



EUROPEAN COMMISSION  
DG Competition

***Case M.10660 - MONTAGU / HG / WAYSTONE /  
KB ASSOCIATES***

Only the English text is available and authentic.

**REGULATION (EC) No 139/2004  
MERGER PROCEDURE**

---

Article 6(1)(b) NON-OPPOSITION  
Date: 30/06/2022

***In electronic form on the EUR-Lex website under  
document number 32022M10660***



## EUROPEAN COMMISSION

Brussels, 30.06.2022  
C(2022) 4734 final

### PUBLIC VERSION

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EC) No 139/2004 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus [...]. Where possible the information omitted has been replaced by ranges of figures or a general description.

Montagu Private Equity LLP  
2 More London Riverside  
SE1 2AP London  
United Kingdom

Hg Capital LLP  
2 More London Riverside  
SE1 2AP London  
United Kingdom

**Subject: Case M.10660 – MONTAGU / HG / WAYSTONE / KB ASSOCIATES  
Commission decision pursuant to Article 6(1)(b) of Council Regulation  
No 139/2004<sup>1</sup> and Article 57 of the Agreement on the European  
Economic Area<sup>2</sup>**

Dear Sir or Madam,

- (1) On 24 May 2022, the European Commission received notification of a proposed concentration pursuant to Article 4 of the Merger Regulation by which:
- (a) Montagu Private Equity LLP (“**Montagu**”, United Kingdom) and Hg Capital LLP (“**Hg**”, United Kingdom) acquire joint control over Sigma Luxco 2 S.à r.l. (together with its subsidiaries “**Waystone**”, Ireland); and

---

<sup>1</sup> OJ L 24, 29.1.2004, p. 1 (the ‘Merger Regulation’). With effect from 1 December 2009, the Treaty on the Functioning of the European Union (‘TFEU’) has introduced certain changes, such as the replacement of ‘Community’ by ‘Union’ and ‘common market’ by ‘internal market’. The terminology of the TFEU will be used throughout this decision.

<sup>2</sup> OJ L 1, 3.1.1994, p. 3 (the ‘EEA Agreement’).

- (b) Montagu and Hg, through Waystone, acquire joint control over King TopCo Limited (together with its subsidiaries “**KB Associates**”, Ireland)

within the meaning of Article 3(1)(b) of the Merger Regulation and Article 3(4) of the Merger Regulation.<sup>3</sup>

- (2) Montagu and Hg are referred to as the “**Notifying Parties**” and Waystone and KB Associates as the “**Targets**”. Montagu, Hg, Waystone and KB Associates are together referred to as the “**Parties**”.

## 1. THE PARTIES

- (3) Montagu is a private equity company and a manager of funds active worldwide.
- (4) Hg is a private equity company active worldwide.
- (5) Waystone is a provider of management company (“**ManCo**”) and ancillary services, focusing on the investment funds sector.
- (6) KB Associates is a provider of consulting and ManCo services, focusing on the investment funds sector.

## 2. THE OPERATION

- (7) The proposed concentration concerns two interrelated transactions, accomplished by way of purchase of shares, namely:
- (a) **Transaction 1** (or the “**Co-Investment Transaction**”) consists in the change from sole control by Montagu over Waystone to joint control by Montagu and Hg over Waystone, and
- (b) **Transaction 2** (or the “**KB Associates Acquisition**”) consists in the acquisition of sole control by Waystone over KB Associates, thus also leading to an indirect acquisition of joint control over KB Associates by Montagu and Hg.

*Transaction 1 and Transaction 2 constitute a single concentration*

- (8) The Co-Investment Transaction and the KB Associates Acquisition constitute a single concentration within the meaning of Article 3 of the Merger Regulation. While the Co-Investment Transaction is not legally conditional on the closing of the KB Associates Acquisition, there is a “*de facto* conditionality” between them within the meaning of Paragraph 43 of the Commission Consolidated Jurisdictional Notice.<sup>4</sup>
- (a) Transactions 1 and 2 are simultaneous, as they were negotiated in parallel and signed on the same day (i.e. 21 January 2022); and

---

<sup>3</sup> Publication in the Official Journal of the European Union No C 218, 2.6.2022, p. 17.

