



EU, COMPETITION AND REGULATED MARKETS

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# CCPC Rejects Banking JV Mergers Notification

by **Marco Hickey**

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The Competition and Consumer Protection Commission (CCPC) has rejected the merger notification relating to a proposed joint venture between Allied Irish Banks, PLC (AIB), the Governor and Company of the Bank of Ireland (BOI), Permanent TSB PLC (PTSB) and KBC Bank Ireland PLC (KBC). It is understood that the purpose of the joint venture was to set up the Synch payment service to allow bank customers to transfer funds to each other using an app in much the same way as users of fintech services like Revolut and N26 can.

A transaction must be notified to the CCPC where specified turnover thresholds are met as set out in Section 18(1) of the Competition Act 2002 (as amended) (2002 Act) (except for media mergers which require notification according to a specific other set of criteria). Transactions which do not require notification may be notified on a voluntary basis under Section 18(3) of the 2002 Act.

It is interesting to note that the proposed banking joint venture was notified to the CCPC on a voluntary basis under section 18(3) of the 2002 Act (reference number M/21/004) as opposed to a mandatory basis under Section 18(1).

The CCPC conducted a preliminary assessment to confirm whether or not the transaction concerned was a 'merger or acquisition' within the meaning of section 16 of the 2002 Act and to verify that 'full details' of the proposed merger or acquisition had been provided within the meaning of section 18(12) of the 2002 Act. Following a preliminary review of the notification, the CCPC formed the view that the notifying parties had not provided full details of the proposed transaction as required under Section 18(3) of the 2002 Act. On that basis, the CCPC stated that it was unable to determine whether the proposed transaction was a "merger or acquisition" within the meaning of Section 16 of the 2002 Act and consequently, the CCPC could not determine whether the proposed transaction should have been notified to the CCPC on a mandatory basis under Section 18(1) of the 2002 Act. The CCPC therefore rejected the notification as invalid under Section 18(12) of the 2002 Act which empowers the CCPC to reject a notification if the CCPC is of the opinion that "full details" have not been provided.

The CCPC has written to the notifying parties informing them of its decision and expressed its willingness to further engage with the notifying parties in relation to the issues raised in its letter. No further information or comment was provided.

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## About the Author



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