



## MEDIA RELEASE

17 October 2018

### **CCCS Consults on the Proposed Acquisition by Nasdaq Technology AB of Cinnober Financial Technology AB**

The Competition and Consumer Commission of Singapore (“**CCCS**”) is conducting a public consultation from 17 October to 30 October 2018 to invite feedback on the proposed acquisition by Nasdaq Technology AB (“**Nasdaq Technology**”) of Cinnober Financial Technology AB (“**CINN**”) (collectively, the “**Parties**”). Nasdaq Technology has on 14 September 2018 announced a public cash offer to acquire up to 100% of the outstanding shares and warrants in CINN (the “**Proposed Transaction**”).

2. CCCS received a joint application from the Parties for a decision on the Proposed Transaction and accepted the application as complete on 15 October 2018. CCCS is now assessing whether the Proposed Transaction would infringe section 54 of the Competition Act (Cap. 50B), which prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition within any market in Singapore.

#### **The Parties**

##### Nasdaq Technology

3. Nasdaq Technology is a wholly-owned subsidiary of Nasdaq, Inc. (“**Nasdaq**”). Nasdaq is a global supplier of trading, clearing, exchange technology, regulatory, securities listing, information and public company services. Its products and services are broken into four business segments:

- a. market services;
- b. corporate services;
- c. information services; and
- d. market technology.

4. In Singapore, Nasdaq maintains one leased location and provides market technology solutions under the following brand names: Nasdaq Financial Framework (“**NFF**”) for trading and clearing solutions and SMARTS for market surveillance purposes.

## CINN

5. CINN is a global supplier of software solutions for trading, clearing and risk management platforms to exchanges and clearinghouses, banks and brokers worldwide. CINN does not have a physical presence in Singapore but provides products to customers in Singapore under the brand names of Real Time Clearing for clearing solutions and TradeXpress for trading solutions.

### **The Transaction**

6. The Parties submit that they overlap in the provision of market technology solutions including trading, clearing, risk management and market surveillance software and as such, the relevant product market could be taken to be the same.

7. The Parties are of the view that the geographic market is global as there are no restraints preventing competing suppliers from serving customers anywhere in the world. The Parties submit that they provide market technology solutions and service clients globally.

8. According to the Parties, the Proposed Transaction will not give rise to anti-competitive effects, given the following:

- a. There are a large number of credible competitors (for example, LSEG, Deutsche Borse, Euronext and TMX) who are capable of constraining the merged entity after the Proposed Transaction;
- b. Barriers to entry are not insurmountable and are decreasing with the advent of new technologies in the market for market technology solutions. Therefore, a physical presence in Singapore is no longer required;
- c. Customers are typically large and sophisticated banks, brokers, other financial institutions, clearing houses and exchanges, and are capable of exercising significant bargaining power, including by switching suppliers;
- d. Customers have the ability to, and many do, self-supply; and
- e. There are no vertical relationships between the Parties, nor are there any existing supply arrangements between the Parties. Each party produces and supplies its own software and supplies these products directly to financial institutions and exchanges.

## **Public Consultation**

9. CCCS is inviting public feedback in relation to the Proposed Transaction.
10. More information on the public consultation can be accessed and downloaded from the CCCS website at [www.cccs.gov.sg](http://www.cccs.gov.sg) under the section "[Public Register and Consultation](#)". The closing date for submissions is on or before **30 October 2018**. If the submission/correspondence contains confidential information, please also provide CCCS with a non-confidential version of the submission or correspondence.

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## 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](http://www.cccs.gov.sg).

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