<sup>4</sup> See Commission Consolidated Jurisdictional Notice under Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings (2008/C 95/01).

- (b) Transactions 1 and 2 pursue a single economic objective, which is for Montagu and Hg to acquire joint control over KB Associates, through Waystone.
- (9) On the basis of the economic objective pursued by the Notifying Parties, neither Transaction 1 nor Transaction 2 would have been carried out without the other:<sup>5</sup>
- (a) Transaction 1 and Transaction 2 are financially structured around the direct economic link between them, as illustrated by the Notifying Parties' internal documents. For example, an internal document of Montagu shows that the contemplated structure of the KB Associates Acquisition “[*Montagu's internal considerations on transaction structure and financing*].”<sup>6</sup> It also indicates that the level of equity required for the KB Associates Acquisition directly determined the purchase price for the Co-Investment Transaction: “[*Montagu's internal considerations on transaction structure and financing*].”<sup>7</sup>
  - (b) The KB Associates Acquisition cannot be carried out without completion of the Co-Investment Transaction. This is evidenced by one of Hg's internal documents where it is explained that “[*Hg's internal considerations on transaction structure and financing*].”<sup>8</sup>
  - (c) The Co-Investment Transaction could theoretically be carried out without completion of the KB Associates Acquisition. However, the opportunity of the KB Associates Acquisition is what led Hg to enter into the Co-Investment Transaction. The Notifying Parties submit that Hg never considered a scenario whereby the Co-Investment Transaction would not be coupled with the KB Associates Acquisition, and that such an outcome would present a material change to the overall operation.<sup>9</sup>

*Joint control of Montagu and Hg over the Targets*

- (10) Montagu and Hg will enjoy an equal share in Waystone (i.e. 50% each), equal voting rights at its Board and shareholders meetings, as well as each a veto right over key strategic commercial decisions,<sup>10</sup> such as the adoption or amendment of the annual budget or business plan.<sup>11</sup>
- (11) More specifically, shareholders' agreement agreed between Montagu and Hg sets forth the shareholders' rights and the corporate governance of Sigma Luxco 2 S.à r.l. (i.e. Waystone) and foresees Montagu and Hg having joint lead investor rights including a customary list of lead investor consents and Board control rights to be exercised on an equal basis between Montagu and Hg.<sup>12</sup>
- (12) As regards Waystone's shareholders meetings, [Details on governance structure].

---

<sup>5</sup> See Judgment in Case T-282/02 *Cementbouw v Commission*, paragraphs 131 *et seq.* [2006] ECR II-319. See Case COMP/M.4521 — *LGI/Telenet* of 26 February 2007.

<sup>6</sup> Form CO, Annex 5.3-II, slides 2 and 8.

<sup>7</sup> Form CO, Annex 5.3-II, slide 3.

<sup>8</sup> Form CO, Annex 5.4-II, slide 8.

<sup>9</sup> Form CO, paragraph 65.

<sup>10</sup> Form CO, paragraphs 72-77.

<sup>11</sup> Form CO, Annex 5-1-II, Schedule 2.

<sup>12</sup> Form CO, Annex 5-1-II.

- (13) As regards the corporate governance provisions, Waystone's Board [Details on governance structure]These representation and quorum requirements mean that each Notifying Party will have a veto right over the key commercial strategic decisions of Waystone.
- (14) As explained above, Waystone is then planned to acquire all of the shares in KB Associates and would consequently be able to exercise sole control over KB Associates within the meaning of Article 3(1)(b) of the Merger Regulation.
- (15) Therefore, Montagu and Hg will acquire joint control over Waystone (and, by extension, over KB Associates following completion of Transaction 2) within the meaning of Article 3(1)(b) of the Merger Regulation.

