fin wholly controlled: Empower FS Proprietary Limited (“FSP NewCo”); Empower-Corp Proprietary Limited (“UMA Binder”); and K2023856087 (South Africa) Proprietary Limited (“Empowerfin Partnerships”).

[9] The merging parties submitted that FSP NewCo will undergo restructuring and will not be acquired by the Acquiring Group.<sup>3</sup> Empower-Fin, UMA Binder, Empower-Fin Partnerships, Hova Ventures, and all the firms that they control shall be referred to as the “Target Group”.

[10] The Competition Commission (“Commission”) and the merging parties submitted that the Target Group will not have any operational entities immediately prior to the proposed merger. The brokerage business of Empower-Fin will be carved out of the Target Group into [REDACTED], which will be disposed prior to the implementation of the proposed merger. UMA Binder, Empower-Fin Partnerships and Hova Ventures are newly incorporated subsidiaries of Empower-Fin.

[11] [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

### Proposed transaction and rationale

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<sup>3</sup> [REDACTED]

*Transaction*

[12] The proposed transaction entails the subscription, by ARC FSI, of [REDACTED] % of the ordinary issued shares in Empower-Fin [REDACTED]  
[REDACTED]. Post-merger, Empower-Fin will be jointly controlled by ARC FSI and Emptec.

[13] As set out above, prior to the implementation of the proposed merger the following steps will take place:

13.1 Empower-Fin will reduce its shareholding in FSP NewCo to [REDACTED] % and will

[REDACTED]

13.2

[REDACTED]

[REDACTED]

[REDACTED]

13.3 Empower-Fin will acquire [REDACTED] % of the shares in Hova Ventures with the balance of [REDACTED] % shareholding held by [REDACTED].

*Rationale*

[14] [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED].

[15] [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED].

## Competition assessment

[16] In assessing the proposed transaction, the Commission considered the activities of the merger parties and found that the proposed transaction does not raise any horizontal overlaps. The Acquiring Group provides long-term insurance products through CLS, while the Target Group [REDACTED]

[17] [REDACTED]

[18] [REDACTED]

[19] [REDACTED]

[20] The proposed transaction does not raise any vertical overlaps as the Target Group is not active as an insurance brokerage firm, [REDACTED].

[21] We find that the proposed transaction is unlikely to lead to a substantial lessening or prevention of competition in any market in South Africa.

## **Public interest assessment**

### *Employment*

- [22] The merger parties submitted that the proposed transaction will not result in any retrenchments or job losses and will therefore have no adverse effect on employment.
- [23] The employee representatives of the merger parties did not raise any concerns.
- [24] In light of the above, there are no employment concerns arising from the proposed transaction.

### *Promotion of a greater spread of ownership*

- [25] The Acquiring Group through ARC FSI has shareholding by Historically Disadvantaged Persons (“HDPs”) of ██████%. The Target Group has an HDP ownership of ██████%. Empower-Fin has a pre-merger HDP ownership of ██████% and a post-merger HDP ownership of ██████%. As such, the proposed merger will result in an increase in HDP shareholding of ██████%.
- [26] In light of the above, we conclude that the proposed merger raises no significant concerns regarding the promotion of a greater spread of ownership.

### *Other public interest considerations*

- [27] We received no evidence or submissions that the proposed transaction raises other public interest concerns and we are satisfied that the merger will not have any negative effect on the factors set out in section 12A(3) of the Competition Act.

## **Third-party concerns**

- [28] No third parties, whether customers or competitors, expressed concerns about the proposed transaction.

## Conclusion

[29] For the reasons set out above, we are satisfied that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market. No public interest issues arise.

[30] We approved the proposed transaction unconditionally.

Signed by: Prof. Thando Vilakazi  
Signed at: 2024-11-18 16:51:36 +02:00  
Reason: Witnessing Prof. Thando Vilakazi

*Thando Vilakazi*

**18 November 2024**

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**Presiding Member**

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**Date**

**Prof. Thando Vilakazi**

**Prof. Imraan Valodia and Adv. Geoff Budlender SC concurring.**

Tribunal Case Manager:

Bobedi Seleke

For the Merging Parties:

Lizanne Odendaal and Angie Michau of  
Falcon and Hume Inc.

For the Commission:

Tumiso Loate and Grashum Mutizwa