

## DECISION

**TRA case reference no. 1/14 – Kalaam Telecom Bahrain  
B.S.C. and Kalaam Telecom Holdings B.S.C./LightSpeed  
Communications W.L.L.**



هيئة تنظيم الاتصالات  
Telecommunications Regulatory Authority

**TRA case reference no. 3/14 – Telecom  
Bahrain B.S.C. and Kalaam Telecom  
Holdings B.S.C./LightSpeed  
Communications W.L.L.**

A Decision issued by the Telecommunications  
Regulatory Authority under the Telecommunications  
Mergers and Acquisitions Regulation, Regulation 3 of  
2004

07 April 2014

Decision

Article 3.2(b) NON-OPPOSITION

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Communications W.L.L.**

On 10 March 2014, the Telecommunications Regulatory Authority (the “TRA”) received a notification of a proposed transaction pursuant to Article 2 of the Telecommunications Mergers and Acquisitions Regulation<sup>1</sup> (the “Regulation”). Under the proposed transaction Kalaam Telecom Bahrain B.S.C. and Kalaam Telecom Holdings B.S.C. acquire, within the meaning of Article 1.2(b) of the Regulation, 100% shareholding of LightSpeed Communications W.L.L.

After examination of the notification, the Authority has concluded that the notified transaction does not raise serious doubts as to its compatibility with the Regulation.

## I. The Parties

The parties to the transaction are involved in the following activities:

- Kalaam Telecom Bahrain B.S.C.: *Telecommunications*
- Kalaam Telecom Holdings B.S.C.: *Investments – Holding Company*
- LightSpeed Communications W.L.L.: *Telecommunications*
- Other minority shareholders: *Not applicable*

The parties to the transaction hold the following telecommunications licenses:

- Kalaam Telecom Bahrain B.S.C.: *Individual License for National Fixed Services; Class License for Internet Services; Class License for Value Added Services; and Individual License for International Telecommunications Services*
- Kalaam Telecom Holdings B.S.C.: *None*
- LightSpeed Communications W.L.L.: *Individual License for International Telecommunications Services; Individual License for National Fixed Services; Class License for Value Added Services; and Class License for Internet Services*
- Other minority shareholders: *Not applicable*

## II. Bahrain Telecommunications Industry

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

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<sup>1</sup> Regulation 3 of 2004, issued by the Telecommunications Regulatory Authority.



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### III. The Transaction

The transaction involves the acquisition by Kalaam Telecom Bahrain B.S.C. and Kalaam Telecom Holding B.S.C. of 100% of the shares in LightSpeed Communications W.L.L.

Currently the shares in LightSpeed Communications W.L.L. are held as follows:

- (i) Jordan Telecommunications Company plc holds 51% of the shares;
- (ii) Sheikh Khalid Bin Abdullah AL-Khalifa holds 41% of the shares;
- (iii) Sheikh Ibrahim Bin Khalid Bin Mohammad AL-Khalifa holds 4% of the shares;
- (iv) Sheikh Ali Bin Khalid Bin Mohammad AL-Khalifa holds 4% of the shares.

Following the proposed transaction, Kalaam Telecom Bahrain B.S.C. and Kalaam Telecom Holdings B.S.C. will acquire 100% of the shares in LightSpeed as follows: Kalaam Telecom Bahrain B.S.C. will hold 96% of the shares while Kalaam Telecom Holdings B.S.C. will hold the remaining 4%.

### IV. Competitive Assessment

After examination of the notification, the Authority has concluded that the transaction is not likely to have the effect of substantially lessening competition in the telecommunications market in the Kingdom of Bahrain.

Kalaam and LightSpeed, as at the date of the notification, operate in 4 broad telecommunications markets: national fixed voice, international calls, fixed broadband and domestic leased lines. The TRA has considered, *inter alia*, the combined market shares of Kalaam and LightSpeed in these 4 markets. The TRA has computed the market shares for national fixed and for international voice markets on the basis of (i) number of subscribers, (ii) traffic in terms of minutes and (iii) revenues. On the other hand the TRA has computed the market shares for fixed broadband and for leased lines markets on the basis of (i) number of subscriptions/number of leased lines and (ii) revenues.

In all computations, the resultant combined market share analysis together with due consideration of the level of competition in these markets does not lead the TRA to conclude that the proposed transaction raises serious doubts as to its compatibility with Article 4(1) and (2) of the Mergers and Acquisitions Regulation.

In line with Article 3.1 of the Regulation, the TRA announced on its website receipt of the notification, inviting interested parties to submit any submission within 14 calendar days. No submission on the proposed transaction was received from interested parties.



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## V. Conclusion

On the basis of the foregoing, the Authority has decided not to oppose the notified transaction and to declare it compatible with the Regulation. This decision is reached pursuant to Article 3.2(b) of the Telecommunications Mergers and Acquisitions Regulation.

This decision shall be published in accordance with the provisions of the Telecommunications Mergers and Acquisitions Regulation of 2004, and a copy of the same shall be served on the Parties and the Ministry of Industry and Commerce.



**For the Telecommunications Regulatory Authority**

**Mohammed Bubashait**

**General Director**

**07 April 2014**

