

COMPETITION TRIBUNAL OF SOUTH AFRICA

In the matter between: **Case No.: LM120Nov21**

Swanvest 120 (Pty) Ltd **Primary Acquiring Firm**

And

Indwe Broker Holdings (Pty) Ltd **Primary Target Firm**

Panel: L Mncube (Presiding Member)
I Valodia (Tribunal Panel Member)
M Mazwai (Tribunal Panel Member)

Heard on: 04 April 2022

Decided on: 08 April 2022

ORDER

Further to the recommendation of the Competition Commission in terms of section 14A(1)(b) 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 attached hereto; and
2. a Merger Clearance Certificate be issued in terms of Competition Tribunal rule 35(5)(a).

Signed by: Liberty Mncube
Signed at: 2022-04-08 08:04:27 +02:00
Reason: Witnessing Liberty Mncube

L Mncube

Presiding Member
Professor Liberty Mncube

08 April 2022

Date

Concurring: Professor Imraan Valodia and Ms Mondo Mazwai



competitiontribunal
SOUTH AFRICA

Merger Clearance Certificate

Date : 08 April 2022

To : ENSafrica Attorneys

Case Number: LM120Nov21

Swanvest 120 (Pty) And Indwe Broker Holdings (Pty) Ltd

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.

You applied to the Competition Commission on **08 November 2021** 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.

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

The Registrar, Competition Tribunal

ANNEXURE "A"

Swanvest 120 Proprietary Limited

and

Indwe Broker Holding Proprietary Limited

CT Case No: LM120Nov21

CONDITIONS

1. DEFINITIONS

The following expressions shall bear the meanings assigned to them below and cognate expressions bear corresponding meanings -

1. **"Acquiring Group"** means the Acquiring Firm and all firms it controls, all firms controlling the Acquiring Firm and all firms controlled by those firms;
2. **"Acquiring Firm"** means Swanvest 120 Proprietary Limited;
3. **"Act"** means the Competition Act, 89 of 1998 as amended;
4. **"Approval Date"** means the date referred to on the Tribunal's Merger Clearance Certificate (Form CT 10);
5. **"ASISA"** means Association for Savings and Investment South Africa;
6. **"Commission"** means the Competition Commission of South Africa, a statutory body established in terms of section 19 of the Act;
7. **"Commission Rules"** mean the Rules for the Conduct of Proceedings in the Competition Commission;
8. **"Conditions"** mean these conditions;
9. **"Day"** means any calendar day which is not a Saturday, a Sunday or an official public holiday in South Africa;
10. **"Development of HDP Brokers"** means the Acquiring Group's established black insurance broker development initiative;
11. **"FIA"** means Financial Intermediaries Association of Southern Africa;

12. **"HDPs"** means historically disadvantaged persons, as defined in section 3(2) of the Act;
13. **"HDP Broker"** means an intermediary who sells, solicits, or negotiates short-term insurance on behalf of a client for compensation;
14. **"Implementation Date"** means the date, occurring after the Approval Date, on which the Merger is implemented by the Merging Parties;
15. **"Merger"** means the acquisition of control by the Acquiring Firm over the Target Firm, being the merger transaction notified to the Commission in terms of the Act under case number 2021Nov0017 and to the Tribunal under case number LM120Nov21;
16. **"Merging Parties"** mean collectively the Acquiring Firm and the Target Firm;
17. **"Office and infrastructure support"** means office space, access to technology and training facilities;
18. **"Target Firm"** means Indwe Broker Holdings Proprietary Limited;
19. **"Tribunal"** means the Competition Tribunal of South Africa, a statutory body established in terms of section 26 of the Act;
20. **"SMEs"** means Small and Medium-Sized Enterprises;
21. **"Training"** means training, internships and mentorship programmes;
22. **"Tribunal Rules"** means the Rules for the Conduct of Proceedings in the Tribunal.

2. **CONDITIONS TO THE APPROVAL OF THE MERGER**

Development of HDP Brokers

- 2.1. In addition to its existing development programme, the Acquiring Group shall, for a period of three years post the Implementation Date, commit to investing at least R6.6 million towards the development by Indwe of HDP Brokers as follows:
 - 2.1.1. As part of its black broker development initiative, the Acquiring Group commits an annual budget of R1 million (aggregate of R3 million) each year, for the development by Indwe of 10 (ten) HDP Brokers.
 - 2.1.2. This development includes the hiring by Indwe of an HDP candidate to drive the Indwe's HDP Broker development initiative, which will include sharing best practice, provision of learnerships, internships, training and mentorship programmes and ensuring, to the extent that it is within the Acquiring Group's

control, that the 10 (ten) HDP Brokers form part of any the training and development programmes offered by ASISA and FIA.

- 2.1.3. The Acquiring Group via Indwe will also provide each of the 10 (ten) HDP Brokers with office and infrastructure support for each year, including office space, access to technology (wi-fi, printers, telephones) and training facilities. This benefit is valued at R10,000.00 per broker per month (or R1.2 million per annum).

3. MONITORING

- 3.1. The Acquiring Firm shall inform the Commission in writing of the Implementation Date, within five Days of its occurrence.
- 3.2. The Acquiring Group shall publish these Conditions on its website within 10 (ten) business days of the Implementation Date for a period of 12 months.
- 3.3. The Acquiring Group shall, within 10 (ten) Days of publishing the Conditions on its website, confirm same to the Commission in writing.
- 3.4. Within 30 Days of each anniversary of the Implementation Date, the Acquiring Group shall provide the Commission with an affidavit from a senior official, attesting to the Acquiring Group's compliance with these Conditions.
- 3.5. The Commission may request the Merging Parties for any additional documents and information it requires to verify compliance with the Conditions.

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 by the Merging Parties of these Conditions, the breach shall be dealt with in terms of Rule 39 of the Commission Rules read together 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, apply to the Tribunal for the Conditions to be waived, relaxed, modified and/or substituted.

6. GENERAL

- 6.1. All correspondence in relation to the Conditions must be submitted to the following e-mail addresses: mergerconditions@compcom.co.za and ministry@thedtic.gov.za