



**COMPETITION TRIBUNAL  
REPUBLIC OF SOUTH AFRICA**

**Case No.:** LM057Jun24

In the matter between:

Capitec Life Ltd

**Primary Acquiring Firm**

And

The Credit Life Insurance Business underwritten in  
the Cell Structure of Guardrisk Life Ltd

**Primary Target Firm**

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Panel: L Mncube (Presiding Member)  
I Valodia (Tribunal Member)  
A Ndoni (Tribunal Member)

Heard on: 14 August 2024  
Decided on: 14 August 2024

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**ORDER**

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Further to the recommendation of the Competition Commission in terms of section 14A(1)(b)(ii) of the Competition Act, 1998 (“the Act”) the Competition Tribunal orders that–

1. the merger between the abovementioned parties be approved in terms of section 16(2)(b) of the Act, subject to the conditions set out in “**Annexure A**”; and
2. a Merger Clearance Certificate be issued in terms of Competition Tribunal Rule 35(5)(a).

Signed by: Liberty Mncube  
Signed at: 2024-08-14 14:50:21 +02:00  
Reason: Witnessing Liberty Mncube

*L-Mncube*

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**Presiding Member  
Prof. Liberty Mncube**

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**14 August 2024  
Date**

**Concurring: Prof. Imraan Valodia and Ms Andiswa Ndoni**



competitiontribunal  
SOUTH AFRICA

## Notice CT 10

### About this Notice

This notice is issued in terms of section 16 of the Competition Act.

You may appeal against this decision to the Competition Appeal Court within 20 business days.

### Contacting the Tribunal

The Competition Tribunal  
Private Bag X24  
Sunnyside  
Pretoria 0132  
Republic of South Africa  
tel: 27 12 394 3300  
fax: 27 12 394 0169  
e-mail: ctsa@comptrib.co.za

# Merger Clearance Certificate

Date : 14 August 2024

To : DLA Piper Attorneys

Case Number: LM057Jun24

Capitec Life Ltd And The Credit Life Insurance Business underwritten in the Cell Structure of Guardrisk Life Ltd

You applied to the Competition Commission on **05 June 2024** for merger approval in accordance with Chapter 3 of the Competition Act.

Your merger was referred to the Competition Tribunal in terms of section 14A of the Act or was the subject of a Request for consideration by the Tribunal in terms of section 16(1) of the Act.

After reviewing all relevant information, and the recommendation or decision of the Competition Commission, the Competition Tribunal approves the merger in terms of section 16(2) of the Act, for the reasons set out in the Reasons for Decision.

This approval is subject to:

- no conditions.
- the conditions listed on the attached sheet.

The Competition Tribunal has the authority in terms of section 16(3) of the Competition Act to revoke this approval if

- a) it was granted on the basis of incorrect information for which a party to the merger was responsible.
- b) the approval was obtained by deceit.
- c) a firm concerned has breached an obligation attached to this approval.

### The Registrar, Competition Tribunal

*Tebogo Mporire*

## ANNEXURE A

### CAPITEC LIFE LIMITED

And

### THE CREDIT LIFE INSURANCE BUSINESS UNDERWRITTEN BY GUARDRISK LIFE LIMITED

CASE NUMBER: LM057JUN24

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## CONDITIONS

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### 1. DEFINITIONS

1.1. The following expressions shall bear the meaning assigned to them below and cognate expressions bear a corresponding meaning -

1.1.1. **“Act”** means the Competition Act No. 89 of 1998, as amended;

1.1.2. **“Acquiring Group”** means Capitec Holdings, the ultimate acquiring firm in the Merger and all firms controlled by it for purposes of the Act;

1.1.3. **“Alternative HDP Entity”** means an entity incorporated or registered in the Republic of South Africa, which entity is controlled and whose majority shareholding is held by shareholders that constitute HDPs and its purpose is to invest, develop and support HDP owned SMMEs;

1.1.4. **“Approval Date”** means the date referred to on the Tribunal's Merger Clearance Certificate;

1.1.5. **“Capitec Holdings”** means Capitec Bank Holdings Limited;

1.1.6. **“Capitec Ins”** means Capitec Ins Proprietary Limited;

1.1.7. **“Capitec Life”** means Capitec Life Limited;

