



هيئة تنظيم الاتصالات
Telecommunications Regulatory Authority

**TRA Case Reference No. 08/10 –
Etisalcom Bahrain Company W.L.L.
(change of shareholding and acquisition)**

A Decision issued by the Telecommunications Regulatory Authority under the
Telecommunications Mergers and Acquisitions Regulation, Regulation No. 3 of 2004

19 September 2010

Decision

Article 3.2(b) NON-OPPOSITION

DECISION

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I. Background

1. On 17 August 2010, the Telecommunications Regulatory Authority (“the Authority”) received a notification of a proposed transaction pursuant to Article 2 of the Telecommunications Mergers and Acquisitions Regulation¹ (the “Regulation”).
2. Etisalcom Bahrain Company W.L.L. (“Etisalcom”), a telecommunications licensee registered under Commercial Registration Number 56052, is currently owned by the following shareholders:

Shareholder	Current Shareholding in Etisalcom (Shares)	Percentage Interest in Etisalcom (%)
Abulrahman Mohammed Saif Jamsheer	37	0.68
Samir Abdullah Nooruddin	540	10.00
Jassim Moh’d Saif Jamsheer	20	0.37
Heirs of Abdulaziz Moh’d Saif Jamsheer	13	0.24
Hassan Ali Al Nusuf	313	5.80
Hammed Mohammed Fakhro	1254	23.22
Janahi Brothers Co. W.L.L.	805	14.91
Nabil Nooruddin Abdulla Nooruddin	17	0.31
Faeqa Mohammed Bastaki	11	0.20
Nahid Abdulrahman Mohammed Ishaq	11	0.20
Adel Abdulrahman Al-Doseri	2117	39.20
Raed Mahmoud Al-Mardi	10	0.19
Rashid Malallah Al-Sabt	3	0.06
Mohammed Abdulla Al-Turki	8	0.15

¹ Regulation Number 3 of 2004

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Walid Mohammed Al Rayes	2	0.04
Majdi Habib Hanna	1	0.02
Ali Al-Shehabi	1	0.02
Yousif Al-Hussaini	1	0.02
Rashid Abdulla Al-Snan	236	4.37
Total	5400	100

3. Under the proposed transaction, the capital of Etisalcom shall be increased by way of additional funds injected by Palm Capital SPC through HR Holding SPC. Such offer will comprise of acquiring 5,620 new equity shares in Etisalcom. The share capital of Etisalcom will be increased to 11,020 shares with the following structure:

Shareholders	Shareholding after increase in capital
Existing Shareholders	5,400 shares
HR Holding SPC	5,620 shares

4. Further, the following shareholders have agreed to transfer the following shares in the following manner:
- a) Mr. Adel Aldoseri will transfer 132 shares of his shareholding to Mrs. Sawsan Yusuf Al-Salem; and
 - b) HR Holding SPC will relinquish 440 shares of ownership to Mrs. Sawsan Yusuf Al-Salem.
5. As a result of the transactions described in Paragraphs 3 and 4 as notified to the Authority, the following will be the post transaction shareholding in Etisalcom:

Shareholder	Post-transaction Shareholding in Etisalcom (Shares)	Percentage Interest in Etisalcom (%)
Abdulrahman Mohammed Saif Jamsheer	37	0.34%

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Samir Abdulla Nooruddin	540	4.90%
Jasim Mohammed Saif Jamsheer	20	0.18%
Heirs of Abdulaziz Jamsheer	13	0.12%
Hassan Ali Al-Nusuf	313	2.84%
Hammed Mohammed Fakhro	1254	11.38%
Janahi Bros Company W.L.L.	805	7.30%
Nabil Nooruddin Abdulla Nooruddin	17	0.15%
Faeqa Mohammed Bastaki	11	0.10%
Nahid Abdulrahman Mohammed Ishaq	11	0.10%
Adel Abdulrahman Al-Doseri	1985	18.01%
Raed Mahmood Al Mardi	10	0.09%
Rashid Malallah Al-Sabt	3	0.03%
Mohammed Abdulla Al- Turki	8	0.07%
Walid Mohammed Al Rayes	2	0.02%
Majdi Habib Hanna	1	0.01%
Ali Al-Shehabi	1	0.01%
Yousif Al-Hussaini	1	0.01%
Rashid Abdulla Al-Snan	236	2.14%
Sawsan Yusuf Al-Salem	572	5.190%
HR Holding SPC	5180	47.00%
Total	11020	100%

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II. The Parties

6. The parties are involved in the following activities:
- Etisalcom: *Licensed Telecommunications Operator;*
 - HR Holding SPC: *Holding Company for a Group of Commercial and Industrial or Services Companies;*
 - Adel Aldoseri: *Shareholder in Etisalcom; and*
 - Sawsan Yusuf Al-Salem: *New Shareholder in Etisalcom.*
7. The parties hold the following telecommunications licenses:
- Etisalcom: *Individual National Fixed Services Licence, Individual International Telecommunications Services Licence, Individual International Facilities Licence, Internet Service Provider Licence and a Value Added Services Licence;*
 - HR Holding SPC: *None;*
 - Adel Aldoseri: *None; and*
 - Sawsan Yusuf Al-Salem: *None.*

III. Bahrain Telecommunications Industry

8. The proposed transaction involves a market affecting the telecommunications industry in the Kingdom of Bahrain.

IV. The Transaction

9. The Authority considers that, as a result of the Transaction, there will be a change of control on a lasting basis in Etisalcom. Therefore, the Authority considers that the Transaction is a Qualifying Transaction for the purposes of Article 1.2 of the Regulation.
- a) In reaching this conclusion the Authority has considered, *inter alia*:
- i. Prior to the proposed transaction, Adel Abdulrahman Al-Doseri held 39.20 percent of the shareholding in Etisalcom and the total number of shares was 5400.
 - ii. that, as a result of the proposed transaction, HR Holdings SPC will injected additional funds and increase the total number of shares to 11020 shares. HR Holdings will also acquire 5180 shares and hold the majority of shareholding of 47 percent.
 - iii. the shareholding of all remaining shareholders (with the addition of a new shareholder Sawsan Yusuf Al-Salem) will vary as a result of the Transactions described in Paragraphs 3 and 4 above.

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V. Competitive Assessment

10. On the basis of
- a) the information made available by the parties to the Authority; and
 - b) the Authority inviting comments with respect to the transaction in the prior notification on the transaction published on 25 August 2010; and
 - c) without having received any comments from interested third parties,
- the Authority has concluded that the proposed Qualifying Transaction does not raise serious doubts as to its compatibility with the Regulation.

VI. Conclusion

11. The Authority has determined pursuant to Article 3.2(b) of the Regulation that the proposed Qualifying Transaction does not raise serious doubts as to compatibility with the Regulation.
12. This decision shall be published in accordance with the provisions of the Regulation, and a copy of the same shall be served on the parties and the Ministry of Industry and Commerce.

For the Telecommunications Regulatory Authority


Dr. Mohamed Ahmed Al Amer

Acting General Director

19 September 2010