



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

EX-POST FACTO FIRST PHASE REVIEW


IN THE MATTER OF ACQUISITION OF % SHAREHOLDING OF M/S. OPTIX
PAKISTAN (PRIVATE) LIMITED BY M/S. MULTINET PAKISTAN (PRIVATE)
LIMITED.


CASE: 1191/Merger-CCP/21

Date of Hearing

September 06, 2021

Commission

Ms. Shaista Bano 
Member


Mr. Mujtaba Ahmad Lodhi
Member

On behalf of
Multinet Pakistan (Private) Limited
Optix Pakistan (Private) Limited



Mr. Ali Masood
Legal Representative

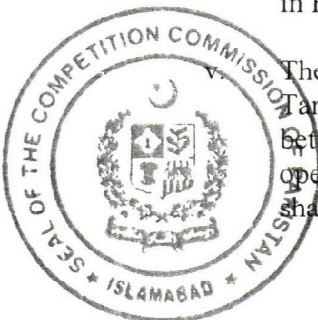
Mr. Hamza Nizam Kazi
Company Secretary - Multinet

Mr. Zubair Edhy
Representative - Optix

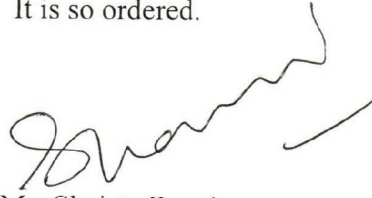
ORDER

1. On 28th June 2021, 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**"), whereby, M/s. Multinet Pakistan (Private) Limited ("**MPL**" or "**Acquirer**") had acquired $^{\wedge}$ % shareholding of M/s. Optix Pakistan (Private) Limited ("**OPL**" or "**Target**") in accordance with Share Subscription Agreement ("**Agreement**").
2. Upon investigation it was revealed that, the Merger Parties had consummated the merger on June 26, 2020. Whereby, action was taken against the Applicants under Section 11 (12) of the Act. Subsequently, a Hearing Notice was issued on August 31, 2021 having F. No: 1191/MERGER-CCP/2021 to the Applicant, for the, *prima facie*, violation of sub-section (1) to (4) of Section 11 of the Act read with Regulation 4 of the Merger Regulations. Two Member bench was formulated to conduct the hearing on September 06, 2021. During hearing, bench directed the Parties to submit certain information along with an undertaking (reason for not seeking Commission's clearance at the time of intention, apology and assurance of future compliance).
3. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and made its observations on the basis of an independent research/investigation in the relevant markets. The Phase I competition assessment of the intended transaction has resulted in the following findings:
 - i. The business activities of the undertakings concerned are:
 - a. For the Acquirer: Provides broadband internet services including voice and data connectivity.
 - b. For the Target: Provides triple play services such as broadband internet and cable television services.
 - ii. As per the Agreement, the Acquirer has acquired $^{\wedge}$ % shareholding of the Target on 26th June, 2020. The amount paid for the aforementioned acquisition of shares was PKR $^{\wedge}$ /-
 - iii. The relevant service market in this case have been identified as "**Broadband, Internet Services & Allied Products**" and the relevant geographic market is "**Pakistan**".
 - iv. As per the application, market share of the Acquirer in LDI segment is estimated to be less than $^{\wedge}$ % whereas in LL, it is estimated to be $^{\wedge}$ %. Moreover the Target's market share in Pakistan is less than $^{\wedge}$ % in broadband services, $^{\wedge}$ % in Fixed line Telephony whereas $^{\wedge}$ % in TV/Videos.

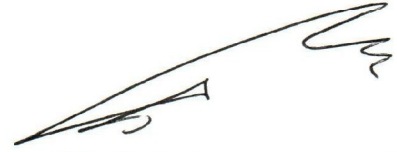
The Acquirer operates in the domain of business to business ("B2B") whereas the Target operates in business to consumer ("B2C") segment. There are overlaps between the merging parties, however, since the Acquirer and the Target do not operate in the same market segment of the relevant market, post transaction market share will remain unchanged.



4. The intended acquisition of shares does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Act. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
5. It is so ordered.



(Ms. Shaista Bano)
Member



(Mr. Mujtaba Ahmad Lodhi)
Member



Islamabad the September 23rd, 2021.