- 1.1.8. **“Commission”** means the Competition Commission of South Africa, a statutory body established in terms of section 19 of the Act;
- 1.1.9. **“Commission Rules”** means the Rules for the Conduct of Proceedings in the Commission;
- 1.1.10. **“Conditions”** means the conditions as referred to in this document;
- 1.1.11. **“Days”** means any business day other than a Saturday, a Sunday or an official public holiday in South Africa;
- 1.1.12. **“Guardrisk Life”** means Guardrisk Life Limited;
- 1.1.13. **“HDPs”** means a Historically Disadvantaged Person/s as contemplated in section 3(2) of the Act;
- 1.1.14. **“Implementation Date”** means the date, occurring after the Approval Date, on which the Merger is implemented by the Merging Parties;
- 1.1.15. [REDACTED]
- 1.1.16. **“Insurance Act”** means the Insurance Act 18 of 2017;
- 1.1.17. **“Merger”** means the acquisition of sole control by the Capitec Life of the Target Business pursuant to the transfer of the Target Business by Guardrisk Life to Capitec Life in terms of section 50 of the Insurance Act;
- 1.1.18. **“Merging Parties”** means Capitec Life, Guardrisk Life and Capitec Ins;
- 1.1.19. **“SMMs”** means small businesses and medium sized businesses as described in the Act;

1.1.20. **“Target Business”** means the credit life insurance business underwritten by Guardrisk Life in terms of a cell captive arrangement with Capitec Ins;

1.1.21. **“Tribunal”** means the Competition Tribunal of South Africa; and

1.1.22. **“Tribunal Rules”** means the Rules for the Conduct of proceedings in the Tribunal.

## 2. CONDITIONS

### SMME DEVELOPMENT

2.1. The Acquiring Group shall:

2.1.1. subscribe for shares in [REDACTED] and/or an Alternative HDP Entity for a purchase consideration equal to an amount of [REDACTED]; and

2.1.2. provide funding to [REDACTED] and/or an Alternative HDP Entity by way of a donation in the form of a grant, in an amount equal to a minimum value of [REDACTED] collectively the **“Investment”**.

2.2. The Investment contemplated in clause 2.1. above shall be made by the Acquiring Group to [REDACTED] and/or an Alternative HDP Entity in the following tranches:

2.2.1. an initial portion of the Investment equal to the value of [REDACTED] within 12 months from the Implementation Date; and

2.2.2. the balance of the Investment equal to the value of [REDACTED] within 36 months from the Implementation Date, collectively the **“Investment dates”**.

- 2.3. The proceeds of the Investment shall be used by [REDACTED] and/or by the Alternative HDP Entity solely for the purpose of investing, developing and supporting HDP owned SMMEs.
- 2.4. [REDACTED] and/or the Alternative HDP Entity shall disburse the Investment to eligible HDP Entity owned by SMMEs no later than a period of 12 months after each Investment Date (“**Investment End Date**”).

### 3. MONITORING OF COMPLIANCE

- 3.1. Capitec Life shall inform the Commission in writing of the Implementation Date within 5 (five) Days of it becoming effective.
- 3.2. Capitec Life shall, within 30 (thirty) Days of each anniversary of the Implementation Date and for a period of 3 years (three years), provide a suitable and appropriately detailed report to the Commission regarding Capitec Life’s compliance with the conditions. This report shall be accompanied by an affidavit attested to by a senior official of Capitec Life, confirming the accuracy of the report.
- 3.3. Capitec Life shall:
  - 3.3.1. procure, within 30 days after each Investment End date, that [REDACTED] and/or the Alternative HDP Entity (as the case may be) provide Capitec Life with a report from its auditors, other agency or independent third party setting out [REDACTED] and/or the Alternative HDP Entity’s compliance with the conditions stipulated in paragraphs 2.3 and 2.4 above; and
  - 3.3.2. within 10 days after receiving each report as set out in clause 3.3.1 provide each report to the Commission.

- 3.4. The report referred to in clause 3.2 and 3.3.2. above, shall be accompanied by an affidavit attested to by a senior official of Capitec Life attesting to the accuracy of the report and full compliance of the Conditions to which the report relates.
- 3.5. The Commission may request additional information from the Acquiring Group, which the Commission may reasonably deem necessary for the purposes of monitoring the extent of compliance with the Condition.
- 3.6. Any person, including any employee, who believes that the Acquiring Group has not complied with or has acted in breach of the Condition may approach the Commission.

#### **4. APPARENT BREACH**

- 4.1. Should the Commission receive any complaint in relation to non-compliance with the above Conditions, or otherwise determines that there has been an apparent breach of the Conditions, the alleged breach shall be dealt with in terms of Rule 39 of the Commission Rules read with Rule 37 of the Tribunal Rules.

#### **5. VARIATION**

- 5.1. The Merging Parties and/or the Commission may at any time, on good cause shown and on notice to the other, apply to the Tribunal for any of the Conditions to be waived, relaxed, modified or substituted.

#### **6. GENERAL**

- 6.1. All correspondence in relation to the Condition must be submitted to the following e-mail address: [mergerconditions@compcom.co.za](mailto:mergerconditions@compcom.co.za) and [ministry@thedtic.gov.za](mailto:ministry@thedtic.gov.za)