



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case no: LM040Jun24

**The Government Employee Pension Fund,
duly represented by the Public Investment
Corporation SOC Ltd**

Primary Acquiring Firm

And

SAHL Investment Holdings (Pty) Ltd

Primary Target Firm

Panel : A Wessels (Presiding Member)
: I Valodia (Tribunal Member)
: G Budlender (Tribunal Member)
Heard on : 02 July 2024
Order issued on : 02 July 2024
Reasons issued on : 09 July 2024

REASONS FOR DECISION

Introduction

- [1] On 02 July 2024, the Competition Tribunal (“Tribunal”) unconditionally approved a large merger in terms of which the Government Employee Pension Fund (“GEPF”) represented by the Public Investment Corporation SOC Limited (“PIC”) intends to acquire an additional 25% shares in SAHL Investment Holdings Proprietary Limited (“SAHLIH”).
- [2] On completion of the proposed transaction, the GEPF’s shareholding in SAHLIH will increase from 25% to 50% and it will exercise joint control of SAHLIH.

Parties and their activities

Primary acquiring firm

- [3] The primary acquiring firm is the GEPF, a juristic person established pursuant to section 2 of the Government Employees Pension Law Act 21 of 1996. It is statutorily mandated to manage and administer pensions and other benefits for government employees in South Africa. It holds interests in various firms because of its wide investment mandate.
- [4] The PIC, on behalf of the GEPF, invests in various classes of assets including equities, property, and fixed income, which the PIC has been appointed to manage.

Primary target firm

- [5] The primary target firm is SAHLIH, a company incorporated in accordance with the laws of the Republic of South Africa. It is active in the provision of home loans and related activities.

Competition assessment

- [6] The Competition Commission (“Commission”) found that the proposed transaction does not result in a horizontal overlap between the activities of the merging parties since the acquiring firm does not control any firm that is involved in the provision of home loan and related services.
- [7] Further, the Commission found that the proposed transaction does not give rise to any vertical overlap and that there are no information exchange concerns likely to arise as a result of the proposed transaction.
- [8] We have no reason to disagree with the Commission’s findings and conclude that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market.

Public Interest

Effect on employment

[9] The merging parties confirmed that the proposed transaction will not have any negative effect on employment.

Effect on ownership

[10] The Commission concluded that the proposed transaction does not require any further intervention as regards the promotion of a greater spread of ownership given the nature of the GEPF as the acquiring firm that is increasing its shareholding in SAHLIH.

Other public interest considerations

[11] The proposed transaction raises no other public interest concerns.

Conclusion

[12] For the reasons set out above, we approve the proposed transaction without conditions.

Mr. A Wessels

Adv G. Budlender SC and Prof I Valodia concurring

09 July 2024

Date

Tribunal Case Manager: Nomkhosi Mthethwa-Motsa

For the Merging Parties: Lebohang Mabidikane and Mmakgabo Makgabo
of Cliffe Dekker Hofmeyr Inc

For the Commission: Raksha Darji and Tsehla Mathe