

DECISION

TRA case reference no. 05/07 – IMC Telecom W.L.L - IMC Telecom Inc. transfer of shares to R. Debbane/ M. Kaddoura/ N. Saikali/ P. Jabre/ A. Kettanah

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

27 December 2007

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Article 3.2(b) NON-OPPOSITION



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I. Background

1.1 On December 6 2007, the Telecommunications Regulatory Authority (“**TRA**”) received a notification of a proposed transaction pursuant to Article 2 of the Telecommunications Mergers and Acquisitions Regulation¹ (the “**Regulation**”).

1.2 IMC Telecom W.L.L., a telecommunications company in the Kingdom of Bahrain registered under commercial registration number 62081-1 and licenced by the TRA (“**IMC Telecom**”), is currently owned by IMC Telecom Incorporation and Pierre George Debbane. IMC Telecom Incorporation, a telecommunications company registered under the laws of the State of Delaware, USA (“**Party A**”), owns 99% of the shares in IMC Telecom. The remaining 1% is owned by Pierre George Debbane, holder of USA Passport No. 217685025 (“**Party B**”).

1.3 Under the proposed transaction, Party A proposes to transfer 99% of the shares in IMC Telecom W.L.L. to:

- Raphael Debbane, Lebanese National Passport Number RL 0033777 (“**Party C**”);
- Marwan Kaddoura, Lebanese National Passport Number RL 0927436 (“**Party D**”);
- Nadim Saikali, Lebanese National Passport Number RL 0400936 (“**Party E**”);
- Philippe Jabre, Lebanese National Passport Number RL 0549967 (“**Party F**”);
- Alfred Kettaneh, Lebanese National Passport Number RL 0564970 (“**Party G**”); (“**the Investors**”).

1.4 As a result of the transaction, the share ownership in IMC Telecom will be as follows:

Shareholder	Number of Shares	Percentage of Shares
Party B	20	1%
Party C	984	49.2 %

¹ Regulation No. 3 of 2004

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Party D	92	4.6 %
Party E	344	17.2 %
Party F	468	23.4 %
Party G	92	4.6 %

II. The Parties

2.1 The parties are involved in the following activities:

- IMC Telecom: *Licensed telecommunications operator;*
- Party A: *Provision of International Telecommunications Services Company and shareholder in IMC Telecom;*
- Party B: *General Manager and shareholder in IMC Telecom;*
- Party C: Individual Investor
- Party D: Individual Investor
- Party E: Individual Investor
- Party F: Individual Investor
- Party G: Individual Investor

2.2 The parties hold the following telecommunications licenses:

- IMC Telecom: Individual International Telecommunications Services
- Party A: *None;*
- Party B: *None;*
- Party C: *None;*
- Party D: *None;*
- Party E: *None;*
- Party F: *None;*
- Party G: *None;*

III. Bahrain Telecommunications Industry

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

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IV. The Transaction

- 4.1 TRA considers that, as a result of the Transaction, there will be a change of control on a lasting basis in IMC Telecom. Therefore, TRA considers that the Transaction is a Qualifying Transaction for the purposes of Article 1.2 of the Regulation.
- 4.2 In reaching this conclusion TRA has considered, *inter alia*:
- 4.2.1 Prior to the proposed transaction, Party A held 99 % of IMC Telecom.
- 4.2.2 that, as a result of the proposed transaction, the Investors will acquire different proportions of the 99 % share previously owned by Party A as outlined in paragraph 1.3 above.

V. Competitive Assessment

- 5.1 On the basis of the information made available by the parties to TRA and without having received any comments from interested third parties, TRA has concluded that the proposed transaction does not raise serious doubts as to its compatibility with the Regulation.
- 5.2 In reaching this conclusion TRA has considered, *inter alia*, that the Investors have confirmed to TRA that they do not have any interests in licensed telecommunications operators in the Kingdom of Bahrain other than in IMC Telecom.

VI. Conclusion

- 6.1 TRA has determined pursuant to Article 3.2(b) of the Regulation that the proposed transaction does not raise serious doubts as to compatibility with the Regulation.
- 6.2 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
Tomas Lamanauskas
Deputy General Director
27 December 2007