



## **DETERMINATION OF MERGER NOTIFICATION M/06/020 – Société Générale/Pioneer Global**

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### **Section 21 of the Competition Act 2002**

### **Proposed acquisition by Société Générale S.A. of the Transfer Agency Business of Pioneer Global Investment Limited**

**Dated 28/04/06**

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### **Introduction**

1. On 4<sup>th</sup> April 2006, the Competition Authority, in accordance with Section 18(1) of the Competition Act, 2002 (“the Act”), was notified on a mandatory basis of the proposed acquisition by Société Générale S.A. (“Société Générale”) of the transfer agency activities of Pioneer Global Investments Limited (“Pioneer”), a subsidiary of Unicredit Italiano S.p.A. (“Unicredit”), in Ireland. Société Générale is the only notifying party as this is an asset acquisition.

### **The Undertakings Involved**

2. Société Générale, the acquirer, is incorporated in France. It is an international full-service bank with subsidiaries and/or branches in several Member States of the European Union, including Ireland. Its activities include retail and corporate banking, asset management and private banking, investment banking and corporate finance. In the financial year ended 31 December 2005, Société Générale’s worldwide turnover was €49.582 billion, of which [less than €500] million was generated in Ireland.
3. Société Générale also offers a full range of financial services through its division Société Générale Securities Services (“SGSS”). SGSS is present in Ireland through EURO-VL (Ireland) Limited (“EURO-VL”), a wholly-owned subsidiary of Société Générale, which provides transfer agency services. EURO-VL has approximately €2 billion worth of assets under administration in the Ireland.
4. Unicredit is incorporated in Italy. It is also an international full-service bank with branches/or subsidiaries in several European countries. It activities include retail and corporate banking, asset management and private banking, investment banking and corporate finance. Unicredit also offers a full range of financial services.
5. Pioneer, the target, is a wholly owned subsidiary of Unicredit active in transfer agency activities in Ireland and Germany. In 2004, Pioneer’s transfer agency business generated turnover of approximately [less than

€30] million of which approximately [less than €20] million was generated in Dublin and Hamburg.

## **Analysis**

6. The Authority considers that it is not deem it necessary to define the relevant market since the proposed acquisition does not raise competition concerns in the State.
7. There is a minimal horizontal overlap between Pioneer's transfer agency business and the activities of EURO-VL in the State. Société Générale submits that there is a global market for fund administration including transfer agency. The Bank of New York ("BNY"), JP Morgan, State Street, Citigroup and Mellon Group are amongst the world's top five providers of the full range securities services, including transfer agency services. Each of these companies is either directly or indirectly active in the State. Information obtained from the website of Fitzrovia, a London-based investment fund research company, indicate that approximately €785 billion worth of investment funds is being serviced in Ireland, as of 30 June 2005.<sup>1</sup> In Ireland, State Street International is the market leader (16%), followed by AIB/BNY (11.9%) and Bank of Ireland Securities Services (8.9%) is placed third. The combined Société Générale/Pioneer Global entity will account for less than 1% of the investment fund administration business in Ireland.
8. The Authority considers that the proposed transaction does not raise competition concerns. There are several significantly larger competitors to the combined Société Générale/Pioneer Global in the investment fund administration business in the State.

## **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 by Société Générale S.A. of the transfer agency business of Pioneer Global Investment Limited, 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

**Dr Paul K. Gorecki**  
Member of the Competition Authority

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<sup>1</sup>See press release, *"Irish Fund Servicing Industry Approaches US\$ 1 trillion"*, 1 November 2005.