

BOSNA I HERCEGOVINA
Konkurencijsko vijeće



БОСНА И ХЕРЦЕГОВИНА
Конкуренијски савјет

BOSNIA AND HERZEGOVINA
Council of Competition

DECISION

**On concentration between undertakings KBC Securities NV, Belgium and
Brokersko-dilersko društvo (Authorized Broker) Senzal a.d., Republic of Serbia**

**Sarajevo
September, 2007**



BOSNIA AND HERZEGOVINA
Council of Competition

Number: 01-02-26-014-12-II/07
Sarajevo, 21 September 2007

Pursuant to Article 25, paragraph(1), item e), Article 42, item d) in connection with Article 12, 14, 16 and 18, harmonized with Article 24, paragraph (2) of the Act on Competition («Official Gazette of BH», No. 48/05), upon Notification of intended concentration between undertaking KBC Securities NV, Avenue du Port 12, 1080 Molenbeek – Saint – Jean, Belgium (represented by the joint Attorney `s office -Bojana Tkalčić-Đulić, Olodar Prebanić and Adela Draganović, from Sarajevo, Alipašina 51, 71000 Sarajevo) and undertaking Brokersko-dilersko društvo(Authorized Broker) Senzal a.d. , Cincar Jankova 3, Belgrade, Republic of Serbia entered under the registration number 01-02-26-014-II/07 ,on 24 April 2007, the Council of Competition in its 50th (fiftieth) session, held on 21 September 2007 has adopted

DECISION

1. The Concentration which will be created in the market of securities brokerage services in Bosnia and Herzegovina by means of acquisition of control, through acquisition of total number of stocks, that is 100% of shares in the capital of the undertaking Brokersko-dilersko društvo (Authorized Broker) Senzal a.d., Cincar Jankova 3, Belgrade, Republic of Serbia by undertaking KBC Securities NV, Avenue du Port 12, 1080 Molenbeek – Saint – Jean, Belgium, is assessed compatible.
2. This Decision shall be recorded in the Registry of Concentrations.
3. This Decision shall be published in the «Official Gazette of BH », in official gazettes of Entities and Brcko District of Bosnia and Herzegovina.

Exposition

Undertaking KBC Securities NV, Avenue du Port 12, 1080 Molenbeek – Saint – Jean, Belgium , through the authorized representative of the joint Attorney `s office -Bojana Tkalčić-Đulić, Olodar Prebanić and Adela Draganović, from Sarajevo, Alipašina 51, 71000 Sarajevo (hereinafter: the Applicant), submitted, on 24 April 2007, to the Council of Competition a Notification of intended concentration (hereinafter: the Notification) by means of which it intends to acquire 100% the ownership over the undertaking Brokersko-dilersko društvo(Authorized Broker) Senzal a.d., Cincar Jankova 3, Belgrade, Republic of Serbia.

The Notification followed on from the obligation stipulated in Article 14, paragraph (1), item a) of the Act on Competition (hereinafter: the Act), because the total annual income of the parties to the concentration , realized by providing securities brokerage services, was over 100.000.000,00 KM according to the final account in the year preceding the concentration.

Consolidated income of the parties to the concentration on 31 December 2006:

Table 1.

Total income (KM)	KBC Securities NV Belgium	Senzal a.d.Belgrade
Worldwide market	(..)** ¹	(..)**
Bosnia and Herzegovina	0	0

As the Notification of intended concentration submitted to the Council of Competition on 24 April 2007, was not complete even though it was supplemented by the official letter No.: 01-02-26-014-1-II/07, on 16 May 2007, the Council of Competition asked the Applicant on 24 May 2007 by the official letter No.: 01-02-26-014-2-II/07 to provide supplements pursuant to Article 31 of the Act and Regulation on Notification and Criteria for Assessment a Concentration of Undertakings («Official Gazette of BH», No. 95/06).

The Applicant provided all necessary supplements by the official letter No.: 01-02-26-014-3-II/07, on 01 June 2007 and fulfilled all conditions for getting an Acknowledgement of receipt of complete and adequate Notification, pursuant to Article 30, paragraph (3) of the Act.

The Council of Competition issued to the Applicant an Acknowledgement of receipt of complete and adequate Notification No.: 01-02-26-014-6-II/07, on 26 July 2007.

The Applicant stated that it intended to submit a notification for appraisal of the concentration, pursuant to Article 30, paragraph (2) of the Act, to the Commission for protection of competition of Republic of Serbia and Internal trade and competition Sector within the Ministry of Economic Development of Republic of Montenegro.

When analyzed all data from the Notification and other submitted documents, on the bases of which the positive and negative effects of the concentration concerned were appraised, pursuant to Article 17 of the Act, the Council of Competition, applying the stipulations of the Regulation on Notification and Criteria for Assessment a Concentration of Undertakings and Regulation on Definition of the Relevant Market («Official Gazette of BH», No. 18/06), established the following:

1. Legal basis and form of the concentration

Legal basis of this concentration is an Agreement No.: 4486/07 on share trading concluded on 17 April 2007, between a seller Mr. Rade Rakočević from Belgrade (..)**¹, Republic of Serbia, IDN (..)**¹, the owner of stocks in Brokersko-dilersko društvo (Authorized Broker) Senzal a.d., Belgrade and buyer, the undertaking KBC Securities NV, Avenue du Port 12, 1080 Molenbeek – Saint – Jean, Belgium.

By the above mentioned Agreement the Applicant gains with reimbursement (..)**¹ of ordinary stocks in an immaterialized form, that is 100% of total number of stocks in Brokersko-dilersko društvo (Authorized Broker) Senzal a.d., Belgrade (acquires 100% of shares in shares capital of Brokersko-dilersko društvo (Authorized Broker) Senzal

¹ (..)** the data is deemed to be a business secret

a.d., Belgrade) and therefore the Applicant is obliged to notify the intended concentration, pursuant to Article 12, 14 and 16 of Act.

