

General Notice No. 102 of 2026

CC/DS/0063 – Swann Securities Ltd and Capital Markets Brokers Ltd (INV 076)



**Decision of the Competition
Commission**

CC/DS/0063

Non-Confidential

In the Matter of -

**INV 076 – Report of Undertakings in respect to the
proposed merger involving Swan Securities Ltd and
Capital Markets Brokers Ltd**

29 December 2025

CC/DS/0063 – Decision on a proposed merger involving Swan Securities Ltd and Capital Market Brokers Ltd (INV 076)

Decision of the Commissioners
of the Competition Commission (the 'Commission')
of 29 December 2025

relating to proceedings under Section 63 of the Competition Act 2007 further to a report of undertakings of the Executive Director of the Commission in the matter referred to as 'INV 076 – Proposed merger involving Swan Securities Ltd and Capital Markets Brokers Ltd'.

THE COMMISSION

Mr. JIM Seetaram - Chairperson
Mr. Sandiren Reddi - Vice-Chairperson
Mr. Thierry Chellen - Commissioner

Having regard to –

the Competition Act 2007 (the 'Act'),

the Competition Commission Rules of Procedure 2009,

CC 5 - Guidelines on mergers,

CC 6 - Guidelines on Remedies and Penalties,

final undertakings offered by Swan Securities Ltd ('SSL') and Capital Markets Brokers Ltd ('CMB'), hereinafter referred to as the 'Merger Parties', dated 15th October 2025 (hereinafter the 'Undertakings'),

the report of the Executive Director of the Competition Commission (the 'Executive Director') on the undertakings submitted to the Commission on 22nd October 2025.

We, the Commissioners, have accordingly determined the matter and have, on this day, proceeded to issue the following decision (hereinafter the 'Decision')

I INTRODUCTION AND PROCEDURAL CONTEXT

1. The Commission has been presented with a Report of Undertakings (the 'Report') of the Executive Director dated 22nd October 2025 for determination of the present matter, as per Section 63(3) of the Act.



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CE/05/0063 – Decision L.0 created merger involving Swan Securities Ltd and Capital Market Brokers Ltd (MV 076)

2. This Report follows from an investigation of the Executive Director, bearing reference MV 076, into the proposed merger involving the Merger Parties, hereinafter referred to as 'the investigation', pursuant to Sections 30 and 51 of the Act.
3. The Commission was apprised that the Executive Director had initiated the investigation, on 27th November 2024 upon receipt of an application for guidance, pursuant to Section 47(4) of the Act, on the proposed merger transaction between the Merger Parties and found reasonable grounds to consider that the transaction amounted to a reviewable merger situation within the meaning of the Act.
4. The proposed transaction, subject matter of the investigation (the 'Proposed Transaction'), pertains to the amalgamation of CMB with and into SSL to create an amalgamated entity, rebranded as Swan CMB Securities Ltd ('SCSL'), (hereinafter 'the Amalgamated Entity').
5. Following the Proposed Transaction, the Amalgamated Entity will be jointly owned and controlled by Swan Financial Solutions Ltd (65%) through Swan Hold Co Ltd ('Swan Hold Co') and Azelbourne Financial Services Ltd ('Azelbourne') (35%).
6. The rationale for the Proposed Transaction pertains as follows:
 - a. Being members of the Stock Exchange of Mauritius ('SEM'), the Merger Parties are experiencing the same issues in terms of a decline in brokerage fees linked to trading on the SEM in real terms.
 - b. As per information received, the value of transactions on the SEM is on a decreasing trend especially for the official market.
 - c. The industry has a declining number of participants. The declining market activity contributed to a number of restructurings in the industry with only 8 investment Dealers registered as members of the SEM as at 31 December 2023 compared to 12 members in 2006 and a cessation of activities of investment dealing companies with transfer of client base and migration of portfolios of clients holding shares on the SEM to other investment dealers.
 - d. The costs associated with licensing, compliance, regulatory procedures and operationality outweighing the benefits associated with brokerage fees from being member of the SEM.
7. The Commission was further informed that, in the course of the procedures, the Executive Director identified and communicated potential competition concerns arising from the Proposed Transaction to the Merger Parties, who subsequently expressed their willingness to address those concerns by offering undertakings in line with Section 63 of the Act.