#### *Full functionality of the Targets*

- (16) The Targets are existing companies with their own market presence. They will continue to operate on the market autonomously from the parent companies (i.e. the Notifying Parties), with sufficient resources to operate independently, including their own management dedicated to their day-to-day operations. The Targets have a market-facing presence in providing ManCo and ancillary services and will continue providing these services to third parties as distinct entities with their own presence separate to that of their parents. Finally, the Targets are intended to operate on a lasting basis for an indefinite period of time.
- (17) Therefore, the Targets are and will remain full-functional joint ventures within the meaning of Article 3(4) of the Merger Regulation.

### **3. UNION DIMENSION**

- (18) The undertakings concerned have a combined aggregate worldwide turnover of more than EUR 5 000 million (Montagu: EUR [...] million; Hg: EUR [...] million; Waystone: EUR [...] million; KB Associates: EUR [...] million).<sup>13</sup> Each of at least two of them has an EU-wide turnover in excess of EUR 250 million (Montagu: EUR [...] million; Hg: EUR [...] million), but they do not achieve more than two-thirds of their aggregate Union-wide turnover within one and the same Member State. The notified operation therefore has a Union dimension.

### **4. OVERVIEW OF THE OVERLAPS BETWEEN THE PARTIES' ACTIVITIES**

- (19) The proposed concentration concerns the provision of ManCo services, where Waystone's, KB Associates' and Universal Investment ("UI")'s (a portfolio company of Montagu) activities overlap in the EEA, and more specifically in Ireland and in Luxembourg.
- (20) ManCo services consists in the provision of various services to investment funds aimed at ensuring they abide by the relevant financial regulatory obligations. The definition of ManCo services notably derives from the adoption of both the

---

<sup>13</sup> Turnover calculated in accordance with Article 5 of the Merger Regulation.

Alternative Investment Funds Managers Directive<sup>14</sup> and the Undertakings for Collective Investments in Transferable Securities Directive.<sup>15</sup>

## 5. RELEVANT MARKETS

- (21) There is no Commission’s precedent assessing the market for the provision of ManCo services. However, the market for the provision of ManCo services has recently been analysed by the Irish Competition Authority (“**Irish NCA**”) at the time of the acquisition of sole control by Montagu over Waystone.<sup>16</sup>

### 5.1. Product market definition

- (22) At national level, the Irish NCA assessed in 2021 the acquisition by Montagu over Waystone, which resulted in horizontal overlaps between Montagu, through its portfolio company UI, and Waystone on the market for the provision of ManCo services. In its decision, while leaving the exact product market definition open and analysing the likely impact of this acquisition on the overall market for the provision of ManCo services, the Irish NCA considered the following segmentations:<sup>17</sup>

- (a) A segmentation based on the type of ManCo services provided, namely (i) regulatory compliance; (ii) investment management; (iii) fund risk management; (iv) operational risk management; (v) capital and financial management; and (vi) distribution; and
- (b) A segmentation based on the type of funds served, namely between the provision of ManCo services to (i) Alternative Investment Funds (“**AIFs**”),<sup>18</sup> and (ii) Undertakings for Collective Investments in Transferable Securities (“**UCITS**”) funds.<sup>19</sup>

#### 5.1.1. The Notifying Parties’ view

- (23) The Notifying Parties claim that the relevant product market is the market for the provision of ManCo services, without any further segmentations.<sup>20</sup>
- (24) More specifically, the Notifying Parties argue that the segmentations envisaged by the Irish NCA – as described above – are not appropriate as most ManCo firms provide their services to both AIFs and UCITS funds and hold the necessary regulatory approvals for both UCITS and AIF. Moreover, the six types of services identified above are all components of ManCo services, which are supplied and

---

<sup>14</sup> Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010. OJ L 174, 1.7.2011, p. 1–73.

<sup>15</sup> Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS). OJ L 302, 17.11.2009, p. 32–96.

