

Ref	CMA request	Comments
23.a	The CMA invites views on: Whether a full divestiture of GBST would be an effective remedy to the provisional SLC	We agree that a full divestiture would be an effective remedy, provided that an acquisition by an existing supplier of equivalent services did not in itself result in a potential competition issue.
23.b	whether a partial divestiture consisting of GBST's global wealth management business would be an effective remedy to the provisional SLC and if so:	We are not familiar enough with GBST's global wealth management business to make a considered assessment, however have made some observations in answer to your questions below
23(b) i	the scope of the business and assets that would need to be divested in order for this remedy option to be effective;	We do not have enough information to be able to answer this
23(b) ii	whether there are risks that the scope of the divestiture package may be too constrained or not appropriately configured to allow a purchaser to operate as an effective competitor in the market now and in the medium term and maintain competitive pace of R&D	There are always risks associated, but provided there is sufficient disclosure by the seller, those risks will be assessed and accepted by the purchaser and factored into their decision. If a potential purchaser believes there are too many constraints to allow them to compete effectively, they will not proceed with the purchase.
23(b) iii	the relevance and importance of GBST's Capital Markets business – which could be retained by FNZ under this option - to the viability and competitiveness of GBST's wealth management operations	We do not know how closely tied the GBST Capital Markets division is to their wealth management operations. [X] However, in our experience any operations business is far more efficient and cost-effective when the CM division is closely aligned with it. Splitting them out will likely increase costs to the end consumer compared to having a fully integrated solution from the same supplier.
23(b) iv	the likely attractiveness of GBST's global wealth management business to potential purchasers	We do not have enough information to be able to answer this. However if the business is sizeable, it is likely to be attractive
23(b) v	how easy or difficult it would be to implement the separation required to implement this remedy and the extent to which this would result in ongoing disruption to GBST and deterioration in its competitive capabilities	We do not have enough information to be able to answer this.
23(c)	whether a partial divestiture consisting of all of GBST's UK business would be effective and if so	We are not familiar enough with GBST's UK business to make a considered assessment, however have made some observations in answer to your questions below
23(c) i	the scope of the business and assets that would need to be divested in order for this remedy option to be effective;	We do not have enough information to be able to answer this

23(c) ii	whether there are risks that the scope of the divestiture package may be too constrained or not appropriately configured to allow a purchaser to operate as an effective competitor in the market now and in the medium term and maintain competitive pace of R&D	As with 23(b) ii, if a potential purchaser believes there are too many constraints to allow them to compete effectively, they will not proceed with the purchase.
23(c) iii	the relevance and importance of GBST's Australian operations – which could be retained by FNZ under this option - to the viability and competitiveness of GBST's operations in the UK and its ability to compete effectively in the relevant market	We do not have enough information about the Australian operation to make a proper assessment. However, it would seem unlikely that retention of this element of the business by FNZ would create a competition issue in the UK.
23(c) iv	the likely attractiveness of GBST's UK business to potential purchasers	We believe this should be attractive to a number of potential acquirers
23(c) v	how easy or difficult it would be to implement the separation required to implement this remedy and the extent to which this would result in ongoing disruption to GBST and deterioration in its competitive capabilities	We do not have enough information to be able to answer this.
23 (d)	whether a partial divestiture consisting of GBST's UK wealth management business would be effective	We are not familiar enough with GBST's UK wealth management business to make a considered assessment, however have made some observations in answer to your questions below
23(d) i	the scope of the business and assets that would need to be divested in order for this remedy option to be effective;	We do not have enough information to be able to answer this
23(d) ii	whether there are risks that the scope of the divestiture package may be too constrained or not appropriately configured to allow a purchaser to operate as an effective competitor in the market now and in the medium term and maintain competitive pace of R&D	As with 23(b) ii and 23(c) ii, if a potential purchaser believes there are too many constraints to allow them to compete effectively, they will not proceed with the purchase.
23(d) iii	the relevance and importance of GBST's Australian business and its UK Capital markets business – which could be retained by FNZ under this option - to the viability and competitiveness of GBST's wealth management operations in the UK	As above, we would not envisage any issues with FNZ retaining the Australian business, but also believe that FNZ should not retain the Capital Markets business.
23(d) iv	the likely attractiveness of GBST's UK wealth management business to potential purchasers	We believe this should be attractive to a number of potential acquirers
23(d) v	how easy or difficult it would be to implement the separation required to implement this remedy and the extent to which this	We do not have enough information to be able to answer this.

