



هيئة تنظيم الاتصالات
Telecommunications Regulatory Authority

**TRA Case Reference No. 01/11 –
ATYAF TELECOMMUNICATIONS AND INFRASTRUCTURE BAHRAIN 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

13 April 2011

Decision

Article 3.2 (a) Non-Opposition

DECISION

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(change of shareholding and acquisition)

I. Background

1. On 8 March 2011, 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. Atyaf Telecommunications and Infrastructure Bahrain W.L.L. (“Atyaf”), a telecommunications licensee registered under Commercial Registration Number 70188, is currently owned by the following shareholders:

Shareholder	Current Shareholding in Atyaf (Shares)	Percentage Interest in Atyaf (%)
Mohammed Ahmed Mohamed Jumaan	105	1
Atyaf Telecommunications and Infrastructure International B.S.C. Closed	10395	99
Total	10500	100

3. Under the proposed transaction, the capital of Atyaf shall be increased by way of additional funds injected by Shabaka Investment Company SPC. Such offer will comprise of acquiring 1166.6 new ordinary shares in Atyaf. Mohammed Ahmed Mohamed Jumaan’s shares will be transferred to Atyaf Telecommunications and Infrastructure International B.S.C.(Closed). This will result in the following structure:

Shareholders	Shareholding after increase in capital
Atyaf Telecommunications and Infrastructure International B.S.C. (Closed)	10499.4 Shares
Shabaka Investment Company SPC	1166.6 Shares

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 Atyaf:

¹ Regulation Number 3 of 2004

DECISION

TRA Case Reference No. 01/11 –

ATYAF TELECOMMUNICATIONS AND INFRASTRUCTURE BAHRAIN W.L.L.

(change of shareholding and acquisition)

Shareholder	Post-transaction Shareholding in Atyaf (Shares)	Percentage Interest in Atyaf (%)
Atyaf Telecommunications and Infrastructure International B.S.C. Closed	10499.4	90%
Shabaka Investment Company SPC	1166.6	10%
Total	11,666	100

II. The Parties

5. The parties are involved in the following activities:
- Atyaf Telecommunications and Infrastructure Bahrain W.L.L.: *Licensed Telecommunications Operator*;
 - Atyaf Telecommunications and Infrastructure International B.S.C. (Closed): *Shareholder in Atyaf Telecommunications and Infrastructure Bahrain W.L.L.*
 - Shabaka Investment Company S.P.C.: *Shareholder in Atyaf Telecommunications and Infrastructure Bahrain W.L.L.*
6. The parties hold the following telecommunications licenses:
- Atyaf Telecommunications and Infrastructure Bahrain W.L.L.: *Individual National Fixed Services Licence, Internet Service Provider Licence and a Value Added Services Licence*;
 - Atyaf Telecommunications and Infrastructure International B.S.C. (Closed): *None*; and
 - Shabaka Investment Company S.P.C.: *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 the proposed transaction does not fall within the scope of the Regulation.
- a) In reaching this conclusion the Authority has considered, *inter alia*:

DECISION

TRA Case Reference No. 01/11 –

ATYAF TELECOMMUNICATIONS AND INFRASTRUCTURE BAHRAIN W.L.L. (change of shareholding and acquisition)

- i. prior to the proposed transaction, Mohammed Ahmed Mohamed Jumaan, held 1 percent of the shareholding in Atyaf and Atyaf Telecommunications and Infrastructure B.S.C. Closed held 99 percent of the shareholding in Atyaf. Shabaka Investment Company S.P.C owned 34 percent of shareholding in Atyaf Telecommunications and Infrastructure B.S.C. Closed. This remains unchanged.
- ii. as a result of the proposed transaction, the shareholding structure and share distribution will change to Shabaka Investment Company S.P.C. directly owning 10 percent of the shareholding in Atyaf and Atyaf Telecommunications and Infrastructure International B.S.C. (Closed) will own 90 percent of shareholding in Atyaf. Therefore although the proposed transaction further enhances Shabaka Investment Company S.P.C. shareholding, it does not substantially result in control either directly or indirectly and thus does not result in a Qualifying Transaction under the Regulation.

V. Competitive Assessment

9. In any event and 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 23 March 2011; and
 - c) without having received any comments from interested third parties,
- the Authority has concluded that the proposed transaction does not fall within the scope of the Regulation.

VI. Conclusion

10. The Authority has determined pursuant to Article 3.2(a) of the Regulation that the proposed transaction does not fall within the scope of 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

13 April 2011