JOINT VENTURES (FINANCIAL SERVICES): BNP / COFINOGA / CREATION

Subject: Joint ventures

Industry: Financial services; store cards

Parties: Banque Nationale de Paris SA
Groupe Cofinoga
Galeries Lafayette
Creation Financial Services Ltd
Sears Group

Source: Commission Statement IP/99/129, dated 23rd February 1999

(Note. Another case involving financial services has been approved by the Commission. In this instance, the turnover is not quantified; nor is the market share. The Commission attaches importance to the fact that the operation does not affect the financial services market in the United Kingdom.)

The Commission of the European Communities has authorized an operation whereby Banque Nationale de Paris SA (BNP) and Groupe Cofinoga, which is controlled by Galeries Lafayette, acquire joint control of Creation Financial Services Ltd (Creation) by way of purchase of shares from the Sears Group. The market shares increase through the joint venture is limited and does not therefore raise objections from a competitive point of view.

Cofinoga is the leading issuer of private label credit cards (or store cards) in France and has other significant business activities in the consumer credit sector involving personal loans and other financial products. It operates on a minor scale in Belgium, Italy, Spain, and Portugal. It has no presence or operations in the United Kingdom. Creation's principal business is the provision of consumer credit by means of storecards for customers of its retailer clients. Creation currently provides storecards services to the six Sears' clothing chains, to Selfridges and others.

Neither Cofinoga nor BNP has any operations in the UK consumer credit segment. In view of the market position of the parties to the concentration, it appears that the notified operation will have no impact on competition in the European Economic Area (EEA). Consequently, the Commission has decided not to oppose the operation and to declare it compatible with the common market and with the EEA agreement. □

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