



ΚΥΠΡΙΑΚΗ
ΔΗΜΟΚΡΑΤΙΑ



Decision CPC: 56/2018

Case Number 8.13.018.28

**THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW
No. 83(I)/2014**

**Notification of concentration regarding the creation of the joint venture
Broadband Connectivity Solutions (Restricted) Limited by Al Yah Satellite
Communications PrJSC and Hughes Network Systems LLC**

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou,	Chairperson
Mr. Andreas Karidis,	Member
Mr. Aristos Aristidou Palouzas,	Member
Mr. Panayiotis Oustas,	Member
Mr Polinikis-Panagiotis Charalambides	Member

Date of decision: 5/11/2018

SUMMARY OF THE DECISION

On 3/10/2018, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of Al Yah Satellite Communications PrJSC (hereinafter «Yahsat») and Hughes Network Systems LLC (hereinafter «Hughes »), a notification of a proposed concentration.

The notification was filed according to Section 10 of the Control of Concentrations between Enterprises Law 83(I)/14 (hereinafter the “Law”) and it concerns the creation of the joint venture Broadband Connectivity Solutions (Restricted) Limited (hereinafter “Broadband”) by Yahsat and Hughes.

Broadband is a limited liability company, duly registered under the laws of Abu Dhabi Global Market and it will be active in the provision of fixed satellite services.

Al Yah Satellite Communications PrJSC is a private joint stock company duly registered under the laws of the United Arab Emirates. The said company is active in the provision of satellite communication services as well as in the provision of multipurpose satellite solutions in the sector of broadband broadcast, defense and communications.

Hughes Network Systems LLC is a limited liability company, duly registered under the laws of the state of Delaware, United States of America. The said company is active in the provision of broadband satellite technologies and broadband services.

The transaction is based on an Implementation Deed dated 30/8/2018, (hereinafter the “Deed”) for the establishment of Broadband, by Yahsat and Hughes. Based on the provisions of the Deed, upon the completion of the proposed concentration, Broadband will issue new shares and YahSat will acquire, through one of its subsidiaries, 80% of the share capital of Broadband and Hughes will acquire, through one of its subsidiaries, 20% of Broadband’s share capital. In addition the companies involved will sign a Joint Venture Agreement, defining the organizational structure, rights and procedures for the operation and organisation of the new company.

Taking into account the above mentioned facts, the Commission concluded that the transaction in question constitutes a concentration within the meaning of Article 6(1) (b) of the Law, since Broadband will be a joint venture, controlled by Yahsat and Hughes, fulfilling on a lasting basis all the functions of an autonomous economic entity.

Furthermore, based on the information contained in the notification, the Commission found that the criteria set by section 3(2)(a) of the Law were satisfied and therefore the notified transaction was of major importance under the Law.

The Commission, for the purposes of evaluating this concentration, defined the relevant product/service market as: the provision of “two-way” fixed satellite communication services for commercial purposes (Comsatcom) which are provided to military, commercial and other clients through non-reserved frequencies. For the

purposes of the present case, the geographic market was defined as that of the Republic of Cyprus for the relevant product/service market.

Considering the above, the Commission concludes that there is no affected market based on Annex I of the Law. This concentration does not lead to any horizontal or vertical overlap relationship between the activities of Broadband as the joint venture entity and its parent companies, YahSat and Hughes, in the geographic market of Cyprus. There are also no other markets which the notified concentration may have significant impact.

According with the undertaking concerned, this concentration does not lead to any horizontal overlap, vertical integration or combination thereof in Cyprus and hence, the concentration will not affect the Cypriot market and its competitive environment.

The Commission, on the basis of the factual and legal circumstances, unanimously decided that this concentration does not create or strengthen a dominant position as there is no affected market and therefore the concentration does not raise serious doubts as to its compatibility with the operation of competition in the market.

Therefore, the Commission, acting in accordance with section 22 of the Law, unanimously decided not to oppose the notified concentration and declare it as being compatible with the operation of competition in the market.

Loukia Christodoulou

Chairperson of the Commission for the Protection of Competition