



## **DETERMINATION OF MERGER NOTIFICATION M/07/044 – BARCLAYS/GLOBAL REFUND**

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### **Section 21 of the Competition Act 2002**

#### **Proposed acquisition by Troyglade Limited of Global Refund Holdings BV and Gallaropoli BV**

**Dated 13/09/07**

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### **Introduction**

1. On 17 August 2007 the Competition Authority (“the Authority”), in accordance with section 18(1) of the Competition Act, 2002 (“the Act”) was notified, on a mandatory basis, of a proposal whereby Troyglade Limited (“Troyglade”) would acquire a majority shareholding in Global Refund Holdings BV and Gallaropoli BV<sup>1</sup> (collectively “Global Refund”).

### **The Undertakings Involved**

2. Troyglade, the acquirer, is an acquisition vehicle which was set up for the sole purpose of this transaction and was established by funds owned by Barclays Private Equity Limited (“BPE”). BPE is part of Barclays Capital (“Barclays Capital”) which is in turn the global investment banking division of the Barclays Bank PLC group of companies (“Barclays Group”). BPE provides equity finance to privately owned businesses and equity funding to privately financed infrastructure projects.
3. The worldwide turnover of the Barclays Group for the financial year ending 31 December, 2006 was [.] and its turnover in the State for the same financial was [.]
4. Global refund, the target, provides VAT refund services through its ‘Tax Free Shopping’ business and currency conversion services through its ‘First Currency Choice’ business in 37 countries.
5. Global refund has four subsidiaries in the State:
  - Global Refund Holdings Limited;
  - Global Refunds Ireland Limited;
  - European Data Processing Limited; and,
  - Dinaview Limited.<sup>2</sup>
6. The worldwide turnover of Global Refund for the financial year ending 31 March, 2006 was [.] For the financial year ending 31 March 2007 its turnover in the State was [.] This was generated entirely from royalty fees paid by a separate and independent company operating in

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<sup>1</sup> Gallaropoli is [.]

<sup>2</sup> Global Refund Holdings Limited, Global Refunds Ireland Limited and European Data Processing Limited [.] while Dinaview Limited is a dormant company.

the State in order to enable this company to use Global refund's name to trade in the State.

### **Analysis**

7. There is no horizontal or vertical overlap between parties in the State. Subsidiaries of the Barclays Group are active in the provision currency conversion. However, in the State the Barclays Group does not provide a retail banking service.
8. Furthermore, the currency conversion service provided by Global Refund is not equivalent to that provided by a bank. Global Refund's currency conversion service is provided at the point of sale whereby retailers can quote prices and charge purchases to a consumer's credit card in the consumer's home currency rather than the local currency of the country in which the purchase is made.
9. The Authority, therefore, considers that the proposed transaction does not raise competition concerns in the State.

### **Ancillary Restraint**

10. The Authority also reviewed restrictive arrangements agreed by the parties in their Share Purchase Agreement and referred to in the notification of the merger. The Authority considers that these arrangements are directly related and necessary to the implementation of the merger since without them the value to and purpose of the proposed transaction for the acquirer of the current transaction would be undermined.

### **Determination**

The Competition Authority, in accordance with section 21(2)(a) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition by Troyglade Limited of Global Refund Holdings BV and Gallaropoli BV will not be to substantially lessen competition in markets for goods and services in the State and, accordingly, that the acquisition may be put into effect.

### **For the Competition Authority**

Dr. Paul K Gorecki  
Member of the Competition Authority