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CC/05/0063 – Decision L.A.O proposed merger involving Swin Securities Ltd and Capital Market Brokers Ltd (11/11/2016)

8. The Executive Director thereafter assessed the undertakings in a Provisional Report of Undertakings, which was issued to the Merger Parties for comments. Following receipt and consideration of the Merger Parties' comments, the Executive Director produced his final report (the 'Report'), which was then submitted to the Commission for consideration and determination.
9. The Commission is therefore determining the matter having regard to the undertakings submitted by the Merger Parties and the Report pursuant to Section 63(3) of the Act.

II THE COMMISSION'S JURISDICTION AND LEGAL BASIS

10. Sections 60 and 63 of the Act empower the Commission to determine a matter on the basis of undertakings offered by an enterprise(s) where the Commission is satisfied that the undertakings satisfactorily address the competition concerns that have arisen, or are likely to arise, including the prevention, restriction, distortion, or substantial lessening of competition.
11. In exercising its powers under section 63, the Commission may accept such an undertaking and determine the matter, with the decision having effect of a direction issued under section 60.
12. The Commission, for the purposes of its determination and evaluation of the matter under the provisions of the Act, has taken note of the following:
 - (i) Existence of a merger situation
13. For a transaction to constitute a merger situation under Section 47 of the Act, certain criteria must be met such that:
 - a. at least 2 enterprises¹ (as defined under the Act) are involved;
 - b. the enterprises are being brought together under common ownership and control; and
 - c. territorial nexus within Mauritius wherein the activity of at least one of the enterprises is carried on in Mauritius or through a body corporate.
14. Having considered the Report and the material before it, the Commission finds that:
 - a. Merging parties are 'enterprises'
15. The main parties to the investigation, SSL and CMB are engaged in economic activities which are commercial in nature which qualify SSL and CMB as enterprises.

¹ Section 2 of the Act defines an enterprise as any entity engaged in the commercial activities for gain

BL/2025/0003 - The proposed acquisition of securities of Swan Securities Ltd and CMB Securities Ltd (collectively)

16. SSL is a domestic private company engaged in the provision of portfolio advisory services, capital raising and listing services, access to international stock markets, and trading on the SFA. In supplying these services, in exchange for a fee, SSL carries on commercial activities for gain or reward and therefore constitutes an enterprise within the meaning of the Act.
17. CMB is a domestic private company providing integrated investment solutions to local and international investors, including trading, access to international stock markets and sponsoring broker services, in exchange for a fee. In offering these services for gain or reward, CMB carries on commercial activities and therefore constitutes an enterprise within the meaning of the Act.

b. Ownership and Control

18. Assessing whether the transaction brings enterprises under common ownership and control is the essential part of a merger situation. Section 47(3) of the Act defines the different control levels: 'material influence', 'de facto control' and 'controlling interest'.
19. Paragraph 2.21 of the CGS-Mergers Guidelines provides that Section 47(3)(b) establishes the highest level of control that may be gained on an enterprise. It further provides that "This control is referred to as controlling interest or legal control. The acquisition of a shareholding exceeding 50% of voting rights generally confers controlling interest."
20. Through the Proposed Transaction, SSL and CMB will be amalgamated into a newly rebranded entity SCSL, and which will be jointly controlled by a newly created company (Swan Hold Co (65%) (wholly owned by Swan Financial Solutions Ltd) and Azelbourne (35%).
21. Having regard to the Report and the information before it, the Commission finds that with the proposed transaction Swan Hold Co Ltd and Azelbourne Financial Services Ltd as a group of persons will have full control over both SSL and CMB, through an amalgamated entity. Therefore, the merger situation may also be considered from the perspective of Swan Hold Co and Azelbourne as a group of persons bringing SSL and CMB under common ownership and control.

c. Territorial Nexus

22. One of the other requirements for a merger situation arising as provided for in the Act, is that at least one of the enterprises concerned carries its activities in Mauritius or through a company incorporated in Mauritius.
23. The Commission noted that, SSL and CMB are both incorporated in Mauritius in line with the provisions of the Companies Act 2001 and meet the criteria of national presence.