	would result in ongoing disruption to GBST and deterioration in its competitive capabilities	
23(e) i	for both a full and partial divestiture, whether there are risks that a suitable purchaser is not available or that FNZ will divest to a weak or otherwise inappropriate purchaser	Two other potential acquirers bid for the GBST business. We believe that a properly conducted sales process would be more inclusive and that more potential purchasers may emerge. [X] However, we believe there is a strong risk that FNZ would be an unwilling seller, and would not wish to sell any part of the GBST business to any firm that it may consider to be a competitor. We also believe that FNZ paid a premium price for GBST and that it would be seeking to make a profit on any sale, which in turn may deter any potential acquirers as it would make a commercial agreement difficult.
23(e) ii	for both a full and partial divestiture, whether there are risks that the competitive capability of a divestiture package will deteriorate before completion of divestiture	If FNZ are aware that they are obliged to sell some or all of the GBST business, it will create uncertainty amongst GBST employees, and could also reduce investment by FNZ in GBST technology and infrastructure. Both of these pose risks to the potential detriment of GBST underlying consumers.
23(e) iii	for both a full and partial divestiture, any other elements that may be required for an effective divestiture remedy, or risks that the CMA should be aware of	Any successful divestiture will need the full cooperation of the divesting party. An unwilling seller may not always act in the full and best interests of the underlying consumer. There is a risk that the divestiture process will lead to poor outcomes for the underlying consumer.
25	The CMA invites views on whether there are any specific factors to which the CMA should pay particular regard in assessing purchaser suitability, e.g.: (a) Whether non-retail platform solutions providers would be appropriate purchasers; (b) whether private equity firms would be suitable purchasers; (c) whether a UK presence and understanding of the UK market is essential	We believe that any potential purchaser should be someone with the size, experience and capability to effect a quick sales process, and that they should also have the strength to make ongoing investment for the benefit of underlying consumers. There is a risk that an unwilling seller will simply sell to the highest bidder, without any regard to the underlying consumer. As such we believe that the price paid should be an important but not determining factor in deciding on a potential acquirer of some or all of the GBST business.
26	The CMA invites views on the appropriate timescale for achieving a divestiture	Due to the risks involved and the potential damage caused to the underlying consumer, we believe that the sale should be effected as quickly as possible. We do not know the extent to which FNZ and GBST have already integrated, as such cannot comment on a specific timescale.

27	The CMA will consider what, if any, procedural safeguards may be required to minimise the risks associated with this divestiture	The CMA may wish to consider appointing an independent person to oversee any sales process to ensure that the potential harm to any underlying consumer is appropriately mitigated.
28	The CMA invites views on whether FNZ should be required to alter the functions of the current monitoring trustee to oversee the divestiture(s) and to ensure that the business to be divested is maintained during the course of the process	It would be appropriate to appoint an independent person with a remit to ensure that the necessary investment continues to be made in GBST businesses until a divestiture is completed.
30	In unusual cases, the CMA may require that a divestiture trustee is appointed at the outset of the divestiture process. The CMA invites views on whether the circumstances of this Merger necessitate such an approach	We believe it would be appropriate for an independent trustee to be appointed to oversee the divestiture. The CMA may also wish to consider anonymising potential acquirers until such time as it is necessary for their identity to be disclosed.
32	The CMA invites views on what costs are likely to arise in implementing each remedy option	We do not have enough information to comment on this question, other than to say we would expect each side to bear their own costs. The costs of a trustee appointed to oversee the divestiture under Q27 and Q30 could be shared between FNZ and the acquirer; the costs for an independent person appointed under Q28 should be borne by FNZ.
36	The CMA welcomes views on the nature of any relevant customer benefits and on the scale and likelihood of such benefits and the extent (if any) to which these are affected by the different remedy options we are considering	The CMA has diligently identified potential customer harm and a lowering of competition as a result of the acquisition of GBST by FNZ. Any divestiture of GBST, in full or in part, to a third party will remove this potential harm, and if the GBST business were acquired by an appropriate third party it could introduce an additional competitor would drive even better consumer outcomes across the industry.