



CAK DECISION ON THE PROPOSED ACQUISITION OF SOLE CONTROL OF DOCTOR NO PARENT LIMITED BY MR. STEPHAN CRÉTIER

1. The Competition Authority of Kenya has approved the proposed acquisition of sole control of Doctor No Parent Limited by Mr. Stephan Crétier, a Canadian entrepreneur and philanthropist, unconditionally.
2. This approval has been granted based on the finding that the transaction is unlikely to negatively impact competition in the market for **provision of private security and facility management**, nor elicit negative public interest concerns. These are the two key considerations during merger analysis.
3. Mr. Crétier, the acquirer, is the chief executive officer of GardaWorld Limited. He currently has indirect joint control of the target, but does not carry out any other economic activities in Kenya.
4. Doctor No Parent Limited, the target, is incorporated in Canada and operates in Kenya through GardaWorld, trading as KK Security Limited. The undertakings are involved in the provision of security services in Kenya, including manned security guarding, facilities management, canine security, VIP protection, cash in transit.
5. Post transaction, Mr. Crétier will gain control of the target (over 50% shareholding), changing the target's ownership from joint to sole control. The undertakings indicated that the rationale of the transaction is to attract new investors to strategically position GardaWorld for the next phase of growth.
6. Therefore, the transaction qualified as a merger within the meaning of [sections 2 and 41 of the Competition Act CAP 504 of the Laws of Kenya](#). The Act stipulates that a merger, or takeover, may occur when an undertaking directly or indirectly acquires control over another business within Kenya. This may happen through, among others, purchase/lease of shares, exchange of shares, vertical integration.
7. Further, merging parties whose combined turnover or assets, whichever is higher, is over KES 1 Billion are required to seek the Authority's approval prior to





implementing a merger. The transaction met this threshold for mandatory notification and full analysis as provided in the [Competition \(General\) Rules, 2019](#).

8. During merger analysis, and in order to determine the impact that a transaction will have on competition, the Authority identifies the **relevant product market** as well as the **relevant geographical market**.
9. The relevant product market comprises products/services that are interchangeable or substitutable by the consumer due to their characteristics, prices and/or intended use. Based on this criterion, the relevant product market for the proposed transaction is the market for **provision of private security and facility management**.
10. Determination of the relevant geographic market involves interrogating the area in which the merging parties undertake their business, and in which competition conditions are sufficiently similar. In this case, the target offers its services and products across the country. Therefore, the relevant geographic market is **national**.
11. Provision of private guarding security is the practice of hiring a non-government entity to protect people, property, or information. The guards are trained to protect businesses, residences, and public areas from criminal activity. Their responsibilities are: patrolling property, monitoring and documenting activities and incidences, responding to emergencies, and deterring potential wrongdoers, among others.
12. The Private Security Regulatory Authority's data indicates that there seven hundred and ninety-nine (799) registered private securities companies in Kenya. Some market players are; G4S, Wells Fargo Limited, BM Security, Total Security Surveillance Limited, Panda Security Limited, Securex Africa Limited, Radar Limited, Lavington Security, Gyto Security Limited, Ultimate Security and Riley Security.
13. The proposed transaction does not raise competition concern as it involves an increase of shareholding in the target by the acquirer. Therefore, the structure and concentration of the market will not be affected/altered.





14. Facility management is the provision of a wide range of services including common area cleaning service, general building maintenance, pest control, repair and maintenance, and gardening among others.
15. There are more than fifty (50) registered facility management companies in Kenya. Some of the major players are; Tsebo Limited, JLL, G4S Kenya, Cushman & Wakefield, Excellerate Service, Alpha Ecological Pest Control Services, Chemserve Cleaning Services, Crystal Africa Cleaning Services Limited, and Opticom Kenya Limited.
16. As was the case with provision of private guarding security, the proposed transaction does not raise competition concerns since it involves an increase of shareholding in the target by the acquirer. As such, the structure and concentration of the market will remain unaltered.
17. From the foregoing, it is the Authority's view that the proposed transaction will not lead to substantial lessening or prevention of competition in the markets for the provision of private security services and facility management in Kenya.
18. During merger analysis, the Authority also considers the impact that a proposed transaction will have on public interest. Public interest in this case refers to various economically-inclined concepts that, when considered, protect the welfare of the Kenyan public. Some of the public interest considerations enumerated in the Act are:
 - a) extent to which a proposed merger would impact employment opportunities;
 - b) impact on competitiveness of SMEs;
 - c) impact on particular industries/sectors; and
 - d) impact on the ability of national industries to compete in international markets.
19. As per the parties' submissions, this transaction will not elicit negative public interest issues. The target is being acquired as a going concern and will continue undertaking its current business activities in Kenya.
20. Premised on the above, the Authority approved the proposed acquisition of sole control of Doctor No Parent Limited by Mr. Stephan Crétier unconditionally.

