The Autorité clears the acquisition of Bimédia by DL Software, which controls Devlyx

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Background

After examining Bimédia's acquisition transaction by the DL Software group, which owns Devlyx, the *Autorité* cleared the transaction without conditions, considering that it was not likely to harm competition.

TA Associates, a company incorporated under US law which manages a group of investment funds including the DL Software group, notified the *Autorité de la Concurrence* of the proposed acquisition of Bimédia.

Parties to the transaction

The DL Software group includes several companies which publish integrated management software packages targeting a variety of sectors in France. One of them, Devlyx, is active in the field of global cash register solutions for local businesses. These are mainly for tobacconists/newspaper shops.

Bimédia is also active in the sector of global cash register solutions for local shops and more specifically for tobacconists/newspaper shops.

After careful examination, the *Autorité* considers that the transaction is not likely to affect competition

In particular, the ***Autorité*** examined whether the proposed transaction was likely to restrict competition in the national market for the provision of global cash register solutions for Tobacco/Newspaper shops and the national market for intermediation in the sale of electronic services through global cash register solutions for Tobacco/Newspaper shops in which both parties are present.

The ***Autorité*** found that, although the transaction would lead to a quasi-duopoly situation, the new entity would not have an incentive to increase the price of global cash register solutions in view of the strong competitive pressure of its main competitor, Logista company, on the price point and the general downward trend in market prices.

It also found that the new entity would not have an incentive to increase its margins as an intermediary for the sale of electronic services, either to the detriment of the suppliers of these services or to the tobacco/newspaper shops industry.

The ***Autorité*** found that the new entity would not have any incentive to lower the quality of the electronic services offered through its cash register solutions, or to foreclose access to the market for the providers of these services, given the strategic importance of an offer which is sufficiently deep and broad in line with the varied profiles of tobacconists/newspaper shops and the very limited costs of integrating new services in relation to the revenue that might be generated.

Finally, the ***Autorité*** found that the characteristics of these markets would not lend themselves to coordinated behaviour by the new entity with its main competitor, Logista company, the current market leader.

The ***Autorité*** has thus cleared this transaction without conditions.

Global checkout solutions

Global checkout solutions are hardware and software equipment enabling merchants to carry out various tasks related to their retail activity (cash collection, stock management, entry of supply orders, or even, in certain cases, the marketing of third-party products and services, known as “dematerialized services”).

They thus combine the usual functions of retail cash registers (the execution of transactions) and the software management of point-of-sale activity.

The main electronic services marketed through global cash register solutions

Main categories of electronic services

	Examples of products and services			
Financial Services				
Electronic payment services	Prepaid bank cards and recharges for people without traditional bank cards (suspended banking privileges, web users, tourists, etc.)			

	Examples of products and services			
Money transfer services	Money transfer solutions in France and abroad to an individual, a bank account or a mobile wallet, etc.			
Liquidity Gathering Banking Services	Cash deposits, purchase of a prepaid card providing access to several services including micro-credits or loans between individuals, payment of bills, etc.			
Telephone products and services	SIM cards, mobile telecommunication credits			
Administrative services	Vehicle registration documents			
Content				

	Examples of products and services			
Online gambling and betting	Prepaid cards for use on online stores for video game consoles Credit recharges for video game accounts			
Entertainment and commerce	Sale of gift cards for use on various online stores and in stores			

DECISION 22-DCC-74

See full text of the decision

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