<sup>16</sup> Decision of the Irish NCA [M/21/036](#) *Montagu/Waystone*, 27 August 2021.

<sup>17</sup> Decision of the Irish NCA [M/21/036](#) *Montagu/Waystone*, 27 August 2021.

<sup>18</sup> Alternative Investment Funds, regulated by Directive 2011/61/EU.

<sup>19</sup> Undertakings for Collective Investments in Transferable Securities, regulated by Directive 2009/65/EC.

<sup>20</sup> Form CO, paragraph 113.

- demanded as a bundle by customers (i.e. funds).<sup>21</sup> These services apply equally to UCITS funds and AIFs.<sup>22</sup> They are provided by most (if not all) ManCo firms.<sup>23</sup>
- (25) The Notifying Parties also argue that the relevant market is that of ManCo services as a whole, while submitting that there are two ways in which ManCo services are provided to client funds:
- (a) ManCo services can be provided to funds together with asset management services, as part of a bundled mandate, and
  - (b) ManCo services can also be offered to funds on a standalone basis.
- (26) ManCo services offered as part of bundled mandates are usually provided by ‘proprietary ManCo’ service providers, which are firms belonging to the group of the asset manager. ManCo services offered on a standalone basis are usually offered by ‘third-party players’ such as the Targets. Finally, some ManCo firms, ‘hybrid’ ManCo service providers, offer ManCo services both as part of bundled mandates and on a standalone basis.
- (27) The Notifying Parties submit that in any event the exact product market definition can be left open.<sup>24</sup>

#### 5.1.2. *Commission’s assessment*

- (28) The results of the market investigation generally support the Notifying Parties’ view of an overall product market encompassing all types of ManCo services and offered to both AIF and UCITS funds. However, the results of the market investigation were inconclusive as to whether the market for the provision of ManCo services should be further segmented depending on whether ManCo services are offered as part of a bundled mandate, together with other asset management services, or not.
- (29) *First*, with respect to the segmentation based on the type of funds served, while separate authorisations are required to provide ManCo services to AIFs and to UCITS funds and some differences might exist in terms of complexity of the ManCo services provided, the vast majority of respondents confirmed that most ManCo service providers have the relevant expertise and in practice serve both AIFs and UCITS funds.<sup>25</sup>
- (30) *Second*, with respect to the segmentation by type of services offered, all responding competitors indicated that they provide expertise across all six areas of ManCo services<sup>26</sup> and that, more generally, ManCo service providers typically do so.<sup>27</sup>
- (31) *Third*, with respect to the segmentation based on whether ManCo services are provided as part of a bundled mandate or not, the results of the market investigation

---

<sup>21</sup> Form CO, paragraph 167.

<sup>22</sup> Form CO, paragraph 115.

<sup>23</sup> Form CO, paragraph 115.

<sup>24</sup> Form CO, paragraph 125.

<sup>25</sup> Responses to question 7 of questionnaire to competitors and Responses to question 6 of questionnaire to customers.

<sup>26</sup> Responses to question 8.2 of questionnaire to competitors.

<sup>27</sup> Responses to question 8.3 of questionnaire to competitors.

are inconclusive.<sup>28</sup> While some competitors are aware of instances where proprietary ManCo competed with third-party ManCo to provide standalone ManCo services,<sup>29</sup> the vast majority of them indicated that third-party ManCo service providers do not usually have the required expertise to compete for bundled mandates.<sup>30</sup> Moreover, customers are divided as to whether it is more convenient to source ManCo services on a standalone basis from a third-party ManCo service provider or as part of a bundled mandate, together with other asset management services, from a proprietary ManCo service provider.<sup>31</sup> Only a small proportion of responding customers have switched between proprietary ManCo service providers and third-party ManCo service providers over the last 5 years.<sup>32</sup>

- (32) In any event, for the purposes of this decision, the Commission considers that it is not necessary to conclude whether the market for the provision of ManCo services should be further segmented (by types of funds served, by ManCo services provided, into proprietary and third-party ManCo services, or by a combination of these segmentations), since competition concerns are unlikely to arise under any plausible product market definition.

