05.03.2015

Notice u/s 6 (2) of the Competition Act, 2002 given by:

- **Julius Baer Group Ltd.**

Order under Section 31(1) of the Competition Act, 2002

1. On 3rd February 2015, the Competition Commission of India (hereinafter referred to as the **"Commission"**) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 ("**Act**") filed by Julius Baer Group Ltd. ('**JB**' **or** '**Acquirer**'). The notice was given pursuant to a local purchase agreement (**'LPA'**) executed between JB and DSP Merrill Lynch Limited ('**DSPML**') on 28th January, 2015.

2. The proposed combination relates to the acquisition of wealth management business, wealth management lending businesses and trust services relating to wealth management of DSPML by the Acquirer in India, pursuant to the LPA. As stated in the notice, the proposed combination envisages a series of inter-connected and inter-dependent steps, involving (a) acquisition of 100 per cent shares of Merrill Lynch Wealth Advisors Private Limited ('**MLWA**') by JB; (b) transfer of the wealth management business of DSPML and 100 per cent share capital of DSP Merrill Lynch Trust Services Limited (**'DSPML Trust'**) to MLWA and (c) transfer of the wealth management lending business of DSP Merrill Lynch Capital Limited (**'DSPML Capital'**) to Banc of America Securities (India) Private Limited ('**BASIL**') followed by the transfer of 100 per cent share capital of BASIL to MLWA.

3. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 ("**Combination Regulations**"), *vide* letter dated 10th February, 2015, the Acquirer was required to remove defects and provide certain information/document(s) latest by 12th February, 2015. The Acquirer after seeking an extension submitted its reply on 13th February, 2015. As the response submitted by the Acquirer was not complete *vide* letter dated 19th February, 2015, the Acquirer was again required to remove the defects to which the response was filed on 23rd February, 2015.

4. JB is stated to be one of the leading Swiss private banking group with a global presence. As stated in the notice, it currently does not have a presence in the onshore Indian market. However Bank Julius Baer & Co. Ltd., a 100 per cent Switzerland based subsidiary of JB is currently registered as a foreign institutional investor (**'FIIs'**) with the Securities and Exchange Board of India (**'SEBI'**) and holds investments in certain Indian companies that have no overlap with the wealth management business of DSPML in India.

5. DSPML, a company incorporated under the Companies Act 1956, is registered with the SEBI as a stock broker, merchant banker, underwriter, depository participant, investment advisor and portfolio manager. DSPML is *inter-alia* engaged in the business of stock broking, investment banking including advice on merger and acquisition transactions and wealth management. It is ultimately controlled by the Bank of America Corporation (**'BAC'**). MLWA is a wholly owned subsidiary of DSPML. As stated in the notice, MLWA has been incorporated for the specific purpose of the proposed combination. MLWA is registered with SEBI as a stock broker and investment advisor. DSPML Capital incorporated under the Companies Act 1956, is registered with the Reserve Bank of India as a non-deposit taking systemically important Non-Bank Financial Company ('**NBFC**'). DSPML Capital is primarily engaged in financing and lending activities. BASIL, a company incorporated under the Companies Act 1956, is an indirect wholly owned subsidiary of BAC. BASIL is registered with Reserve Bank of India (**'RBI'**) as a non-deposit taking NBFC. It primarily invests in debt market instruments as part of the treasury operations. DSPML Trust, a company incorporated under the Companies Act 1956, acts as a trustee for private trusts set up in India primarily for the purposes of estate planning and wealth management. It is a wholly owned subsidiary of DSPML.

6. It is observed that DSPML and JB, are not engaged in providing similar or identical or substitutable services in the onshore Indian market either directly or indirectly. Moreover, as already stated above, as JB currently has no presence in the onshore Indian market, there are also no existing vertical relationship between JB and DSPML in India. It is also noted that the market share of DSPML, in terms of the wealth management business in India is also

insignificant with other major players present in the market. Accordingly, the proposed combination is not likely to cause any adverse effect on competition in India.

7. Considering the facts on record and the details provided in the notice given under sub-section (2) of section 6 of the Act and assessment of the proposed combination on the basis of factors stated in sub-section (4) of section 20 of the Act, the Commission is of the opinion that the proposed combination is not likely to have an appreciable adverse effect on competition in India in any of the relevant market(s) and therefore, the Commission hereby approves the same under sub-section (1) of section 31 of the Act.

8. This approval is without prejudice to any other legal/statutory obligations as applicable.

9. This order shall stand revoked if, at any time, the information provided by the parties is found to be incorrect.

10. The Secretary is directed to communicate to the Acquirer accordingly.