



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

**IN THE MATTER OF JOINT VENTURE BETWEEN M/S. EMIRATES
TELECOMMUNICATIONS GROUP COMPANY PJSC AND M/S. CIRCLES ASIA
PTE. LTD.**

CASE: 1358/Merger-CCP/2023

Commission



Rahat Kaunain Hassan
Chairperson

ORDER

1. On March 06, 2023 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") from M/s. Emirates Telecommunications Group Company PJSC ("**Etisalat**" or "**JV Party 1**") and M/s. Circles Asia Pte. Ltd. ("**Circles**" or "**JV Party 2**") whereby Etisalat and Circles intend to form a full function joint venture company ("**JV**") in the United Arab Emirates wherein Etisalat would have % shareholding and Circles would have % shareholding. All the requisite information/documentation pertaining to the application was completed on April 12, 2023.
2. The Commission has examined the Application as well as all the documents attached therewith and the information provided by the concerned undertaking(s). The Phase I competition assessment of the intended transaction has revealed the following facts:

i. The business activities of the undertakings concerned are:

- a) For JV Party 1: A company incorporated under the laws of the United Arab Emirates. Etisalat is a regional leading integrated telecommunications company that operates in 16 countries. The Etisalat group offers a range of communication services to consumers, businesses and government segments in multiple regions. Its portfolio of products and services includes mobile communications, fixed broadband, internet, internet protocol television ("**IP TV**"), voice carrier services, cloud and security, internet of things, mobile money, and other value-added services. The Etisalat group's operations are spread across three geographic regions in the Middle East, Africa and Asia. The Etisalat group is present in Pakistan through its controlling interest in M/s. Pakistan Telecommunication Company Limited ("**PTCL**"). PTCL's activities include the provision of fixed and (through its wholly owned subsidiary Pak Telecom Mobile Limited, trading as Ufone) mobile telecommunications services in Pakistan.

% indirect stake in PTCL.

- b) For JV Party 2: A company incorporated under the laws of Singapore. Circles is a leading global telecommunications and software group, providing a diverse range of services including a cloud-native end-to-end proprietary telecommunications software platform called Circles X, as well as providing digitally-native mobile consumer connectivity and digital services. Circles was founded in 2013 with a strong track record of operating experience and is one of the fastest growing B2B software companies in Asia Pacific, employing more than staff worldwide. Circles is also a multinational mobile virtual network operator (MVNO) operating in Singapore (Headquarters), Taiwan and Australia, offering mobile data services via subscription-based data plans linked to a customized mobile application, enabling users to track data usage and costs, browse and purchase suitable internet data plans and switch between different plans in an efficient manner.

Presently,

owns Ufone, which is mobile network operator (MNO). Moreover, Circles has in PTCL, which further wholly



no presence in Pakistan. Etisalat or Circles currently do not operate any managed service businesses internationally or in Pakistan.

- iii. The notified merger relates to creation of a full function JV, as under Regulation 3(e) of Merger Regulations, which Etisalat would acquire % shareholding in the JV while Circles will acquire % shareholding.

Circles will have veto right in the approval of subsequent business plans (following the initial business plan) or any amendments to the initial business plan.

- iv. Under the Agreement,

- v. To operate in Pakistan, the JV will incorporate and own % of an operating subsidiary in Pakistan. The Pakistani subsidiary will have

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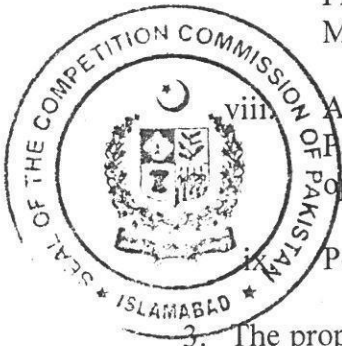
- vi. The relevant product market in this case has been identified as “**Telecom - Digital Business Support System (BSS)**” and the relevant geographic market is “**Pakistan**”. Based on the supplied data, Etisalat or Circles currently do not operate any BSS businesses in Pakistan and therefore do not have any undertakings participating in the relevant market.

- vii. Business Support System or (BSS) facilitates the relationship of service providers with their customers. BSS consists of the components that Telecom Industry uses to run its business operations towards customers. BSS is more software oriented which deals with processes like taking orders from customer, ensuring that order is completed, processing the bills, and collecting the payment. BSS can be thought of the customer facing system. Four Main Processes of BSS are Product Management, Customer Management, Order Management and Revenue Management.

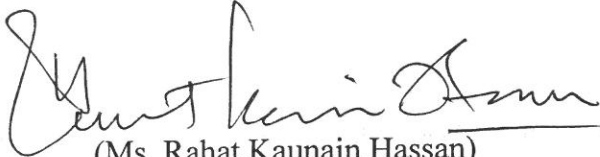
- viii. As submitted, as per the parties' knowledge, no BSS business currently exists in Pakistan that would provide the same package of services to a mobile network operator as the JV business.

Post-transaction there will be no impact in the market position of the entities.

3. The proposed transaction does not meet the presumption of dominance as determined under Section 2(1)(e) read with Section 3 of the Act. Hence, it is hereby authorized under Section 31(1)(d)(i) of the Act.



4. In the subject transaction, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws.
5. It is so ordered.


(Ms. Rahat Kaunain Hassan)

Chairperson

Islamabad the APRIL 19th, 2023.