## **5.2. Geographic market definition**

- (33) The Irish NCA left open the definition of the geographic market and, while mentioning that “there might be some international aspects to the geographic market”, it performed its competitive assessment at national level.<sup>33</sup>

### *5.2.1. The Notifying Parties’ view*

- (34) The Notifying Parties claim that the relevant geographic market definition is at least EU or EEA-wide, as this mirrors the geographic scope of relevant EU legislation, based on which funds domiciled anywhere in the EEA may be serviced by a ManCo service provider located anywhere in the EEA.<sup>34</sup>

### *5.2.2. Commission’s assessment*

- (35) The market investigation was not conclusive as to whether the geographic scope of the market for the provision of ManCo services and its plausible segmentations are national or EEA-wide.
- (36) On the one hand, the market investigation confirmed that there are not any regulatory barriers for ManCo service providers located in any EEA-country to provide ManCo services in other countries in the EEA.<sup>35</sup> On the other hand, there appear to be some national aspects to the geographic market. In particular, Irish

---

<sup>28</sup> Responses to question 3 of questionnaire to competitors.

<sup>29</sup> Responses to question 5 of questionnaire to competitors.

<sup>30</sup> Responses to question 6 of questionnaire to competitors.

<sup>31</sup> Responses to question 5 of questionnaire to customers.

<sup>32</sup> Responses to question 4 of questionnaire to customers.

<sup>33</sup> Decision of the Irish NCA [M/21/036 Montagu/Waystone](#), 27 August 2021.

<sup>34</sup> Form CO, paragraph 126.

<sup>35</sup> Responses to question 10 of questionnaire to competitors.



funds appear to have a preference for ManCo service providers established in Ireland, which have local presence and good knowledge of the Irish legislation.<sup>36</sup>

- (37) In any event, for the purposes of this decision, the Commission considers that it is not necessary to conclude whether the market for the provision of ManCo services and its plausible segmentations are EEA or national in scope, since competition concerns are unlikely to arise under any plausible geographic market definition.

## **6. COMPETITIVE ASSESSMENT**

- (38) On the basis of the above market definitions, the proposed concentration gives rise to horizontally affected markets in relation to (i) the provision of third-party ManCo services in Ireland and (ii) the provision of third-party ManCo services to UCITS funds in Ireland.<sup>37,38</sup>

### **6.1. Analytical framework**

- (39) Article 2 of the Merger Regulation requires the Commission to examine whether notified concentrations are compatible with the internal market, by assessing whether they would significantly impede effective competition in the internal market or in a substantial part of it, in particular as a result of the creation or strengthening of a dominant position.
- (40) A merger giving rise to a significant impediment of effective competition may do so as a result of the creation or strengthening of a dominant position in the relevant market(s). Moreover, mergers in oligopolistic markets involving the elimination of important constraints that the parties previously exerted on each other, together with a reduction of competitive pressure on the remaining competitors, may also result in a significant impediment to effective competition, even in the absence of dominance.<sup>39</sup>
- (41) The Commission Guidelines on the assessment of horizontal mergers under the Merger Regulation (the “Horizontal Merger Guidelines”)<sup>40</sup> describe horizontal non-coordinated effects as follows: “A merger may significantly impede effective competition in a market by removing important competitive constraints on one or

---

<sup>36</sup> Responses to question 11 of questionnaire to competitors and Responses to question 8 of questionnaire to customers.

