



**Determination No. M/04/018 of the Competition Authority, dated 26<sup>th</sup> April 2004, under Section 21 of the Competition Act, 2002**

**Notification No. M/04/018 – The proposed acquisition of control by Bank of Scotland Ireland of Kandel plc**

**Introduction**

1. On 26<sup>th</sup> March 2004 date the Competition Authority, in accordance with Section 18 (1) of the Competition Act, 2002 (“the Act”) was notified, on a mandatory basis, of a proposal whereby Bank of Scotland Ireland (BOSI) would acquire control over Kandel Plc

**The Parties**

2. BOSI is a wholly-owned subsidiary of HBOS plc. Both Halifax plc and the Governor & Company of the Bank of Scotland are part of the HBOS group. BOSI is active in a number of sectors in Ireland including commercial lending, working capital, business current accounts, commercial asset finance, motor finance, property finance and treasury and investments.
3. Kandel plc is a holding company. Kandel plc ultimately owns Conduit Enterprises Limited, which operates in the Directory Enquiry Services market.

**Acquisition of control**

4. Under a subscription agreement, BOSI will subscribe for approximately 27.5% of the voting shares in Kandel plc in addition to preferential shares. A shareholders agreement provides that the approval of BOSI is necessary for key business decisions, such as approval of the business plan and annual budget of Kandel plc. These rights will enable BOSI to exercise decisive influence over Kandel plc and thus amounts to an acquisition of control within the meaning of Section 16 of the Competition Act 2002.

**Analysis**

5. Neither BOSI nor any other part of the HBOS group is active in the telephone directory enquiry sector. As there is no overlap in the activities of the parties, the transaction does not raise competition concerns.



**The Competition Authority**  
An tÚdarás Iomáíochta

### **Determination**

The Competition Authority, in accordance with Section 21(2) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition of control by Bank of Scotland Ireland of Kandel plc will not be to substantially lessen competition in markets for goods and services in the State and, accordingly, that the acquisition may be put into effect.

**For the Competition Authority**

**Edward Henneberry**  
**Member of the Competition Authority**

**26<sup>th</sup> April 2004**