



MEDIA RELEASE

27 November 2018

CCCS Clears Proposed Acquisition by Nasdaq Technology AB of Cinnober Financial Technology AB Involving Market Technology Products

The Competition and Consumer Commission of Singapore (“**CCCS**”) has today cleared the proposed acquisition by Nasdaq Technology AB (“**Nasdaq Technology**”) of Cinnober Financial Technology AB (“**CINN**”) (the “**Proposed Transaction**”). Following a review, CCCS concluded that the Proposed Transaction, if carried into effect, will not infringe the section 54 prohibition of the Competition Act (Cap. 50B)¹.

Background

2. Nasdaq Technology is a wholly-owned subsidiary of Nasdaq, Inc. (“**Nasdaq**”). Both Nasdaq and CINN (each a “**Party**”, collectively the “**Parties**”) are global suppliers of market technology solutions. Specifically, the Parties overlap in the global supply of trading, clearing, market surveillance and risk management solutions.

3. In Singapore, Nasdaq maintains one leased location and provides market technology solutions under the following brand names: Nasdaq Financial Framework for trading and clearing solutions, and SMARTS for market surveillance purposes. CINN does not have a physical presence in Singapore, but provides products to customers in Singapore under the brand names of TradeXpress for trading solutions and Real Time Clearing for clearing solutions, with market surveillance and risk management solutions added on.

CCCS’s Assessment

4. In its assessment, CCCS considered that the relevant market for the Proposed Transaction is the global supply of market technology solutions; namely: (i) trading

¹ Section 54 of the Act prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition within any market in Singapore.

solutions,² (ii) clearing solutions,³ (iii) market surveillance solutions,⁴ and (iv) risk management solutions.⁵

5. After consulting stakeholders⁶ and evaluating all relevant information, CCCS concluded that the Proposed Transaction, if carried into effect, will not lead to a substantial lessening of competition within the relevant markets in Singapore.

6. In particular, CCCS found that:

- (a) Market technology solutions are available globally, with many viable alternative overseas suppliers who can compete against the merged entity;
- (b) The barriers to entry or expansion for the relevant market do not appear to be high and are decreasing with the advent of new technologies, with a number of new entrants⁷ observed in the past five years;
- (c) Customers in Singapore do not consider the Parties' products to be each other's closest substitutes; and
- (d) Customers are typically large and sophisticated companies in the financial industry, who have significant bargaining power.

7. Further information on the application and CCCS's Grounds of Decision will be made available in due course on CCCS's Public Register at www.cccs.gov.sg.

- End -

² Trading solutions compare incoming orders to all stored orders and creates matches where possible. The match becomes a trade that is sent for clearing and eventual settlement.

³ Clearing solutions move the risk of counterparty default from the traders to a central clearinghouse (also described as a central counterparty ("CCP")). Most clearing systems also include a risk module that enables the clearinghouse or CCP to evaluate the risk in each of its positions.

⁴ Market surveillance solutions primarily supply market data to allow customers to monitor trading across markets in order to control regulatory, reputational and operational risks across markets, functions and asset classes.

⁵ Risk management solutions allow firms to monitor and manage their aggregate risk exposure across markets, asset classes, regions and accounts in real-time, through flexible trade controls. In addition, monitoring and analysis software help firms to control and maximise their regulated exchange limits.

⁶ In reviewing the proposed acquisition, CCCS conducted one round of public consultation and contacted a total of twelve third parties, comprising eight competitors and four customers.

⁷ Aquis Exchange PLC, Global Markets Exchange Group International LLP and Calypso, amongst others.

About the Competition and Consumer Commission of Singapore

The Competition and Consumer Commission of Singapore (“**CCCS**”) is a statutory board of the Ministry of Trade and Industry. CCCS administers and enforces the Competition Act (Cap. 50B) which empowers CCCS to investigate and adjudicate anti-competitive activities, issue directions to stop and/or prevent anti-competitive activities and impose financial penalties. CCCS is also the administering agency of the Consumer Protection (Fair Trading) Act (Cap. 52A) or CPFTA which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for business and consumers in Singapore.

For more information, please visit www.cccs.gov.sg.

For media clarifications, please contact:

Ms. Nawwar Syahirah
Senior Assistant Director
Communications
Competition and Consumer Commission of Singapore
Email: nawwar_syahirah@cccs.gov.sg
DID: 6325 8313

Ms. Grace Suen
Senior Assistant Director
Communications
Competition and Consumer Commission of Singapore
Email: grace_suen@cccs.gov.sg
DID: 6325 8216