

OFFICE FOR COMPETITION

3 April 2014

COMP-MCCAA/11/2014 – Acquisition of Coastline Hotel Limited by Claret Holdings Ltd

Decision on acquisition in terms of regulations 6 (1) (ii) and 12(4) of the Control of Concentrations Regulations (LN 294 of 2002 as subsequently amended)

The Office for Competition,

Having considered the complete notification of 10 March, 2014 pursuant to regulation 5 of the Control of Concentrations Regulations,

Having considered the provisions of the Control of Concentrations Regulations,

Having considered Commission Notice on a simplified procedure for treatment of certain concentrations under Council Regulation (EC) No. 139/2004

Facts

1. On the 5 March 2014, the Office for Competition received a notification of a proposed concentration pursuant to regulation 5 of the Control of Concentrations Regulations (hereinafter referred to as “the Regulations”) whereby, pursuant to a Promise of Share Transfer Agreement dated 19 February, 2014 (hereinafter referred to as “Agreement”), Claret Holdings Limited (hereinafter referred to as “Notifying Party”), will purchase from Island Hotels Group Limited and Bay Point Properties Limited , the entire shareholding in Coastline Hotel Limited (hereinafter referred to as “CHL”).
2. The notification was filed on the 5 March 2014 and accepted as a complete notification on the 10 March, 2014. It was notified to the public through a notice that appeared in a newspaper on the 14 March 2014 and a public notice in the Government Gazette number 19,221 on the 14 March 2014. There were no third party objections.

Parties

3. The Notifying Party with registered office at European School of English, Paceville Avenue, St.Julians is primarily involved in education and hold shares in Claret Properties Limited, the European School of English Limited, Executive Training Institute Limited, European Student

Travel Limited, Speak Easy Limited and Gems Limited. It also holds a shareholding in a company called Westminster Properties Limited which owns the George Hotel.

4. CHL with registered office at Coastline Hotel, Salina Bay, Salina Naxxar, operates and owns the Coastline Hotel, a four star hotel.

Notifiable Concentration

5. In terms of regulation 2 of the Regulations, a concentration refers to the acquisition by one or more undertakings or by one or more persons already controlling at least one undertaking, whether by purchase of securities or assets, by contract or by any other means, of direct or indirect control of the whole or parts of one or more undertakings.
6. The proposed transaction brings about a permanent change of control over CHL from Island Hotels Group Limited and Bay Point Properties Limited to the Notifying Party. The entire shareholding in CHL will be vested in Claret Holdings Limited and Claret Holdings Limited will exercise full control of CHL.
7. Therefore the proposed transaction constitutes a concentration within the meaning of regulation 2 of the Regulations.

Threshold for Notification

8. The aggregate turnover of the undertakings concerned in the preceding financial year exceeds €2,329,373.40 and each of the parties concerned had a turnover in Malta equivalent to at least 10% of the combined aggregate turnover of the undertakings concerned.
9. The notified concentration, therefore, meets the notification threshold as set out in regulation 2 of the Regulations.

Simplified Procedure

10. Following the examination of the notification, it is considered that the notified concentration falls within the scope of regulation 12(1)(iii) of the Regulations, whereby it is provided that:

“The simplified procedure will apply to the following categories of concentrations that are deemed not to raise serious doubts as to their legality in terms of the provisions of these regulations...

(iii) two or more undertakings merge, or one or more undertakings acquire sole or joint control of another undertaking and two or more of the parties to the concentration are

engaged in business activities either in the same product and geographical market and their combined market share is less than 15%...”

Conclusion

For the above mentioned reasons and in terms of regulations 6 (1) (ii) and 12(4) of the Regulations, it is decided:

- (1) that the Concentration falls within the scope of the Regulations on Control of Concentrations;
- (2) that the Concentration does not raise serious doubts as to its lawfulness;
- (3) not to oppose the notified Concentration and to declare it a lawful Concentration.

Sylvann Aquilina Zahra
Director General