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CC/DS/0053 – Decision on proposed merger involving Swan Securities Ltd and Capital Market Brokers Ltd (SBV 004)

The Merger Parties also offer their goods and services in the local market and as such carry their activities in Mauritius. Therefore, the territorial nexus is met.

24. Having considered the Report and the information before it, the Commission finds that (a) the Merger Parties qualify as enterprises, (b) the Proposed Transaction through the amalgamation of SSL and CMI, brings under common control of Swan Hold Co and Azelbourne within the meaning of the Act and (c) the territorial nexus is met. Hence, the Proposed Transaction meets the criteria for a merger situation as per the Act.

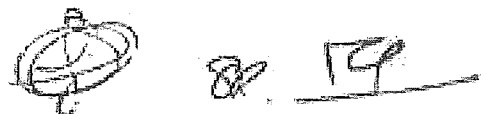
(ii) Market definition and market shares

25. In further evaluating the matter, the Commission has regards to the reviewability of the Proposed Transaction such that the statutory threshold under Section 48 of the Act is met in the defined relevant market. In so doing, the Commission considered the market definition and assessment as set out in the Report and noted that:

- a. the potential relevant market was defined as the market for the supply of execution services on the SEM;
- b. the geographic market was defined as Mauritius given that the parties derive revenue on the execution of services on the local stock exchange in Mauritius which is limited to operators locally authorised to trade in such activities;
- c. the Proposed Transaction satisfied the 30% market share threshold and may result into the substantial lessening of competition in the market for the supply of execution services on the stock exchange market in Mauritius, given that post-merger, the average market share of the Amalgamated Entity was estimated at [REDACTED] thus meeting the requirements of the Act.

26. The Commission notes that the market share estimate of approximately [REDACTED] relied upon by the Executive Director is derived from an average assessment over the relevant period. The Commission has observed that market shares in the relevant market have exhibited variability over time. In light of this variability and background, the Commission considers it appropriate to examine the matter under Section 63 of the Act.

27. The Commission considers that the competition concerns identified may be satisfactorily addressed through undertakings, without the need for a determination under section 50 of the Act. While the Commission makes no determination whether the merger may substantially lessen competition, the merger may nevertheless raise concerns which can be satisfactorily addressed through undertakings.

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CC/DS/0264 – Decision on proposed merger involving Swan Securities Ltd and Capital Market Builders Ltd (INV 026)

III CONCERNS IDENTIFIED BY THE EXECUTIVE DIRECTOR AND THE COMMISSION'S CONSIDERATION

28. In his Report, the Executive Director had set out potential competition concerns, having regards to the counterfactual (the state of competition absent the transaction) emanating from the Proposed Transaction in the form of substantial lessening of competition in the concerned market.

29. The potential competition issues identified by the Executive Director were as per below:

- a. Concentration in the concerned market: the activities of SSL and CMB overlaps in the market for the supply of execution services on the SEM. With the proposed transaction, the number of players in the concerned market would have reduced from 7 players to 6 players with concentration lying with a few players having significant market shares. [REDACTED]
- b. Pricing-related concerns: although the pricing of execution services is regulated by a maximum cap, the Amalgamated Entity could align pricing upwards, resulting from increased market power. [REDACTED]
- c. Non Price (terms and conditions) concerns: in addition to price, competition also occurs through the terms and conditions offered to clients. Given the concentrated nature of the market, the Proposed Transaction may result in a deterioration of terms and conditions (in terms of settlement speed, access to online platforms, value-added services) for some clients or categories of clients.
- d. Innovation and Service Quality concerns: there is a concern that consolidation could lead to future reductions in staff or concentration of expertise in a single entity. This could reduce competitive rivalry and negatively affect innovation, customer service, and supply capacity.

