



DETERMINATION OF MERGER NOTIFICATION M/24/061 EPAM/FIRST DERIVATIVE

Section 21 of the Competition Act 2002

Proposed acquisition by EPAM Systems Inc. of sole control of First Derivative Limited.

Dated 01 November 2024

Introduction

1. On 17 October 2024, in accordance with s18(1)(a) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed acquisition whereby EPAM Systems Inc. (“EPAM”), would acquire sole control of First Derivative Limited (“First Derivative”) (the “Proposed Transaction”). EPAM and First Derivative are collectively referred to as the Parties.

The Proposed Transaction

2. The Proposed Transaction is to be implemented pursuant to a Share Purchase Agreement. Pursuant to the SPA, the Purchaser will acquire the entire issued share capital and, thus, sole control of First Derivative.
3. The business activities of the undertakings involved are:
 - **The Purchaser – EPAM:**
 - **EPAM** is a multi-national software engineering company registered in Pennsylvania, United States and listed on the New York Stock Exchange. EPAM provides a wide range of services including application development and engineering services, advanced technology software solutions, intelligent enterprise services and digital engagement solutions.



- **The Target – First Derivative:**
 - **First Derivative** comprises twelve subsidiaries¹ which make up the First Derivative division of FD Technologies plc, a UK-incorporated company listed on AIM in London.
 - First Derivative is a specialist consulting business focused on the capital markets industry. First Derivative offer consulting services relating to technology engineering, system integration, operational execution, financial crime and compliance.
- 4. After examination of the notification, the Commission has concluded that the Proposed Transaction falls within the scope of paragraph 2.1 of the Simplified Merger Notification Procedure Guidelines (“SMNPG”) for assessing certain notifiable mergers or acquisitions under section 18 of the Act since:
 - two or more of the undertakings involved in the merger/acquisition are active in the same product and geographic market, but their combined market share is less than 15%.²
- 5. This conclusion was reached on the basis that, although there is a horizontal overlap between EPAM and First Derivative in the provision of IT outsourcing services and IT consulting services, the combined market share of the parties in this potential product market in the State will be less than 15%.
- 6. In the light of this, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

- 7. No ancillary restraints were notified.

¹ These subsidiaries are First Derivative Ltd, Wrex Ventures Limited, First Derivatives Canada Inc., First Derivatives Pte. Limited, First Derivative (Aus) PTY Ltd, First Derivatives Sweden AB, FD Technologies Spain S.L.U, First Derivatives Poland SP z .o.o., First Derivative (Hong Kong) Ltd, First Derivatives Holdings Inc, First Derivatives Co. Ltd, First Derivatives US Inc and First Derivatives South Africa (PTY) Ltd.

² The Commission’s Simplified Merger Notification Procedure Guidelines can be found [here](#).



Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed acquisition, whereby EPAM Systems Inc., will acquire sole control of First Derivative Limited, will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

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Competition and Consumer Protection Commission