



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2015/12/351)

12.01.2016

Notice under Section 6 (2) of the Competition Act, 2002 jointly given by:

- **UniCredit S.p.A,**
- **Banco Santander, S.A., and**
- **Sherbrooke Acquisition Corp SPC**

CORAM:

Mr. Devender Kumar Sikri
Chairperson

Mr. S. L. Bunker
Member

Mr. Sudhir Mital
Member

Mr. Augustine Peter
Member

Mr. U.C. Nahta
Member

Mr. M.S. Sahoo
Member

Mr. G.P. Mittal
Member

Legal Representatives:

- i) Vinod Dhall and TT&A; and
- ii) Chandhiok & Associates

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

1. On 11.12.2015, the Competition Commission of India (“**Commission**”) received a notice under sub-section 2 of Section 6 of the Competition Act, 2002 (“**Act**”) jointly filed by UniCredit S.p.A (“**UniCredit**”), Banco Santander, S.A. (“**Santander**”) and Sherbrooke Acquisition Corp. SPC. (“**Sherbrooke**”). UniCredit, Santander and Sherbrooke are



hereinafter referred to as the “**Parties**”. The notice was filed pursuant to the two agreements dated 11.11.2015 executed by and amongst, *inter alia*, the Parties.

2. The proposed combination relates to a merger of asset management businesses of UniCredit and Santander by way of creation of two joint venture companies. One of the said joint venture companies, viz., TopCo will hold the asset management business in US and Canada whereas the second joint venture company, viz., RowCo will hold assets management business in countries other than US and Canada. The Parties have submitted that the shareholding of UniCredit in its Indian joint venture company, Baroda Pioneer Asset Management Company Limited (“**BPAMC**”), will be transferred to RowCo.
3. The Parties have further submitted that in the present case, Regulation 5(9) of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 would be applicable as the assets owned by UniCredit are being transferred to RowCo. Therefore, the value of assets and turnover of UniCredit are attributed to RowCo and on the said basis the jurisdictional thresholds provided under Section 5 of the Act are met.
4. As stated in the notice, UniCredit, a publicly listed company headquartered in Italy, is the ultimate parent company of the UniCredit group of companies providing banking and financial services with an international network. The Parties have submitted that no investor individually holds more than 10 per cent of UniCredit’s voting rights.
5. UniCredit operates its asset management business through Pioneer Global Asset Management S.p.A. (“**PGAM**”) and other entities, that have presence across various European countries and several non-European countries, including the US, Australia, Bermuda, India, Switzerland and Taiwan.
6. PGAM is a wholly owned subsidiary of UniCredit and is active in asset management business through: (i) Pioneer Investment Management USA Inc. and PGAM group companies in the U.S.; and (ii) direct and indirect subsidiaries (including joint venture arrangements in certain jurisdictions) of PGAM in the rest of the world. UniCredit has presence in India in the mutual fund sector through Baroda Pioneer Mutual Fund (“**BPMF**”), asset management company of BPMF, viz., BPAMC and its trustee company, viz., Baroda Pioneer Trustee Company Private Limited.
7. As stated in the notice, Santander, a publicly listed company, is the parent company of the Santander group of banking and financial companies headquartered in Spain. Santander is listed as an American Depository Receipt in New York, as a Brazilian Depository Receipt in Sao Paulo and as a CREST Depository Interest in London. No investor individually holds more than 10 per cent of Santander’s voting rights. Santander does not have any activity in India apart from having one representative office in Mumbai.



8. Santander operates its asset management business through SAM Investment Holdings Limited (“SAM”), which is a joint venture between Warburg Pincus, General Atlantic and Santander. SAM has presence in Europe and Latin America.
9. Sherbrooke is an acquisition vehicle indirectly owned by two entities affiliated with Warburg Pincus and General Atlantic, which are private equity firms. Sherbrooke does not have any registered entity in India.
10. The Parties have submitted that only one of the Parties i.e. UniCredit, has an asset management business in India currently, i.e. BPAMC. It is further stated in the notice that none of the portfolio companies of the PE Investors (viz. General Atlantic and Warburg Pincus) are engaged in the asset management business in India. Therefore, there are no horizontal overlaps between the Parties in India.
11. The Parties have stated that there is no existing or potential vertical relationship between the Parties in India. It is stated in the notice that there are certain insignificant and non-exclusive vertical relationships between two portfolio companies of General Atlantic and the Parties in India. However, as stated in the notice, neither of these portfolio companies is controlled by General Atlantic.
12. 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 and therefore, the Commission hereby approves the same under sub-section (1) of Section 31 of the Act.
13. This order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.
14. The Secretary is directed to communicate to the Parties accordingly.