30. The Commission has taken note of the Executive Director's concerns and considers them relevant for the purposes of its assessment.

IV THE UNDERTAKINGS OFFERED

31. The Commission took note of the undertakings offered by the Merger Parties dated 15th October 2025 to address the identified potential competition concerns. The said undertakings are hereto attached as annex to the present decision.

LC/DS/0063 – Section 17(a) proposed merger involving Swan Securities Ltd and Capital Market Brokers Ltd (RMV 076)

32. The undertakings are listed as follows, whereby the Merger Parties undertook:

- i. to review their client lists to identify common clients and, the applicable terms and conditions, including pricing structure (the "Terms and Conditions"), for these clients and applying the most favourable Terms and Conditions to them in case(s) of disparity;
- ii. not to increase the pricing of their existing client base for a period of 5 years from the date the transfer of shares between the Merger Parties has been completed, unless justified by cost increases or by law;
- iii. to offer normal fee schedule of SEM to their new clients [REDACTED]
- iv. to either maintain or improve the Terms and Conditions under which their respective current client base is currently operating;
- v. without prejudice to the legal rights of an employer under employment legislation, not to reduce their staff or include staff retrenchment as part of a cost-cutting strategy post-merger or which may affect the research capabilities of the Merger Parties, for the next 5 years; such period starting to run as from the date of the transfer of shares between the Merger Parties has been completed;
- vi. to allow clients to transfer their portfolios to another broker if they so wish.
- vii. to notify the Commission in writing of the date on which the transfer of shares has been completed.

V. COMMISSION'S ASSESSMENT OF THE UNDERTAKINGS

33. The Commission has proceeded to assess the undertakings submitted by the Merger Parties in accordance with Section 63(3) of the Act, with consideration to the effectiveness, timeliness and proportionality of the undertakings, as provided in the CC 6- Guidelines on Remedies and Penalties, as follows:

- a. Review of client lists to identify common clients and, the application of the most favourable terms and conditions to them including pricing structure

34. This undertaking directly addresses the pricing-related and non-price concerns identified, whereby by identifying the common clients and applying the most favourable terms and conditions in cases of disparity, the undertaking prevents the immediate alignment of pricing or other contractual terms upwards following the merger.

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CI 19/2026 - Draft of a proposed merger involving Societe Generale Bank and Capital Market Services Ltd (CI 19/2026)

35. The Commission is of the view that this undertaking effectively addresses the concern that the clients who are common to both SSL and CMB will not see an increase in their prices but rather they will be charged the lower of the price between SSL and CMB.

36. The measure is therefore effective, as it ensures that existing clients do not experience a deterioration in pricing or service terms as a result of the merger.

b. Commitment not to increase prices for existing clients for five years

37. The Merger Parties have undertaken not to increase the pricing of their existing client base for a period of 5 years as from the date of the transfer of shares between the Merger Parties has been completed, unless justified by cost increases or by law.

38. The undertaking is effective, as it addresses the concern relating to higher prices for existing clients. It is timely, as it takes effect immediately upon completion of the transaction. The five-year duration is proportionate, as is the duration for most of the undertakings, providing sufficient time to ensure market stability post-merger, allowing the monitoring of compliance.

39. Therefore, the Commission is satisfied that the likely price increase concerns for existing clients are also properly addressed

c. to offer normal fee schedule of SEM to their new clients

40. The pricing concern is also extended to new clients. The parties have undertaken that they will not change the policy pertaining to price in that they will continue to provide prices within the regulated framework

or other service providers are also considered as effective alternatives.

41. Therefore, the Commission considers this undertaking satisfactory as it addresses the likely concern of price increase taking into consideration the given market structure, the fact that price is regulated and that clients will have the possibility to shop around for alternatives.

d. To either maintain or improve the terms and conditions under which their respective current client base is currently operating.

