



GUERNSEY COMPETITION
& REGULATORY AUTHORITY

Case M1705G

Proposed acquisition of Brooks Macdonald Asset Management
(International) Limited from Brooks Macdonald Group Plc by
Canaccord Genuity Wealth (International) Holdings Limited

Decision

Date: 3 February 2025

Guernsey Competition & Regulatory Authority
Suite 4, 1st Floor,
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Summary

1. Canaccord Genuity Wealth (International) Holdings Limited (the **Purchaser**) proposes to acquire 100% of the shares of Brooks Macdonald Asset Management (International) Limited (the **Target**) from Brooks Macdonald Group Plc (the **Seller**).
2. The transaction has been notified to the Guernsey Competition and Regulatory Authority (**GCRA**) pursuant to Section 16(1) of the Competition (Guernsey) Ordinance 2012 (the **2012 Ordinance**).
3. The GCRA has determined that the proposed acquisition will not lead to a substantial lessening of competition in any relevant market and hereby approves the notified transaction.

The Notified Transaction

4. On 14 January 2025, the GCRA received a joint application from the Purchaser and the Seller (the **Notifying Parties**) for the proposed acquisition by the Purchaser of 100% of the shares of the Target from the Seller.
5. The GCRA registered the application on its website with a deadline for comments of Wednesday 29 January 2025. No submissions were received.

The Parties

6. The Purchaser is a holding company, incorporated in Guernsey, registration number 43051. It wholly owns its trading subsidiary, Canaccord Genuity Wealth (International) Limited (**CGWIL**), which is authorised to conduct investment business in Guernsey. The Purchaser is part of Canaccord Genuity Group Inc, which is incorporated in Ontario, Canada with corporation number 1377362. Through CGWIL, the Purchaser provides discretionary management, advisory and execution stockbroking and custody services to private clients, trusts, charities, pension funds, investment funds and governments in the Crown Dependencies and internationally.
7. The Target is a company incorporated in Jersey, registration number 143275. The Target has three wholly owned subsidiaries.¹ It offers independent wealth management, investment management and advisory services, including pensions planning advice and life insurance intermediary services in connection with wealth management. It also offers complementary insurance planning in connection with clients' portfolio risks.

¹ Brooks Macdonald International Fund Managers Limited, Brooks Macdonald International Nominees (Guernsey) Limited and Secure Nominees Limited, an unregulated company incorporated in Guernsey. In this Decision, the Target and its subsidiary companies are referred to collectively as the **Target Group**.

Requirement for GCRA Approval

8. Pursuant to s.61(1)(b)(i) of the 2012 Ordinance, a merger or acquisition occurs for the purposes of that Ordinance when: *“an undertaking [...] directly or indirectly acquires or establishes control of another undertaking”*.

An acquisition by one undertaking (in this case, the Purchaser) of 100% of the shares of another undertaking (in this case, the Target) amounts to an acquisition of control for the purposes of the 2012 Ordinance.

The notified transaction is therefore a merger, as defined by the 2012 Ordinance.

9. Under Regulation 2(a) and (b) of the Competition (Prescribed Mergers and Acquisitions) (Guernsey) Regulations 2012 (the **Regulations**), an undertaking is involved in a merger or acquisition if it is acquiring, or being acquired by, another undertaking.

On completion of the notified transaction, the Purchaser will acquire 100% of the shares in the Target. Both the Purchaser and the Target are therefore involved in a merger for the purposes of the Regulations.

10. Under s.13(1) of the 2012 Ordinance, certain mergers must be notified to, and approved by the GCRA before they can be put into effect. Regulation 1 of the Regulations provides that mergers must be notified to the GCRA for clearance if:
 - a. The combined Channel Islands turnover of the undertakings involved in the merger exceeds £5 million, and
 - b. Two or more of the undertakings involved in the merger have Guernsey turnover exceeding £2 million.
11. According to information provided by the notifying parties, the combined and individual applicable turnover of the Parties in the Channel Islands and Guernsey exceeds these thresholds. On this basis, the GCRA’s approval is required before the acquisition is executed.

Market Definition

12. Under s.13 of the 2012 Ordinance, the GCRA must determine if the merger would substantially lessen competition within any market in Guernsey for goods or services.
13. As an initial step, the GCRA will identify the markets which are likely to be affected by the merger since market definition provides a framework within which the competitive effects of a merger can be assessed.

14. When defining a market, the GCRA may take note of its own previous decision making practice and/or market definitions applied by other competition authorities. However, these previous decisions are not precedents and are not binding, either on the merging parties or on the GCRA. Competition conditions may change over time, changing the market definition. Market definition will always depend on the prevailing facts.²

Views of the Parties

15. In the view of the Notifying Parties, there is a broad market for private wealth management, encompassing services such as investment management, investment advisory, execution only services, financial planning and the provision of insurance advice. That market is, in the view of the Notifying Parties, at least Guernsey wide and possibly wider than Guernsey.

GCRA Consideration

16. In previous cases, the European Commission has found that there is a broad market for private wealth management services³ (excluding asset management services), which was at least national and possibly wider than national.⁴ The market definition proposed by the Notifying Parties is therefore broadly in line with that applied by the European Commission in its previous decision-making practice.

17. The exact product market definition can be left open for the purposes of the present decision as, for the reasons set out below, the transaction would not lead to a substantial lessening of competition on the basis of any plausible market definition.

Effect on Competition

Horizontal effects

18. The Notifying Parties state that it is difficult to estimate their market shares accurately due to a lack of publicly available information. They estimate, however, on the basis of a 2024 survey carried out by PWC that there are approximately 28 businesses in Guernsey offering private wealth management services. They further estimate that the Target Group has approximately 4.7% of that market and that the Purchaser's share could be as high as 18.67% although this may be an overestimate.⁵

² This approach is consistent with that taken under EU law – see, for example, Joined Cases T-125/97 and T-127/97 [2000] ECR II-01733, paragraphs 81-82. Section 54 of the 2012 Ordinance states that when determining questions in relation to the merger and acquisition of undertakings, the GCRA may take into account the principles laid down by and any relevant decision of the Court of Justice or the General Court of the European Union in respect of corresponding questions arising under EU law.

³ For High Net Worth and Ultra High Net Worth Individuals

⁴ Case M.11111 – UBS/CREDIT SUISSE

⁵ The Notifying Parties reference the difficulty of calculating market shares accurately and that they consider the market share of the Purchaser in particular is likely to be an overestimate.

19. European Guidelines provide that where the combined market share of the merging undertakings does not exceed 25%, the concentration may be presumed not to impede effective competition⁶.
20. The market share on the markets as defined above is below this amount. The concentration can therefore be presumed not to impede effective competition. Furthermore, as stated above there are multiple companies active in the provision of private wealth management services in Guernsey, which also supports the conclusion that the concentration will not lead to a substantial lessening of competition.

Decision

21. Based on the preceding analysis, the GCRA concludes that the acquisition will not substantially lessen competition within any market in Guernsey for goods or services.
22. The GCRA is also satisfied that the merger would not be to the prejudice of:
- (a) consumers or any class or description thereof;
 - (b) the economic development and well-being of the Bailiwick; or
 - (c) the public interest.
23. The merger is therefore approved under s.13 of the 2012 Ordinance.

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⁶ Guidelines on the assessment of horizontal mergers under the Council Regulation on the control of concentrations between undertakings OJ C/31, 5.2.2004, p.5