



File No: 2(723)/AGR/EXM/CCP/2024

**COMPETITION COMMISSION OF PAKISTAN
GOVERNMENT OF PAKISTAN**

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**EXEMPTION CERTIFICATE GRANTED U/S 5 READ WITH
SECTION 9 (1) (a) AND (c) OF THE COMPETITION ACT, 2010
(ACT NO. XIX OF 2010)**

WHEREAS, M/s. Pakistan Mobile Communications Limited., (hereinafter referred to as the Undertaking) applied for the grant of exemption vide its application dated 3rd January, 2025 to clause 33 of its Master Tower Agreement (hereinafter referred to as the Agreement) with M/s. Engro Connect (Pvt.) Limited, on the authority of the Board Resolution dated 30th December, 2024 on the following grounds:

- i. Enhancement of infrastructure to improve connectivity in Pakistan;
- ii. Provision of digital and high-quality services for customers;
- iii. Infrastructure sharing to reduce redundant investments and costs;
- iv. Promotion of competition among mobile operators for better prices and service quality; and
- v. Ensuring fair practices by tower companies to prevent unfair competition.

AND WHEREAS, the agreement is essentially an arrangement for not to deal with non-parties and may, therefore, institutionalize charging of economic rent, reducing consumer surplus and social welfare. Relevant details of the Agreement and specific clause to be exempted are as follows:

<u>PARTICULARS OF THE AGREEMENT</u>	
First Party:	M/s. Pakistan Mobile Communications Limited ("Customer") having its registered office at DHQ1, 1-A, IBC Building, F-8 Markaz, Islamabad.
Second Party:	M/s. Deodar (Private) Limited ("Supplier") having its registered office at Plot No. 16-E, IBC-3, Kohistan Road, F-8 Markaz, Islamabad.
Third Party:	M/s. Engro Connect (Pvt.) Limited (the "Guarantor") having its registered office at 19 th Floor, the Harbour Front Building, Marine Drive, Block 4, Clifton, Karachi.
Type of Agreement:	Master Tower Agreement (the Agreement or MTA) (Annex-A)
Date of Agreement:	To be executed
Validity Period of the Agreement:	Pursuant to clause 25, the Agreement shall come into force on the effective date and remain in force for a period of twelve (12) years unless terminated in accordance with clause 26 of the Agreement.
Products and/ or Services covered under Agreement:	Mobile cellular wireless access services including MNO or MVNO.



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NOW THEREFORE, based on the information provided by M/s. Pakistan Mobile Communications Limited, the Competition Commission of Pakistan (the Commission), in exercise of the powers conferred under Section 5 read with Section 9(1)(a) and (c) of the Competition Act, 2010 (the 'Act'), hereby grants exemption regarding specific clause of the Agreement subject to the conditions specified hereunder:

PARTICULARS OF THE EXEMPTION GRANTED	
Exemption granted:	On Clause 33; The suppliers nor its affiliates shall not operate any competing business
Granted period:	From 10 th April 2025 till 30 th May, 2026
Conditions:	<ol style="list-style-type: none">1. The Undertaking(s) shall submit a verifiable compliance report on 31st December, 2025 against the commitments made for the grant of this exemption;2. The Commission reserves the right to verify the following against the baseline benchmarks (to be submitted within 30 days of issuance of this certificate):<ol style="list-style-type: none">i. Infrastructure upgrades and connectivity improvements introduced;ii. Quality of digital services improved;iii. Costs reductions realized; andiv. Evidence of improve competition in the form of lower prices and better services offered;3. The Undertaking(s) shall ensure that it does not engage in any anticompetitive behaviour and/or practices, such as market foreclosure, as outlined in Chapter II of the Act, including but not limited to:<ol style="list-style-type: none">i. Abuse of dominant position u/s 3;ii. Prohibited agreements u/s 4;iii. Deceptive marketing practices u/s 10;iv. Any mergers or acquisition in violation of Section 11; andv. Charging of economic rent to the detriment of consumer surplus and social welfare.4. The Undertaking(s) shall provide a copy of MTA once executed;5. The Undertaking(s) shall notify the Commission of any amendment(s) to the Agreement within fifteen (15) days of such change, and also provide a copy of the executed agreement;6. The exemption shall not be used as a permission for transfer pricing or to evade regulatory restrictions, if any against transfer pricing;7. The Commission may review and revise the conditions of this exemption, as deemed necessary;



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	<p>8. Breach of terms of this exemption shall have an immediate effect of cancellation of this exemption; and</p> <p>9. Since the Agreement is ongoing, the Undertaking shall submit an application for grant of extension in exemption at least three (3) months prior to expiry of this exemption certificate.</p>
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MOREOVER, without prejudice to the generality of Section 6 of the Act, the grantee of the exemption shall inform the Commission forthwith and seek clearance for continuation of the exemption if there is any material change, *inter alia*, in:

- (i) The terms of the Agreement;
- (ii) The market share of products and/ or services covered under the Agreement; or
- (iii) The regulatory or policy framework in the relevant market in which the parties are operating.

Granted on the 5th day of June, 2025 at Islamabad.

Saeed Ahmad Nawaz
Member (Exemptions)

Seal of the Commission

Note: All the enclosures form an integral part of this exemption certificate.

Shahzad Hussain
Registrar
Competition Commission of Pakistan
Government of Pakistan
Islamabad