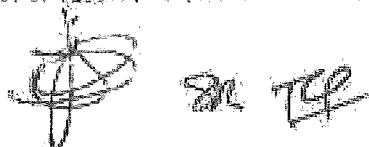
42. This undertaking directly addresses the non-price concerns identified, including settlement speed, platform access and value-added services. It ensures that clients do not experience a deterioration in service quality as a result of the transaction.



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CC/19/0023 – Decision on proposed merger involving 5-year Securities Ltd and Capital Market Broker Ltd (CMV 076)

43. The Commission considers that the measure is effective, as it preserves competition on non-price parameters. It is proportionate, as it maintains existing standards and is also timely, applying immediately following completion of the merger.
- e. without prejudice to the legal rights of an employer under employment legislation, not to reduce their staff or include staff retrenchment as part of a cost-cutting strategy post-merger or which may affect the research capabilities of the Merger Parties, for the next 5 years; such period starting to run as from the date of the transfer of shares between the Merger Parties has been completed.
44. The Commission takes note of the submission of the Merger Parties that, absent the proposed transaction, they would likely have been constrained to downsize their operations, which could have resulted in a reduction in sector capacity and potentially affected competition, in particular in relation to research capabilities and the provision of value-added services.
45. In response to the concerns identified by the Executive Director, the Merger Parties voluntarily offered an undertaking pursuant to Section 63 of the Act, whereby they committed not to reduce their staff or include staff retrenchment as part of a cost-cutting strategy post-merger, or in a manner that may affect their research capabilities, for a period of five years from the date on which the transfer of shares between the Merger Parties is completed.
46. The Executive Director considered that this undertaking addressed concerns relating to innovation, service quality and supply capacity, by safeguarding research capabilities and service delivery in a market characterised by specialised and technical know-how requirements, and by providing a degree of assurance that service quality and client treatment would not deteriorate following the transaction.
47. The Commission considers that staffing levels, in and of themselves, do not constitute a competition parameter, and that, in certain circumstances, adjustments to the workforce of the Amalgamated Entity may contribute to greater operational efficiency and enhanced competitiveness.
48. The Commission further notes that employment and labour matters fall outside its statutory remit and are governed by applicable employment legislation. Accordingly, the Commission does not regulate employment levels, nor does it impose or endorse obligations relating to staffing decisions as an end in themselves.
49. The Commission expressly records that it makes no determination as to whether the Amalgamated Entity is permitted or prohibited from reducing staff, insofar as such decisions do not involve anti-competitive conduct or result in a substantial lessening of



competition within the meaning of the Act. Employment-related decisions remain within the discretion of the Amalgamated Entity, subject to applicable law.

50. The Commission therefore accepts this undertaking only to the extent that it addresses the competition-related risks identified, namely the potential material loss of competitiveness of the Amalgamated Entity that could adversely affect innovation, service quality or supply capacity in the market. The Commission is satisfied that, viewed in this context, the undertaking is appropriate and proportionate and may be accepted pursuant to section 63 of the Act.

f. to allow clients to transfer their portfolios to another broker if they so wish.

51. The Commission has taken note of this undertaking and is of the view that, notwithstanding that clients in the stock trading industry tend to have accounts with multiple investment dealers and migrating from one investment dealer to another is quite frequent in the industry, the likely concerns in so far as concentration is concerned is mitigated as there is unlikely to be any switching barriers for the customers post-merger.

g. to notify the Commission in writing of the date on which the transfer of shares has been completed.

52. The Commission considers that this undertaking enables proper monitoring of compliance ensuring that the implementation of the undertakings is overseen in a timely manner.

53. Overall, the Commission considers that the behavioural undertakings proposed by the Merger Parties satisfactorily addresses the competition concerns likely to emanate from the Proposed Transaction.

VI DETERMINATION UNDER SECTION 63(3) OF THE ACT

54. Having regard to the undertakings submitted by the Merger Parties, the competition concerns identified, and the assessment set out in the Report, the Commission has proceeded to determine whether the requirements of Section 63 of the Act are satisfied in the present matter.

