



KALAAM TELECOM BAHRAIN B.S.C (c)

A decision issued by the Telecommunications Regulatory Authority under the
Telecommunications Merger and Acquisition Regulation No. 3 of 2004

Decision No. 4 of 2021

15 April 2021
LAD/0221/042

I. Background

1.1 On 8 February 2021 the Telecommunications Regulatory Authority (the “Authority”) received notification of a proposed transaction from Kalaam Telecom Bahrain B.S.C (c), a duly company established under the laws of the Kingdom of Bahrain bearing commercial registration number 56219- 1 (“Kalaam”), pursuant to Article 2 of the Telecommunications Mergers and Acquisitions Regulation (the “Regulation”).

1.2 The proposed transaction involves the acquisition by Kalaam of 100% of the shares in Zajil International Telecom Co. (KSCC) and its subsidiary (Zajil Information Technologies International W.L.L (CR number 63716-1) which carries its activities in the Kingdom of Bahrain (“Zajil”).

1.3 Zajil is currently owned by the following shareholders:

Shareholder	Percentage of Share
Zajil International Telecom Co. (KSCC)	90%
Mr. Khalifa I.A Al-Soulah	10%

1.4 Kalaam and Zajil are engaged in telecommunications activities.

1.5 Under the proposed transaction, Kalaam will acquire 100% of the shares of in Zajil International Telecom Co. (KSCC) which will result in the acquisition Zajil.

1.6 The parties involved in the proposed transaction hold the following telecommunications licenses:

- **Kalaam:**
 - Individual License for National Fixed Services
 - Individual License for International Telecommunication Services
 - Individual License for International Telecommunications Facilities
 - Class License for Internet Services
 - Class License for Value Added Services
- **Zajil:**
 - Individual License for International Telecommunication Services
 - Class License for Internet Services
 - Class License for Value Added Services

II. Bahrain Telecommunications Industry

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

III. The Transaction

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

IV. Competitive Assessment

4.1 Kalaam and Zajil, as at the date of the notification, operate in one common telecommunications market which is the domestic leased line market. The Authority has considered the combined market share of Kalaam and Zajil in this market. The Authority has computed the market share of the leased line on the basis of (i) number of domestic leased lines; and (ii) revenues of leased lines.

The resultant combined market share analysis together with due consideration of the level of competition in this market does not lead the Authority to conclude that the proposed transaction raises serious doubts as to its compatibility with Article 4.1 and 4.2 of the Regulation.

4.2 On the basis of:

- a) The information made available by the parties to the Authority;
- b) The Authority inviting comments with respect to the transaction in the prior notification on the transaction published on 22 February 2021; and
- c) No comments received from third parties,

and after examination of the notification, the Authority does not believe that the qualifying transaction has or likely to have an effect of substantially lessening competition in the telecommunications industry in the Kingdom of Bahrain.

V. Conclusion

5.1 The Authority has determined that pursuant to Article 3.2(b) of the Regulation that the proposed transaction does not raise serious doubts as to compatibility with the Regulation.

5.2 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

15 April 2021