<sup>37</sup> The Notifying Parties submit that, to the best of their knowledge, a further hypothetical segmentation based on the type of service provided (namely (i) regulatory compliance; (ii) investment management; (iii) fund risk management; (iv) operational risk management; (v) capital and financial management; and (vi) distribution) would lead to affected markets to the extent that the respective broader market is also affected, i.e. a further sub-segmentation of the provision of third-party ManCo services in Ireland, and a further sub-segmentation of the provision of third-party ManCo services to UCITS funds in Ireland. However, the market conditions and market shares for each type of service provided are similar to those of the broader market it refers to since (i) typically a ManCo service provider has no particular focus or expertise in any of the six services listed above so as to have a material competitive edge over its competitors and (ii) ManCo customers normally engage only one ManCo service provider. Thus, the competitive assessment presented in Section 6 applies equally to all further plausible sub-segments into individual types of services.

<sup>38</sup> Under all other plausible segmentations of the market for the provision of ManCo services, the Parties’ combined market share remains below 20%. In addition, the proposed concentration does not give rise to vertically affected markets, under any plausible market definitions.

<sup>39</sup> Horizontal Merger Guidelines, paragraph 25.

<sup>40</sup> OJ C 31, 5.2.2004, p. 5.

more sellers who consequently have increased market power. The most direct effect of the merger will be the loss of competition between the merging firms. For example, if prior to the merger one of the merging firms had raised its price, it would have lost some sales to the other merging firm. The merger removes this particular constraint. Non-merging firms in the same market can also benefit from the reduction of competitive pressure that results from the merger, since the merging firms' price increase may switch some demand to the rival firms, which, in turn, may find it profitable to increase their prices. The reduction in these competitive constraints could lead to significant price increases in the relevant market."<sup>41</sup>

- (42) The Horizontal Merger Guidelines list a number of factors which may influence whether or not significant non-coordinated effects are likely to result from a merger, such as the large market shares of the merging firms, the fact that the merging firms are close competitors, the limited possibilities for customers to switch suppliers, or the fact that the merger would eliminate an important competitive force.<sup>42</sup> That list of factors applies equally regardless of whether a merger would create or strengthen a dominant position, or would otherwise significantly impede effective competition due to non-coordinated effects. Furthermore, not all of these factors need to be present for significant non-coordinated effects to be likely. The list of factors, each of which is not necessarily decisive in its own right, is also not an exhaustive list.<sup>43</sup>
- (43) Finally, the Horizontal Merger Guidelines describe a number of factors, which could counteract the harmful effects of the merger on competition, including the likelihood of buyer power, the entry of new competitors on the market, and efficiencies.

## 6.2. Competitive assessment

- (44) Table 1 below shows the Parties' and their main competitors' market shares on the market for the provision of third-party ManCo services in Ireland in 2021.

**Table 1 – Market shares on the market for the provision of third-party ManCo services in Ireland in 2021**

<b>ManCo service provider</b>	<b>AuM (EUR billion)</b>	<b>Share of supply (%)</b>
KB Associates	[...]	[10-15]%
UI / Waystone	[...]	[5-10]%
<b>Combined</b>	<b>[...]</b>	<b>[20-25]%</b>
Came	[...]	[35-40]%
Northern Trust	[...]	[0-5]%
Fineco Asset Management	[...]	[0-5]%
Link	[...]	[0-5]%
Davy	[...]	[0-5]%
StepStone	[...]	[0-5]%
Sanlam	[...]	[0-5]%
MPMF	[...]	[0-5]%
Intertrust	[...]	[0-5]%
Others	[...]	[10-15]%
<b>Total</b>	<b>[...]</b>	<b>100 %</b>

Source: Form CO, Table 15 based on Monterey Ireland Fund Report (2021)

Notes: The shares of supply are calculated on the basis of client funds' assets under management ("AuM"). They include third-party ManCo services provided by pure players and hybrid ManCo firms, excluding the latter's in-house activities.

<sup>41</sup> Horizontal Merger Guidelines, paragraph 24.

<sup>42</sup> Horizontal Merger Guidelines, paragraphs 27 and following.

<sup>43</sup> Horizontal Merger Guidelines, paragraphs 24-38.