55. Pursuant to Section 63(3) of the Act, the Commission may determine a case on the basis of an undertaking, where it is satisfied that the undertaking satisfactorily addresses the competition concerns that have arisen, or are likely to arise

56. The statutory threshold for the acceptance of the undertakings under Section 63 (3) is that the Commission must be satisfied that the undertakings address “all the concerns it

CC/DS/0063 – Decision i.r.o proposed merger involving Swan Securities Ltd and Capital Market Brokers Ltd (INV 076)

has about any prevention, restriction distortion or substantial lessening of competition”
arising from the matter under consideration.

57. In reaching its determination, the Commission has given due consideration to:

- a. the undertakings submitted by the Merger Parties, SSL and CMB; and
- b. the Report including the assessment, findings, and recommendations.

58. The Commission has taken into account the Executive Director’s recommendation and has assessed whether the undertakings proposed by SSL and CMB addresses the competition concerns identified, having regard to the evidence before it.

59. Pursuant to this assessment, the Commission is satisfied that the undertakings submitted meet the requirements of section 63 of the Act in the present matter.

60. In particular, the Commission considers that the undertakings are effective, proportionate and capable of timely implementation, and that they satisfactorily address the competition concerns identified in relation to the market for the supply of execution services on the SEM.

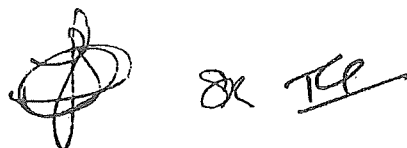
61. Accordingly, pursuant to section 63(3) of the Act, the Commission hereby determines the matter on the basis of the undertakings provided and accepts the undertakings submitted by SSL and CMB.

VII DECISION

NOW THEREFORE,

62. For the reasons set out in this decision, the Commission decides as follows:

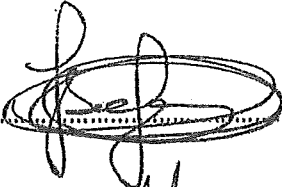
- a. We accept the Undertakings given by the Merger Parties (as herewith annexed) which shall be the decision of the Commission in the present matter, as provided for under Section 63(4) of the Act;
- b. The said Undertakings shall have the effect of a direction given by this Commission under Section 60 of the Act; and
- c. The said Undertakings shall be effective as from the date of the present Decision.



CC/DS/0063 – Decision I.r.o proposed merger involving Swan Securities Ltd and Capital Market Brokers Ltd (INV 076)

Done at Port-Louis this 29 December 2025

Mr. JIM Seetaram
(Chairperson)



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Mr. Sandiren Reddi
(Vice-Chairperson)



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Mr. Thierry Chellen
(Commissioner)



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CC/DS/0063 -- Decision i.r.o proposed merger involving Swan Securities Ltd and Capital Market Brokers Ltd (INV 076)

Annex: Undertakings submitted by SSL and CMB

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The Executive Director,
Competition Commission,
10th Floor, Hennessy Court
Pope Hennessy Street,
Port Louis.

15 October 2025

Strictly Private and Confidential

Dear Sir,

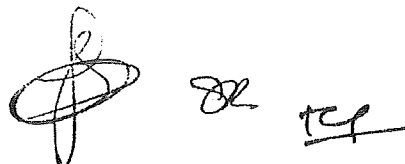
Re: Undertakings pursuant to sections 2, 63 of the Competition Act and rule 28 of the Competition Commission Rules of Procedure.

Further to an application for guidance under section 47 of the Competition Act ("Application") submitted on behalf of Swan Securities Ltd. ("SSL") and Capital Markets Brokers Ltd. ("CMB") in connection with a proposed merger between the two entities ("Proposed Merger"), and the Letter of Concerns dated 10 October 2024 ("Letter of Concerns") issued by the Competition Commission ("Commission"), both SSL and CMB submit the following undertakings to address the concerns of the Commission specified in the Letter of Concerns.

