



هيئة تنظيم الاتصالات  
Telecommunications Regulatory Authority

**TRA Case Reference No. 09/10 –  
Bahrain Broadband CO. 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

25 November 2010

Decision

Article 3.2(b) NON-OPPOSITION

# DECISION

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## I. Background

1. On 28 October 2010, the Telecommunications Regulatory Authority (“the Authority”) received a notification of a proposed transaction pursuant to Article 2 of the Telecommunications Mergers and Acquisitions Regulation<sup>1</sup> (the “Regulation”).
2. Bahrain Broadband Company W.L.L. (“Bahrain Broadband”), a telecommunications licensee registered under Commercial Registration Number 58447, is currently owned by the following shareholders:

Shareholder	Current Shareholding in Bahrain Broadband (Shares)	Percentage Interest in Bahrain Broadband (%)
Mahmood Mahmood Hussain	260	26
Shawqi Mahmood Mahmood	250	25
Kleos Offshore s.a.l.	490	49
Total	1000	100

3. Under the proposed transaction, the Zubair Corporation will acquire 330 ordinary shares in Bahrain Broadband.
4. As a result of the transaction described in Paragraphs 3 as notified to the Authority, the following will be the post transaction shareholding in Bahrain Broadband:

Shareholder	Post-transaction Shareholding in Bahrain Broadband (Shares)	Percentage Interest in Bahrain Broadband (%)
Mahmood Mahmood Hussain	170	17

<sup>1</sup> Regulation Number 3 of 2004

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Shawqi Mahmood Mahmood Hussain	165	16.5
Kleos Offshore s.a.l	335	33.5
The Zubair Corporation	330	33
Total	1000	100

## II. The Parties

5. The parties are involved in the following activities:
- Bahrain Broadband W.L.L: *Licensed Telecommunications Operator*;
  - Kleos Offshore s.a.l: *Shareholder in Bahrain Broadband W.L.L.*;
  - The Zubair Corporation: *Shareholder in Bahrain Broadband W.L.L.*;
  - Mahmood Mahmood Hussain: *Shareholder in Bahrain Broadband W.L.L.*; and
  - Shawqi Mahmood Mahmood Hussain: *Shareholder in Bahrain Broadband W.L.L.*
6. The parties hold the following telecommunications licenses:
- Bahrain Broadband WLL: *Individual National Fixed Services Licence, Individual International Telecommunications Services Licence, Internet Service Provider Licence and a Value Added Services Licence*;
  - Kleos Offshore s.a.l: *None*;
  - The Zubair Corporation: *None*;
  - Mahmood Mahmood Hussain: *None*; and
  - Shawqi Mahmood Mahmood Hussain: *None*.

## III. Bahrain Telecommunications Industry

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

## IV. The Transaction

8. The Authority considers that, as a result of the Transaction, there will be a change of control on a lasting basis in Bahrain Broadband W.L.L. Therefore, the Authority considers that the Transaction is a Qualifying Transaction for the purposes of Article 1.2 of the Regulation.

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- a) In reaching this conclusion the Authority has considered, *inter alia*:
- i. prior to the proposed transaction, Kleos Offshore s.a.l, held 49 percent of the shareholding in Bahrain Broadband W.L.L.
  - ii. that, as a result of the proposed transaction, the shareholding structure and share distribution will change to the Zubair Corporation holding 33 percent of the shareholding in Bahrain Broadband W.L.L.
  - iii. the shareholding of all remaining shareholders will vary as a result of the Transaction described in Paragraph 3 above.

## **V. Competitive Assessment**

9. 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 8 November 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**

10. 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.
11. 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

25 November 2010