



Case M1041G

Proposed acquisition by Butterfield Trust (Guernsey) Limited of Legis T&C Holdings Limited

Decision – Preliminary Review

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*Guernsey Competition and Regulatory Authority
Suites B1 & B2, Hirzel Court,
St Peter Port, Guernsey, GY1 2NH
Tel: +44 (0)1481 711120
Web: www.cicra.gg*

1. On 17 March 2014, the Guernsey Competition and Regulatory Authority (**GCRA**) received a shortened merger application form (**MAF**) in respect of the proposed acquisition of Legis T&C Holdings Limited and its associated subsidiaries (**Legis**) by Butterfield Trust (Guernsey) Limited (**Butterfield**).
2. Legis is ultimately controlled by Legis Group Holdings Limited. Legis is incorporated in Guernsey and is a provider of company and trust administration services to a range of clients across almost all industries.
3. Butterfield is wholly owned by The Bank of N.T. Butterfield & Son Limited (**Butterfield Bank**) and together with its associated companies undertakes banking, fiduciary and related administration and custody services in Guernsey.
4. Section 13(1) of *The Competition (Guernsey) Ordinance, 2012* provides that certain mergers prescribed by regulations are prohibited except with, and in accordance with the conditions of, approval of the GCRA. The parties applied for preliminary review of the proposed acquisition under section 4 of *The Competition (Prescribed Mergers and Acquisitions) (Guernsey) Regulations, 2012* (**PMA Regulations**).
5. For the purposes of *The Competition (Calculation of Turnover) (Guernsey) Regulations, 2012* (the **Turnover Regulations**), Butterfield is part of Butterfield Bank, which has attributable turnover of around £[REDACTED] arising in Guernsey, derived from the provision of banking operations of the Butterfield Group.
6. According to the MAF and for the purposes of the Turnover Regulations, Legis had attributable turnover of £[REDACTED] arising in Guernsey. The GCRA has concluded that the proposed acquisition satisfies the criteria for preliminary review under section 4(1) of the PMA Regulations, by virtue of the turnover of the “credit institution” and “financial institution” (as those terms are defined in the PMA Regulations) in Butterfield’s wider corporate group.
7. In accordance with the preliminary review process outlined in *CICRA Guideline 6 – Mergers and Acquisitions*, the GCRA noted its receipt of the application for approval of the proposed acquisition on its website, with a deadline for comments of 25 March 2014. No comments were received.

8. On the demand-side, the clients of Guernsey trust and administration service providers may be based anywhere in the world¹. On the supply-side, trust and administration providers in Guernsey face competition from other offshore jurisdictions such as Jersey, the Cayman Islands, the Bahamas, Bermuda, Hong Kong, Singapore and Switzerland. These demand- and supply-side characteristics indicate the presence of a global market for the provision of private client trust and company administration services. However, even if a narrower geographic market definition of Guernsey is adopted the GCRA has determined that there will be no substantial lessening of competition in any markets in Guernsey. Whilst there are horizontal overlaps between the activities of Legis and Butterfield, there are currently in excess of 150 regulated trust and administration services business in Guernsey. In addition, the applicants have estimated that their post-acquisition market share will be *de minimis* at substantially less than 5%.
9. Based on the above analysis and the absence of other competition or public interest concerns, the GCRA is satisfied that the proposed acquisition will not substantially lessen competition in any markets in Guernsey, and will not act to the prejudice of consumers (or any class or description thereof), the economic development and well-being of the Bailiwick, or the public interest.
10. The GCRA therefore approves the notified acquisition under section 17(1) of *The Competition (Guernsey) Ordinance, 2012*.

¹ This is consistent with previous CICRA decisions, see Case - M145/07: Proposed Acquisition by Capita Fiduciary Group Limited of Eagle Management Services Limited