(I) Statement of Facts

a. The Parties:

- (i) SSL is the investment dealing arm of the SWAN Group and is licensed by the Financial Services Commission ("FSC") as an investment dealer (full-service dealer, including underwriting) and is one of the merging parties. It is one of the top five investment dealers in terms of market share on the Stock Exchange of Mauritius ("SEM").
- (ii) CMB is licensed by the FSC as an investment dealer (full-service dealer excluding underwriting) and is one of the top five investment dealers in terms of market share on the SEM.
- (iii) The SEM is the main trading platform for SSL and CMB ("Merger Parties"). The SEM has two trading segments namely the Official Market ("OM") and the DEM. The OM is where the blue chips or renowned groups operating either in Mauritius or abroad are listed and have a larger chunk of their shareholding (free float) available for trading compared to the DEM.



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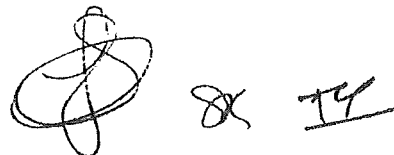
- (iv) Both SSL and CMB have a client base which can be regrouped under domestic & non-resident retail and institutional investors.

b. Nature of the Proposed Merger:

- (i) The Proposed Merger is the amalgamation of CMB into SSL to create the Amalgamated Entity. The Amalgamated Entity shall be rebranded as Swan CMB Securities Ltd.
- (ii) The Amalgamated Entity shall have a resulting shareholding structure which is as follows:
1. Swan Financial Solutions Ltd – 65% of issued share capital and voting rights.
 2. Azelbourne Financial Services Ltd – 35% of issued share capital and voting rights.

c. The strategic and economic rationale of the Proposed Merger:

- (i) The SEM has been in operation since 1989 and operates two trading platforms namely the Official Market (OM) and the DEM where 93 companies are listed on both platforms.
- (ii) Investment Dealers (such as SSL and CMB) are members of the SEM and derive the bulk of their revenue (turnover) from brokerage fees charged for transacting on either the buy or sell side of a transaction.
- (iii) An investor is charged transaction costs which include brokerage fees, SEM fees, CDS fees and FSC fees which are a % of the value transacted and vary depending upon the asset class and the amount invested.
- (iv) The fee structure is capped by the regulators and can only be negotiated downwards out of the share of brokerage fees charged by Investment Dealers; the statutory fees (SEM, CDS and FSC) are non-negotiable because they are prescribed by rules or enactments, as applicable.
- (v) The value of transactions on the SEM (where brokerage fees are charged) is on a decreasing trend especially for the OM – information in support of this is mentioned in the Application, and the declining market activity (the Average Daily Turnover especially on the OM) contributed to a number of restructurings in the industry with only 8 investment dealers as members of the SEM as at 31 December 2023. The recent years saw a cessation of activities of investment dealing – the main reason for this decline in the number of investment dealers is that the business operations of the investment dealers on the SEM for their business model was loss-making. The

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CC/DS/0063 -- Decision I.r.o proposed merger involving Swan Securities Ltd and Capital Market Brokers Ltd (INV 076)

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Merger Parties believe that in the current state of the domestic market (activity on the SEM), further consolidation or cessation of business activity amongst the current members of the SEM will occur.

- (vi) The Merger Parties are both members of the SEM and they are experiencing a decline in brokerage fees linked to trading on the SEM in real terms. Brokerage revenue generated on the Merger Parties' main market (i.e., on the SEM) is not enough to compensate for operational costs. Transaction value on the SEM is on a continuous decline since the start of 2024 up to May compared to the same period last year, e.g., the transaction value for the year to date May 2023 and 2024 is Rs. 9.64 billion and Rs. 8.38 billion respectively. This will further impact the operational deficit of investment dealers dealing on the SEM.
- (vii) Furthermore, it is increasingly difficult to find experienced traders in Mauritius due to a combination of young professionals emigrating and shifting their career interests toward other industries such as technology and finance. This trend has resulted in a talent drain that is severely impacting the continuity and stability of the local stockbroking industry. As seasoned traders retire or leave the sector, the lack of incoming skilled talent creates a knowledge gap, undermining the industry's ability to maintain consistent, high-quality service. Additionally, the absence of experienced traders hampers the sector's capacity to mentor and develop the next generation of stockbrokers, further exacerbating the problem and posing a significant challenge to the industry's long-term viability and growth.

