



CASE M1474G

PROPOSED ACQUISITION OF THE GUERNSEY PRESS
COMPANY LIMITED BY BAILIWICK INVESTMENTS
LIMITED AND MXC GUERNSEY LIMITED

DECISION (NON CONFIDENTIAL)

Document No: CICRA 19/45

Date: 24 September 2019

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SUMMARY

1. Bailiwick Investments Limited (**BIL**) and MXC Guernsey Limited (**MXC**) propose to acquire all the issued shares in The Guernsey Press Company Limited (**Guernsey Press**) from Guiton Media Limited (**Guiton**).
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 approve the notified transaction.

THE NOTIFIED TRANSACTION

4. On 23 August 2019, the Channel Islands Competition and Regulatory Authorities¹ (the Authority) received a joint application from Claverley Holdings Limited (the **Seller**), the ultimate owner of Guiton and Guernsey Press, and Channel Islands Media Group Limited (the **Purchaser**), the purchaser vehicle which has been established by BIL and MXC for the purposes of this acquisition, for the proposed acquisition of Guernsey Press (the **Target**). BIL and MXC are joint owners of the Purchaser.
5. The Authority registered the application on its website with a deadline for comments of 9 September. No submissions were received.

THE PARTIES

6. Channel Islands Media Group Limited is incorporated in Guernsey (company number 66665). It has been established as the purchaser company on behalf of BIL and MXC. BIL is a authorised closed-end investment scheme with the objective of attaining long term capital growth by investment in a diverse portfolio of investments principally in businesses, property and assets situated in, registered, headquartered or managed from the Channel Islands. MXC is a permanent capital vehicle with the objective of providing capital to companies with high growth potential and acting as the catalyst for profitable aggregation in a diverse market place.
7. Guernsey Press is incorporated in Guernsey (company number 12), whose business is principally the production and distribution of the Guernsey Press and Star newspaper and the wholesale and distribution of certain national newspapers and magazines, each in the Bailiwick of Guernsey.
8. Guernsey Press is part of the Guiton Group and ultimately held by Claverley Holdings Limited, a company registered in England. The Claverley Group of companies operates in the UK and the Channel Islands principally in newspapers and digital media, commercial printing and IT systems and services.

¹ The JCRA and GCRA co-ordinate their activities with respect to competition law enforcement in the Channel Islands. For the purposes of this document, the JCRA and GCRA are together referred to as CICRA, and all references to CICRA should therefore be read as references to each of the JCRA and GCRA unless the context otherwise requires.

GUERNSEY: REQUIREMENT FOR GCRA APPROVAL

9. 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’.
10. An acquisition by one undertaking of the entire issued share capital of another undertaking 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.
11. 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.
12. 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.
13. Under s.13(1) of the 2012 Ordinance, certain mergers must be notified to, and approved by, the Authority before they can be put into effect. Regulation 1 of the Regulations provides that mergers must be notified to the Authority 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.
14. 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 Authority’s approval is required before the acquisition is executed.

MARKET DEFINITION

15. Under s.13 of the 2012 Ordinance, the Authority must determine if the merger would substantially lessen competition within any market in Guernsey for goods or services. To this end, the Authority will identify the markets which are likely to be affected by the merger and then assess whether competition in these markets will be substantially lessened².

Views of the Parties

16. The parties consider the relevant markets on which this transaction should be assessed are all within the geographic area of Guernsey, and comprise:

² In many cases, a market may already have been investigated and defined by CICRA or another competition authority. CICRA may take note of market definitions applied by other competition authorities, although these are not precedents. Competition conditions may change over time, changing the market definition. Market definition will always depend on the prevailing facts.

- a. Production and sale of local daily news
 - b. Sale of advertising
 - c. Free distribution magazines
 - d. Websites
 - e. Distribution of national newspapers and magazines
17. However, there is no overlap between these activities of the Target and those of the Purchaser. Neither BIL nor MXC currently operate in any of these markets.
18. In the Channel Islands, BIL has interests in entities involved in retail, recycling and waste management, motor vehicle retail and servicing, personal and business finance, investment management, visitor attractions and quarrying. MXC primarily invests in and advises technology companies in the UK, and a subsidiary of MXC acts as a consultant to Ravenscroft Limited in its capacity as investment manager to Guernsey Investment Fund PCC Limited's technology and innovation cell.

CICRA Consideration

19. Given that there is no overlap between the Parties' activities, the transaction will not give rise to a substantial lessening of competition on any reasonable basis and therefore reaching a definitive conclusion on the scope of the relevant market is not necessary. The proposed acquisition is unlikely to result in a substantial lessening of competition in Guernsey or any part thereof.

DECISION

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

24 September 2019

By Order of the Board of the GCRA