- (45) On the market for provision of third-party ManCo services to UCITS funds in Ireland, the Notifying Parties submit that they would hold a combined market shares of [25-30]%, with an increment of [5-10]% brought about by UI/Waystone. Generally all competing ManCo service providers have the relevant expertise and service UCITS funds. The market investigation responses did not differ significantly among AIFs and UCITS customers. Therefore, the below competitive assessment applies *mutatis mutandis* to this hypothetical sub-segment.
- (46) The Commission considers that the proposed concentration does not raise serious doubts as to its compatibility with the internal market for the following reasons.
- (47) *First*, the Parties' combined market share on the market for the provision of third-party ManCo services in Ireland would remain moderate. More specifically, the Parties would hold a combined market share of [20-25]%.<sup>44</sup> Post-transaction, the combined entity would become the second-largest third-party ManCo provider in Ireland but would continue to face several competitors, including the market leader Carne, as well as smaller players.<sup>45</sup> This is consistent with the finding of the Irish NCA, which noted that there were approximately 205 entities providing ManCo services in Ireland in 2020.<sup>46</sup>
- (48) The vast majority of customers and competitors who responded to the market investigation confirmed that, post-transaction, the number of alternative suppliers would remain sufficient to prevent any potential anti-competitive effects stemming from the proposed concentration.<sup>47</sup>
- (49) *Second*, the results of the market investigation revealed that a considerable proportion of customers could easily start sourcing their ManCo services in-house,<sup>48</sup> which will exert an additional constraint on the combined entity.
- (50) *Third*, the results of the market investigation showed that the combined entity is and will continue to be constrained by proprietary ManCo service providers. Indeed, half of the competitors who responded to the market investigation confirmed being aware of instances where ManCo service providers of bundled mandates transitioned to offer third-party ManCo services on a standalone basis on the market.<sup>49</sup>
- (51) *Fourth*, the results of the market investigation indicated that the Irish market for the provision of third-party ManCo services is characterized by the recent entry of new players. In that respect, one competitor noted that "*there has been a relatively large number of new entrants to the Irish ManCo services market in the last 5 yrs. Several of these have experience from other jurisdictions*".<sup>50</sup>

---

<sup>44</sup> The market investigation revealed that the estimates provided by the Parties might be underestimating the Parties' strength and shares in the provision of third-party ManCo services in Ireland. However, based on the overall market feedback, the Commission considers that even if the combined market share were to be higher than [20-25]%, it is unlikely that the merged entity would enjoy significant market power post-transaction given the considerations set out in paragraphs 42 to 46.

<sup>45</sup> Responses to question 13 of questionnaire to competitors.

<sup>46</sup> Decision of the Irish NCA [M/21/036 Montagu/Waystone](#), 27 August 2021.

<sup>47</sup> Responses to question 15 of questionnaire to competitors and Responses to questions 10 and 12 of questionnaire to customers.

<sup>48</sup> Responses to question 11 of questionnaire to customers.

<sup>49</sup> Responses to question 5 of questionnaire to competitors.

<sup>50</sup> Response of a competitor to question 15.1 of questionnaire to competitors.

- (52) *Finally*, the market investigation revealed no competition concerns from customers or competitors in connection with the market for the provision of third-party ManCo services in Ireland.<sup>51</sup>
- (53) In light of the foregoing, the Commission considers that the proposed concentration does not raise serious doubts as to its compatibility with the internal market or the functioning of the EEA Agreement in terms of its competition impact in the plausible market for the provision of third-party ManCo services in Ireland.

## 7. CONCLUSION

- (54) For the above reasons, the European Commission has decided not to oppose the notified operation and to declare it compatible with the internal market and with the functioning of the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of the Merger Regulation and Article 57 of the EEA Agreement.

*For the Commission*

*(Signed)*  
*Margrethe VESTAGER*  
*Executive Vice-President*

---

<sup>51</sup> Responses to questionnaire to competitors and Responses to questionnaire to customers.