The legal basis of the concentration concerned is acquisition of total control over the undertaking Brokersko-dilersko društvo (Authorized Broker) Senzal a.d., Belgrade by KBC Securities NV, Belgium through takeover of majority shares in share capital, pursuant to Article 12, paragraph (1), item b) of the Act.

2. The parties to the concentration

2.1. KBC Securities NV, Belgium

KBC Securities NV, Belgium is an association of limited responsibility, established and registered pursuant to the legislation of Belgium, headquartered in Avenue du Port 12, 1080 Molenbeek-Saint-Jean, Brisel, Belgium, entered into register of legal entities under the number 0437.060.521, on 21.03.1989.

During the financial year 2006, the year that preceding the concentration concerned, the Applicant realized a total annual income in the amount of approximately (..)** KM ;that means that condition stipulated in Article 14 of the Act relating to notification of concentration to the Council of Competition was fulfilled, pursuant to Article 16 of the Act.

The main business activity of the Applicant is the activity of brokers associations.

The Applicant and legal entities connected to it have no subsidiary associations in Bosnia and Herzegovina and, until now, have no business activity as independent legal entities in the market of Bosnia and Herzegovina.

2.2. Brokersko-dilersko društvo (Authorized Broker) Senzal a.d., Belgrade

Brokersko-dilersko društvo (Authorized Broker) Senzal a.d., Belgrade is an association founded and registered according to the legislation of Republic of Serbia, headquartered in Belgrade, Cincar Jankova 3, entered into the register of Business Registers Agency of Republic of Serbia, under the number bd. 12869., on 12.05.2000.

The business activity of this association is providing securities brokerage services.

Brokersko-dilersko društvo (Authorized Broker) Senzal a.d., Belgrade realizes its incomes in the market of Bosnia and Herzegovina through Brokersko-dilersko društvo (Authorized Broker) Senazal a.d. Banja Luka, Jevrejska bb, Banja Luka, which entered into the court register of the Municipal Court in Banja Luka under the number 1-15831-00, on 18.01.2007. Senzal a.d., Belgrade owns 56% of stocks in Senazal a.d. Banja Luka (Senzal a.d., Belgrade is the majority owner of Senazal a.d. Banja Luka).

Total income of Brokersko-dilersko društvo (Authorized Broker) Senazal a.d. Banja Luka amounts (..)** KM in the market of Republic of Srpska in the first quarter of 2007.

3. Analysis of the relevant market

Relevant market, pursuant to Article 3 of the Act and Article 4,5 and 6 of the Regulation on Definition of the relevant market is a market of particular products/services which are the subject to business activities in the particular geographic market. The relevant services market in the case concerned is a market for providing securities brokerage services.

As Senzal a.d., Belgrade, that is a party to the concentration acts in the territory of Bosnia and Herzegovina through its subsidiary association Senazal a.d. Banja Luka, which is registered by the responsible bodies of Republic of Srpska to perform the activities of the brokers associations and which acts (just has shares in the total turnover) on Banja Luka stock-exchange, the relevant geographic market is deemed just a territory of Republic of Srpska.

Therefore, the relevant market of the concentration concerned is providing services of securities brokerage duties in the territory of Republic of Srpska.

4. Aprisal of the concentration

The market shares of Senzal a.d. Banja Luka, as an subsidiary association of the Senzal a.d. Belgrade(the party to the concentration concerned), is determined according to the shares of that association in total turnover on Banja Luka stock-exchange, through which this association provides services only and exclusively to clients in Republic of Srpska and it is 2,04 %.

The market shares of the most important brokers associations that are active in the territory of Republic of Srpska in Bosnia and Herzegovina in 2006 was:

Table 2.

No.	Competitors	Location	Shares in total turnover in 2006 (%)
01.	Hypo Alpe Adria Bank a.d.	Banja Luka	20,54
02.	Nova Banka a.d.	Bijeljina	18,22
03.	Eurobroker a.d.	Banja Luka	14,74
04.	Zepter Komerc Banka a.d.	Banja Luka	13,68
05.	Senzal a.d.	Banja Luka	2,04
06.	Others	-	30,78
	Total	-	100,00

*The data stated in the notification and official data of stock-exchange of Banja Luka

The Council of Competition, after the analysis and assessment of all data and facts during the decision making procedure, establishes that the concentration of the above mentioned undertakings does not prevent, restrict or distort market competition in the relevant market but it enables increased market competition in securities brokerage services in Bosnia and Herzegovina.

The Council of Competition takes into account that this concentration will not change market shares of the parties to the concentration in the relevant market of securities brokerage services in Bosnia and Herzegovina due to the fact that Senzal a.d. Belgrade

is present only in the market of Republic of Srpska through broker association Senzal a.d. Banja Luka.

Considering the above said, the Council of Competition assessed the concentration concerned as compatible, pursuant to Article 18, paragraph (2) of the Act and decides as it is stated in enacted terms of this Decision .

Administration tariffs

On this Decision the Applicant, pursuant to the Article 2, paragraph (1), tariff number 107, item d) 1) of the Regulation on administration taxes relating to the practices before the Council of Competition (“Official Gazette of BiH”, No. 30/06), is obliged to pay administration tariff of 2.500,00 KM to the benefit of Budget of Institutions of Bosnia and Herzegovina

LEGAL REMEDY

No appeal is allowed against this Decision. Unsatisfied party shall be entitled to bring an administrative dispute before the Court of Bosnia and Herzegovina within thirty days (30 days) from the date of acceptance of this Decision, i.e. from the date of its publication in the Official Gazette of BiH.

President

Sanja Božić