(II) Concerns of the Executive Director

In its Letter of Concerns, in reply to the Application and submission of additional information by the Merger Parties, the Executive Commission is of the view that the proposed acquisition of a majority stake by SSL in CMB ("Proposed Transaction") may result in substantial lessening of competition in relation to the supply of execution services on the stock market in Mauritius and his concerns are reproduced verbatim below:

- (a) *As the pricing being used by both entities are different, following the Proposed Transaction, the clients currently paying lower prices may have to pay higher prices.*
- (b) *Besides the above, by virtue of the concentrated nature of the market, and given the significant increase in the market share of the merged entity, their market power may increase and may result in upward pricing pressure, albeit below the regulated price cap.*
- (c) *In a similar manner, terms and conditions offered to clients or a category of clients may worsen off.*

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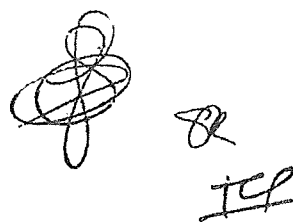
(d) *The CC was informed that if the Proposed Transaction is not approved, the parties will have to reduce their respective staff, an element which has been considered in the assessment. Staffing appears to play an important role in that market for innovation, value added services, supply capacity and hence competition. Concerns exist that the merger may result in increased market power and see a reduction in key staff impeding competition through its effect on capacity, supply of value added services and innovation.*

(iii) Measures that the Amalgamated Entity, rebranded as Swan CMB Securities Ltd. will take to address the concerns mentioned at (a) to (d) above:

- a. Undertake to review their client lists to identify common clients and, the applicable terms and conditions, including pricing structure ("terms and conditions"), for these clients and applying the most favourable terms and conditions to them in case(s) of disparity.
- b. Undertake not to increase the pricing of their existing client base for a period of 5 years from the date the transfer of shares between the Merger Parties has been completed, unless justified by cost increases or by law.
- c. Offer normal fee schedule of SEM to their new clients [REDACTED]
- d. Undertakes to either maintain or improve the terms and conditions under which their respective current client base is currently operating.
- e. Without prejudice to the legal rights of an employer under employment legislation, undertake not to reduce their staff or include staff retrenchment as part of a cost-cutting strategy post-merger or which may affect the research capabilities of the Merger Parties, for the next 5 years; such period starting to run as from the date of the transfer of shares between the Merger Parties has been completed.
- f. Undertake to allow clients to transfer their portfolios to another broker if they so wish.

The Merger Parties further undertake to notify the Commission in writing of the date on which the transfer of shares has been completed.

As mentioned in the letter dated 14 August 2024 of the Merger Parties, they agree to waive confidentiality on the fact that SSL intends to acquire a majority stake in CMB. For the avoidance of doubts, this waiver does not extend to the sensitive commercial information which has been identified in the letter dated 20 June 2024.



Handwritten signatures and initials, including a large scribble and the initials 'ICP'.

CC/DS/0063 — Decision i.r.o proposed merger involving Swan Securities Ltd and Capital Market Brokers Ltd (INV 076)

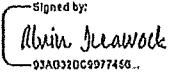
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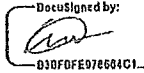
For Swan Securities Ltd.

For Capital Markets Brokers Ltd.

Signatory 1: Glanduth Jeeawock

Signatory 1: York Shin Lim Voon Kee

Signature:  Signed by:
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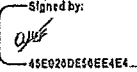
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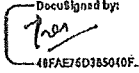
Date: 15 October 2025

Date: 15 October 2025

Signatory 2: Mathieu Ludovic Olivier Allet

Signatory 2: Tommy Lo Seen Chong

Signature:  Signed by:
45E020DE3AEE4E4..

Signature:  DocuSigned by:
48FAE76D385040F..

Date: 15 October 2025

Date: 15 October 2025

