



DETERMINATION OF MERGER NOTIFICATION M/16/016 - ALLIANZ/ROGGE

Section 21 of the Competition Act 2002

Proposed acquisition by Allianz Global Investors GmbH of Rogge Global Partners plc

Dated 6 May 2016

Introduction

1. On 31 March 2016, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (“the Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed transaction whereby Allianz Global Investors GmbH (“AGI”) would acquire the entire issued share capital and, thus, sole control of Rogge Global Partners plc (“Rogge”).
2. The proposed transaction is to be completed pursuant to a sale and purchase agreement dated 5 February 2016 between UAM UK Holdings Limited, AGI and OM Group (UK) Limited (the “Sale and Purchase Agreement”). UAM UK Holdings Limited, which is wholly-owned and controlled by OM Group (UK) Limited, currently holds 76% of the issued share capital of Rogge, with the remaining 24% of the issued share capital of Rogge currently owned by senior management of Rogge.¹ Following implementation of the proposed transaction, AGI will hold 100% of the issued share capital of Rogge and Rogge will be a wholly-owned subsidiary of AGI.

The Undertakings Involved

AGI

3. AGI is part of the Allianz Group, the ultimate parent of which is Allianz SE, a public limited company headquartered in Germany and listed on the Frankfurt Stock Exchange. Allianz SE and its subsidiaries provide property and casualty insurance, life/health insurance and asset management products and services in over 70 countries worldwide. The Allianz Group’s asset management business in the State is carried out through the *AGI* and *PIMCO* brands.
4. For the financial year ending 31 December 2014, the Allianz Group’s worldwide turnover was €125,150 million, of which €[...] was generated in the State.

¹ The shares currently owned by senior management of Rogge will transfer to UAM UK Holdings Limited prior to completion of the proposed transaction.



Rogge

5. Rogge, a public limited company incorporated in the United Kingdom, provides asset management products and services to a global customer base. It specialises in investing in global fixed income markets.
6. For the financial year ending 31 December 2014, Rogge's worldwide turnover was approximately €52.7 million, of which approximately €[...] was generated in the State.

Rationale for the Proposed Transaction

7. The parties state in the notification:

“The proposed transaction will increase Allianz Group’s footprint in the asset management sector in the United Kingdom and increase its offering of global fixed income products.”

Third Party Submissions

8. No submission was received.

Competitive Analysis

9. There is no vertical relationship between the parties in the State. There is, however, a horizontal overlap in the State since both AGI and Rogge provide asset management services and products to customers located in the State.
10. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. The Commission does not need to come to a definitive view on the precise relevant product market in this instance since its conclusion on the competitive impact of the proposed transaction will be unaffected whether the precise relevant product market is defined narrowly (e.g., the provision of specific types of asset management services and products) or more broadly to encompass the provision of all types of asset management services and products.
11. Similarly, the Commission does not need to come to a definitive view on the precise relevant geographic market in this instance since its conclusion on the competitive impact of the proposed transaction will be unaffected whether the relevant geographic market is defined as the State or broader to encompass, for example, the European Union. In order, however, to determine whether the proposed transaction might result in a substantial lessening of competition, the Commission assessed its impact by reference to the narrowest possible relevant market, namely the potential market for the provision of asset management services and products in the State.
12. For the reasons set out below, the Commission considers that the proposed transaction will not substantially lessen competition in the potential market for the provision of asset management services and products in the State.
13. First, the parties state in the notification that the merged entity's combined share worldwide in the provision of asset management services and products will be less than



[0-5]%.² The parties do not have market share estimates for the State but claim in the notification that their combined market share for the provision of asset management services and products on a worldwide basis is “*not materially different*” to their combined market share for the provision of asset management services and products in the State. Furthermore, the parties state in the notification that Rogge currently has only [...] customers in the State which equates to less than [0-5]% of the total number of funds domiciled in the State.³ Thus, the increment in AGI’s market share in the State following the proposed transaction is likely to be very small.⁴

14. Second, there are over 400 providers of asset management services and products currently active in the State, including large providers such as BlackRock, Vanguard Asset Management, State Street Global Advisors, BNY Mellon and J.P. Morgan Asset Management. These large providers currently act as a competitive constraint on AGI and will continue to do so post-transaction.
15. In light of the above, the Commission considers that the proposed transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

16. In the notification, the parties provided a copy of the signed Sale and Purchase Agreement, which contains a non-solicitation clause on UAM UK Holdings Limited. The duration of this non-solicitation clause does not exceed the maximum duration acceptable to the Commission.⁵ Given the particular nature of the proposed transaction, the Commission considers this restriction to be directly related to and necessary for the implementation of the proposed transaction.

² Calculated by the parties on the basis of assets under management.

³ Calculated by the parties on the basis of *Industry Statistics* dated December 2015, taken from the Irish Funds website (based on Central Bank figures).

⁴ According to estimates provided in the notification, Rogge has a [0-5]% share worldwide in the provision of asset management services and products.

⁵ In this respect, the Commission follows the approach adopted by the EU Commission in paragraphs 20 and 26 of its “Commission Notice on restrictions directly related and necessary to concentrations” (2005). For more information see [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305\(02\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305(02)&from=EN)



Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, has determined that, in its opinion, the result of the proposed transaction whereby Allianz Global Investors GmbH would acquire the entire issued share capital and thus sole control of Rogge Global Partners plc will not be to substantially lessen competition in any market for goods or services in the State and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

Gerald FitzGerald
Member
Competition and Consumer Protection Commission