

## **IMC Telecom (transfer of shares)**

**A decision issued by the Telecommunications Regulatory  
Authority under the Telecommunications Mergers and  
Acquisitions Regulation No 3 of 2004**

**Decision No. 8 of 2018**

**LAD/0918/234**

**12 September 2018**

**Article 3.2(b) NON-OPPOSITION**

## I. Background

- 1.1 On 4 January 2018, the Telecommunications Regulatory Authority (“the Authority”) received a notification from IMC Telecom W.L.L. of a proposed transaction pursuant to Article 2 of the Telecommunications Mergers and Acquisitions Regulation<sup>1</sup> (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 Authority (“IMC Telecom”) and is currently owned by the following shareholders (collectively referred to herein as “Party A”):

Shareholder	Number of Shares	Percentage of Shares
C.S.C SAL (HOLDING) ("CSC")	468	23.4 %
FARID ALFRED KETTANEH	92	4.6 %
MARWAN KADDOURA	92	4.6 %
NADIM BADIH SAIKALI	344	17.2 %
PIERRE GEORGES DEBBANE	20	1 %
RAPHAEL DEBBANE	984	49.2 %

1.3 Under the proposed transaction, the following will occur:

- a) Mr. Marwan Kaddoura relinquishes all of his ownership of 4.6 % to CSC. Mr. Marwan Kaddoura is an existing shareholder in CSC;
- b) Mr. Farid Kettaneh relinquishes all of his ownership of 4.6 % to CSC. Mr. Farid Kettaneh is an existing shareholder in CSC;
- c) Mr. Pierre Debbane relinquishes all of his ownership of 1 % to M.G.A Holding SAL (a company registered at the special registry of holding companies in Beirut bearing registration no. 630 referred to herein as “MGA”), a new shareholder. Mr Pierre Debbane is an existing shareholder in MGA;

<sup>1</sup> Regulation No. 3 of 2004

- d) Mr. Nadim Saikali relinquishes all of his ownership of 17.2 % to MGA; and
- e) Mr. Raphael Debbane relinquishes all of his ownership of 49.2 % to Debbane-Saikali Group S.A.L (a company registered at the special commercial register of holding companies in Beirut bearing registration no. 633 referred to herein as "Debbane Saikali").

1.4 As such the proposed transaction will result in the relinquishment of shares owned by Mr. Marwan Kaddoura, Mr. Farid Kettabeh, Mr. Nadim Saikali, Mr. Pierre Georges Debbane and Mr. Raphael Debbane.

1.5 As a result of the proposed transaction, the shareholders of IMC Telecom will be as follows (collectively referred to herein as "Party B"):

Shareholder	Post-transaction shareholding in IMC Telecom
CSC	32.6 %
MGA	18.2 %
Debbane Saikali	49.2 %

## II. Parties

2.1 The parties are involved in the following activities:

- IMC Telecom: licensed telecommunications operator;
- Marwan Kaddoura: private individual;
- Alfred Kettaneh: private individual;
- Pierre Debbane: private individual;
- Nadim Saikali: private individual;
- Raphael Debbane: private individual;
- CSC: banking and credit card processing;
- MGA: holding company; and
- Debbane-Saikali: holding company.

2.2 The parties hold the following telecommunications licenses:

- IMC Telecom: Individual License for International Telecommunications Services;
- Marwan Kaddoura: none;
- Alfred Kettaneh: none;
- Pierre Debbane: none;
- Nadim Saikali: none;
- Raphael Debbane: none;
- CSC: none;
- MGA: none; and
- Debbane-Saikali: none.

**III. Bahrain Telecommunications Industry**

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

**IV. The Transaction**

4.1 The Authority considers that, as a result of the Transaction, there will be a change of control on a lasting basis in IMC Telecom. Therefore, the Authority considers that the Transaction is a Qualifying Transaction for the purposes of Article 1.2 of the Regulation.

4.2 In reaching this conclusion the Authority has considered, *inter alia*:

- i. prior to the proposed transaction, Party A held 100 % of the shares in IMC Telecom; and
- ii. that, as a result of the proposed transaction, Party B will acquire different proportions of the shares previously owned by Party A as outlined above.

**V. Competitive Assessment**

5.1 On the basis of:

- i. the information made available by the parties to the Authority;
- ii. the Authority inviting comments with respect to the transaction in the prior notification on the transaction published on 16 July 2018; and
- iii. without having received any comments from interested third parties,

the Authority has concluded that the proposed transaction does not raise serious doubts as to its compatibility with the Regulation.

5.2 In reaching this conclusion the Authority has considered, *inter alia*, that Party B have confirmed to the Authority that they do not have any interests in licensed telecommunications operators in the Kingdom of Bahrain other than in IMC Telecom, and that the management of IMC Telecom has not been significantly affected as a result of the transaction.

## VI. Conclusion

6.1 The Authority 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.



**Nasser Bin Mohamed Al-Khalifa**  
Acting General Director  
For the Telecommunications Regulatory Authority

12 September 2018